ANNUAL REPORT

2019/20

Apollo HOSPITALS

TOUCHING LIVES

93.75

# Apollo 24/7

CONTENTS



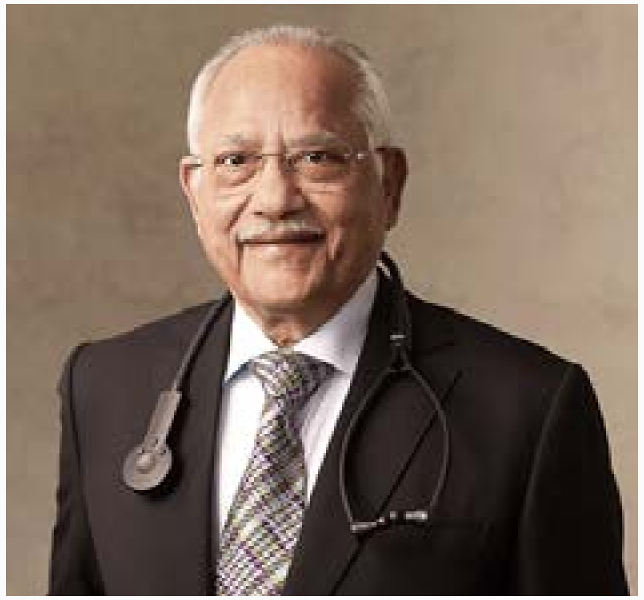
* Business Responsibility Report is a separate enclosure and forms a part of this Annual Report.

*Note:* Patient names have been withheld from all case studies and patient testimonials in this report in order to protect patient privacy.

*A person's DNA, which is pivotal to human growth, contains the instructions for that particular individual's development. DNA stores vast amounts of biological data in its four-letter code, and is an extremely efficient and robust storage device. At Apollo Hospitals, our unique 4-character, **24/7**, is our unique DNA and remains staunchly fundamental to how we view the health and wellbeing of our patients; for the hundreds of decisions we have to make about treatment protocols we will adopt, technology we will invest in, the standards of healthcare we will embrace and the growth strategy we will adopt to cater to the needs of different patient populations and their associated care journeys.*

Since establishment 36 years ago, it has been our mission to make India self-reliant in healthcare; to make superior care of international standards available to the common man. **Apollo 24/7**, the Group's transition to omnichannel, which is always switched on, is for every Indian. Today Apollo's expertise is within reach for everyone in a more user-friendly way from the mobile phone, anywhere and at any time. During these challenging times Apollo has led from the front and created the most responsive consumer healthcare offering, an endeavour that resonates with the Prime Minister's call to make India self-reliant - 'Atmanirbhar Bano'. Using our network of 71 hospitals, 200+ clinics, 11000+ best doctors, you can get an Apollo Doctor Consultation in 15 minutes... **expertise meets efficiency**. Apollo Pharmacy, India's largest pharmacy network serves 600 cities and towns; **Apollo 24/7** pushes this further; now all of India can get the safest and widest range of medicines delivered to their doorstep in 2 hours... **expertise meets convenience**. Apollo leads with the best technology merged with medical science and its signature patient first approach; once again reinventing how healthcare is delivered in India. **This is our DNA**. This is your Apollo.

# MESSAGE FROM THE CHAIRMAN



Dear Members,

The second decade of the twenty-first century will be the decade of Non- Communicable diseases (NCDs). The World Economic Forum and the United Nations have both warned that the world will face a huge NCD crisis in the next ten years in the form of diabetes, heart disease, strokes, cancer, respiratory disorders, infectious diseases and obesity. It is estimated that by the end of this decade, 80% of deaths worldwide will be from NCDs, which will amount to a staggering global cost of USD 30 Trillion, with India's share of that cost being USD 4.8 Trillion. It is a huge threat that no family, corporate or nation can sustain. It has been always our endeavour to work with Governments, corporates and communities in general, to reduce this burden, especially for younger people in the age group of 30-60, who are precious to their employers, their families, and above all to the nation.

In pursuit of the well-being of people at large, we have devised specific programs for diabetes management, detection of risk factors and corrective treatment for heart disease, strokes and cancer. It is important to remember that cancer, if detected early, can be easily controlled through surgery, including robotic surgery. For more advanced cases, we also have state-of-the-art Photon therapy, through Novalis, Tomo and Halcyon machines, and Proton therapy. Our Proton Centre in Chennai, is the first-of-its kind in South East Asia and people from all over the world come here for treatment. Today, we are not only the No. 1 provider of cardiac services, we are marching towards making India the best cancer care center in the world.

As a definitive step towards combating NCDs, and to encourage early-detection and prevention, we have completed over 22 million Preventive Health Checks so far. We have now created a new program Apollo ProHealth, powered by Artificial Intelligence, which will help Predict, Prevent and Overcome NCDs. The program includes personalised healthcare under the supervision of health mentors.

The second decade of the twenty-first century will also see the advent of Artificial Intelligence, Automation, Robotics and 3-D printing in Healthcare. We have already adopted all of these to make a significant impact in the way we manage our patients and their medical conditions, with precision. I am happy to share that the Apollo Hospitals network is performing the highest number of robot-assisted surgeries in the country; we have also started using robots for cardiac procedures now.

Suddenly and unexpectedly, in the month of March 2020, another major health crisis erupted for the world with the COVID-19 pandemic. We launched Project Kavach, an integrated and holistic plan for the fight against COVID-19. Kavach includes modalities for screening, testing, assessment, isolation, treatment, monitoring and follow-up. We have designated close to 2,000 beds across our hospitals for COVID-19. We have been working with the Governments of 16 states where our hospitals are located. We have set up fever clinics in 30 locations. So far, we have made a positive difference to the lives of over 30,000 patients and we will continue to extend care.

During this time, we also launched our digital healthcare app **Apollo 24/7** - agile and digitally connected to the consumer, and we have been humbled by the response - 3.7 million registered users, ~3,200 doctors live on the platform, over 125,000 digital consults till date and over 12.7 million COVID-19 risk scans completed.

While managing COVID-19 as well as other ailments, we have created an iron curtain, in all our hospitals, between COVID-19 patients and non-COVID-19 patients so that the safety of the hospitals for the non-COVID-19 patients is not compromised. We have also fully separated the staff - doctors, nurses, housekeeping staff and others - and are housing them separately. This has helped us to make our facilities completely safe for the treatment of normal medical and surgical procedures as they arise.

Against the backdrop of COVID-19, it has now become abundantly clear that controlling NCDs, especially conditions like hypertension and diabetes is critical for building immunity to protect oneself from infections that can become life threatening.

The prevailing social stigma around COVID-19, coupled with the fear of contracting infections may have made patients rather lax about their health, lifestyle, regular medications and follow-up for their ailments. There is an urgent need to bring in a behavioural shift and ensure that people do not ignore conditions and illnesses, which may become life-threatening if left unattended.

With 71 hospitals with a total of 10261 beds; 3766 pharmacies, and 956 retail touchpoints, and emerging formats of care such as digital healthcare and home healthcare, across the length and breadth of India, I can confidently say no other hospital in the world has the gamut of health services we offer. Our Centres of Excellence continue to differentiate themselves through clinical excellence, high standards of quality, and skilled, experienced doctors. Our COE focus enables us to maintain a leadership position in treatment protocols and outcomes. Our focus on Telemedicine has deepened, facilitating our reach into non-urban geographies to provide access to primary, secondary and tertiary care.

Returns are measured not merely in financial terms alone; we've done so much work beyond just the numbers. But numbers are important for shareholders and I am very pleased to share with you our consolidated FY20 results. Our YOY growth in Revenue is 17% at ₹ 112,468 mio in Healthcare Services which contributes 53% to our Topline, and Standalone Pharmacies contribute 41%. Overall, the EBITDA (Pre Ind AS 116) stood at ₹ 12,880 mio, a YOY growth of 21%. I am delighted to announce a final dividend of ₹ 2.75 per share.

The ultimate goal of innovation in healthcare has always been to find a model which fosters complete convergence and benefits for all stakeholders - investors, consumers, clinicians, employees, governments and society. Ours is a purpose-led model that achieves this balance, and proves that a profitable business can have significant socio-economic impact.

The entire Apollo Family has risen to the challenge of caring for COVID and non-COVID patients. I would at this time, like to acknowledge the efforts of our doctors, nurses and support staff who have shown fierce determination and dedication in performing their duties. This gives me the confidence that we can overcome any challenge that may come our way and enable us to serve the interests of all our stakeholders.

I would also like to thank the Board members for their trust and unfailing support in our journey. I sincerely look forward to that in the coming year as well.

Work of the magnitude that we have done this year was possible only because of the faith and trust, you, the shareholders have reposed in us; helping us move beyond conventional boundaries. I thank you for your support.

We stand on the frontline to assist our country during these difficult times and will continue to partner with Governments - both central and state, as we pursue the dream of building a self-reliant India in the healthcare space.

Let me remind you once again that your body is Priceless and should be preserved with care.

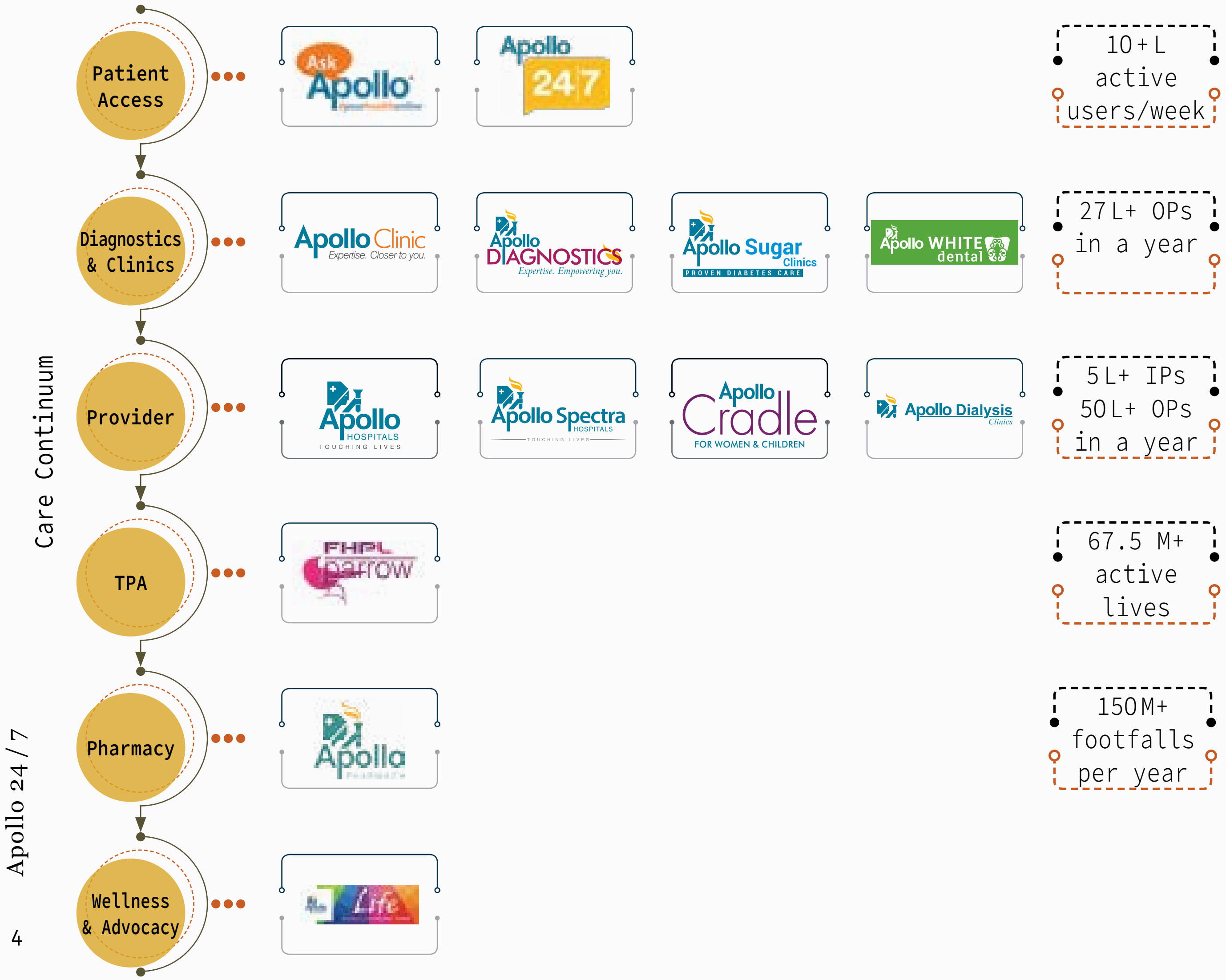
My warm personal regards to all of you,

Stay safe. Stay Healthy.

**Dr. Prathap C. Reddy**
Executive Chairman, Apollo Hospitals Group

# ABOUT US

The largest private healthcare services provider in India, our geographic footprint now includes 71 hospitals across 55 specialties. The first Apollo Hospital was established in Chennai in 1983, giving us an experience of 36 years in patient care. Our offerings span the entire value chain of healthcare services and are delivered through different entities with their own specialist experience. Together they form an integrated healthcare ecosystem.




## Our Mission

*To bring healthcare of international standards within the reach of every individual. We are committed to the achievement and maintenance of excellence in education, research, and healthcare for the benefit of humanity.*

## Advantage Apollo

Apollo Hospitals has played a significant role in advancing quality patient care to the general populace in India. The impact is vivid in many areas. This impact is invaluable in creating a solid foundation for the emergence of a powerful healthcare ecosystem with potential to deliver a personalized and integrated experience to consumers, enhance provider productivity, and improve outcomes and affordability.

Our vision is in offering top end care to our patients. Our Hospitals offer multiple specialties under one roof with great infrastructure (both physical infrastructure and technology), influencing the best possible outcomes for patients. We have endeavoured consistently to be a trend-setter when it comes to the adoption of high-end medical technologies, equipment and clinical standards. For example, we have been an early adopter of Telemedicine, a major technology innovation which has helped us break geographic boundaries for improving patient access to care. We use the latest diagnostic technologies and genetic markers for the 'Apollo Health Checks' which supports our approach to disease management. 'Apollo Personalized Health Checks,' as well as age and gender specific plans which people can schedule online, are evidence of our resolve to promote health and wellbeing as a whole.

# BUSINESS OVERVIEW

## Healthcare Services

~53%* of Consolidated Revenues

Largest hospital network in India

| | Owned | | Day Surgery/ CRADLE | | Managed | | Total |
|---|---|---|---|---|---|---|---|
| Beds | 8822 | + | 530 | + | 909 | = | 10261 Beds |
| Hospitals | 45 | + | 21 | + | 5 | = | 71 Hospitals |

(Tertiary, Super Specialty & Secondary Care)

| Employed + "Fee for service" Doctors | Nurses | Paramedics |
|---|---|---|
| 11000+ | 13000+ | 5000+ |

## Standalone Pharmacies

~41%* of Consolidated Revenues

Largest pharmacy chain in India

3766 outlets across 21 states & 4 union territories

## Other Businesses

~6%* of Consolidated Revenues

Leading retail healthcare network in India

| | |
|---|---|
| Primary Clinics | 148 |
| Sugar Clinics | 25 |
| Dental Clinics | 64 |
| Birthing Centres-"CRADLE" | 12 |
| Spectra Facilities | 15 |
| Diagnostic Centres | 650 |
| Dialysis Centres | 42 |

* Including proforma for Kolkata (50% holding), Delhi (22% holding) and Medics Lucknow (50%) whose Revenues are not consolidated under Ind AS due to joint control.

## FY20 at Apollo Hospitals*

| | |
|---|---|
| Admissions | 470,000+ |
| Out-Patients | 4,300,000+ |
| Preventive Health Checks | 450,000+ |
| Heart Surgeries | 10,000+ |
| Neuro Surgical Discharges | 35,000+ |
| Robotic Surgeries | 1,000+ |
| Liver Transplants | 260 |
| Kidney Transplants | 1,100 |
| Bone Marrow Transplants | 250+ |
| Radiotherapy Fractions | 180,000+ |
| Chemotherapy Cycles | 70,000+ |
| Joint Replacements | 6,500+ |
| Countries Medical Value Travel | 120 |

* Data for owned hospitals only. Does not include managed hospitals.

# FINANCIAL SNAPSHOT

## Standalone Financial Performance

| Rupees million, except for share data | FY 2020 | FY 2019 |
|---|---|---|
| Revenue from operations | 97,944 | 83,367 |
| Operating EBITDA - Pre Ind AS 116* (Earnings before Interest, Tax & Depreciation) | 11,894 | 10,181 |
| Operating EBITDA - Post Ind AS 116* | 14,152 | N.A |
| Operating EBIT (Earnings before Interest & Tax) | 9,330 | 7,182 |
| Profit Before Tax (PBT) | 6,824 | 4,625 |
| Profit After Tax (PAT) | 4,703 | 3,028 |
| Earnings per share (EPS) (₹) | 33.80 | 21.76 |

Revenue growth
**17%**

EBITDA growth (Pre Ind AS 116)
**17%**

PBT includes:

a) effect of higher depreciation and interest from new hospitals

b) Ind-AS 116, effective 1st April 2019 has recognized interest expense on lease liabilities and depreciation on right-of-use asset. Incremental impact in FY20 PBT due to Ind AS 116 is ₹550 mio

c) Exceptional income of ₹1,644 mio. (Gain from sale of stake in Apollo Munich Health Insurance netted off by impairment of investment in Apollo Lavasa)

## Standalone Financial Position

| Rupees million | FY 2020 | FY 2019 |
|---|---|---|
| **Application of Funds** | 101,442 | 84,285 |
| Fixed Assets | 61,875 | 46,939 |
| Goodwill | 948 | 948 |
| Non-Current Investments | 10,488 | 10,727 |
| Net Current Assets & Long term Advances | 28,132 | 25,671 |
| **Sources of Funds** | 101,442 | 84,285 |
| Shareholders Fund | 39,883 | 38,834 |
| Loan Funds & Long term Provisions/ Liabilities | 58,646 | 42,347 |
| Deferred Tax Liability | 2,913 | 3,104 |

## Consolidated Financial Performance

| Rupees million, except for share data | FY 2020 | FY 2019 |
|---|---|---|
| Revenue from operations | 112,468 | 96,174 |
| Operating EBITDA - Pre Ind AS 116* (Earnings before Interest, Tax & Depreciation) | 12,880 | 10,637 |
| Operating EBITDA - Post Ind AS 116* | 15,873 | N.A |
| Operating EBIT (Earnings before Interest & Tax) | 9,676 | 6,681 |
| Profit Before Tax (PBT) | 6,570 | 3,735 |
| Profit After Tax (PAT) | 4,549 | 2,360 |
| Earnings per share (EPS) (₹) | 32.70 | 16.97 |

Revenue growth
**17%**

EBITDA growth (Pre Ind AS 116)
**21%**

PBT includes:

a) effect of higher depreciation and interest from new hospitals

b) Ind-AS 116, effective 1st April 2019 has recognized interest expense on lease liabilities and depreciation on right-of-use asset. Incremental impact in FY20 PBT due to Ind AS 116 is ₹ 716 mio

c) Exceptional income of ₹ 1,644 mio. (Gain from sale of stake in Apollo Munich Health Insurance netted off by impairment of investment in Apollo Lavasa)

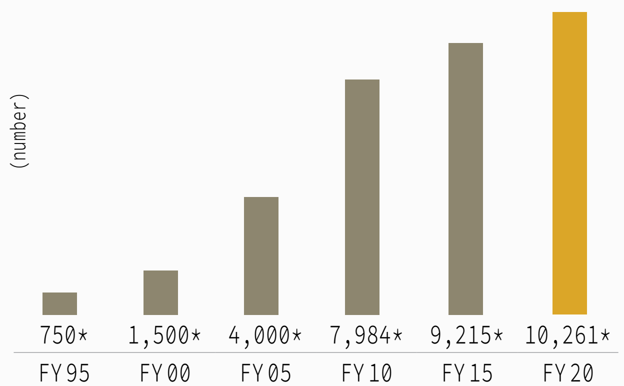
## Consolidated Financial Position

| Rupees million | FY 2020 | FY 2019 |
|---|---|---|
| **Application of Funds** | 113,384 | 91,831 |
| Fixed Assets | 73,215 | 54,572 |
| Goodwill | 3,462 | 3,462 |
| Non-Current Investments | 3,592 | 3,929 |
| Net Current Assets & Long term Advances* | 33,114 | 29,868 |
| **Sources of Funds** | 113,384 | 91,831 |
| Shareholders Fund | 33,390 | 33,335 |
| Minority Interest | 1,307 | 1,355 |
| Loan Funds & Long term Provisions/ Liabilities | 75,745 | 53,992 |
| Deferred Tax Liability | 2,942 | 3,149 |

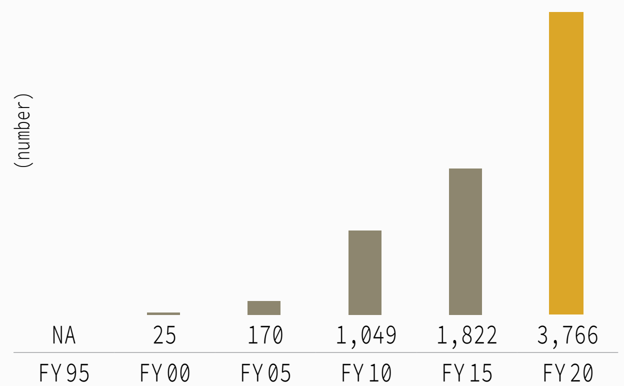
* includes cash and investment in liquid mutual funds of ₹ 4,737 million in FY20 and ₹ 3,550 million in FY19.

## Sustained Growth

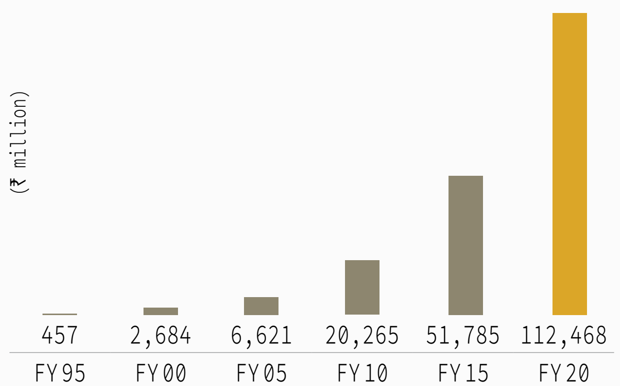
Bed Count CAGR 11%



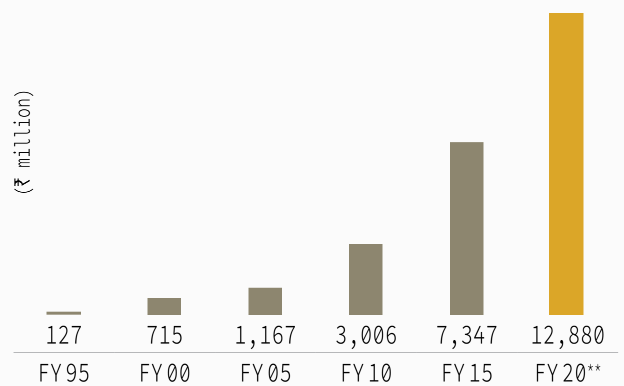

Standalone Pharmacy Count CAGR 28%



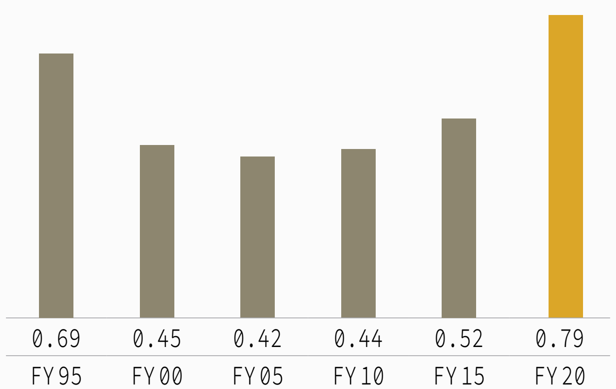

Revenue CAGR 25%




EBITDA CAGR 20%




Debt Equity Ratio

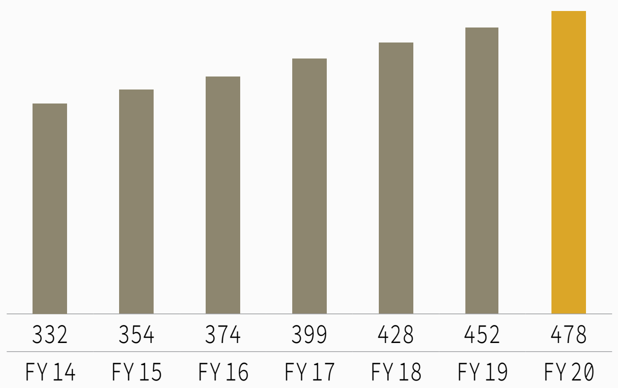



14 new hospitals with 2,850+ beds (including Proton Therapy Cancer Centre) added over the last 3 years with capital invested of ₹32,375 mio

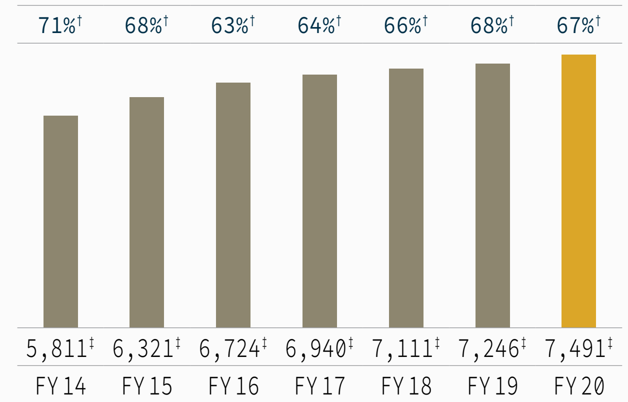
* Bed includes both owned & managed hospitals. ** Pre Ind AS 116 EBITDA (effective 1st April 2019).
Note: Figures from FY17 onwards been presented on the basis of Ind AS.

## Strong Operational Performance

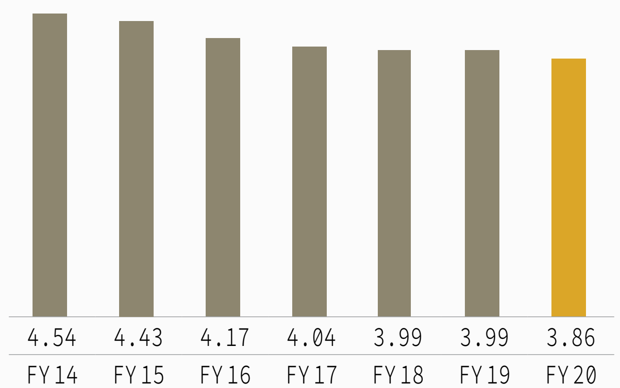
Discharges (in '000s) CAGR 6%



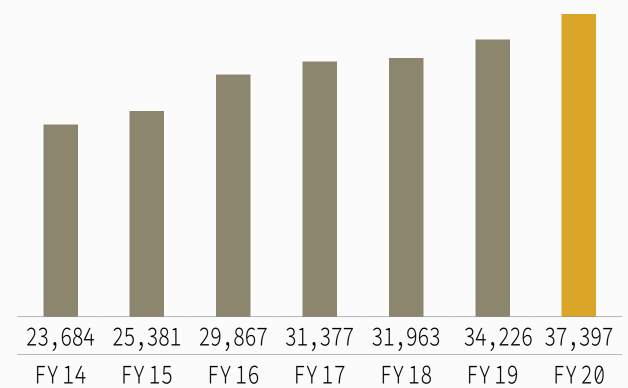

Occupancy



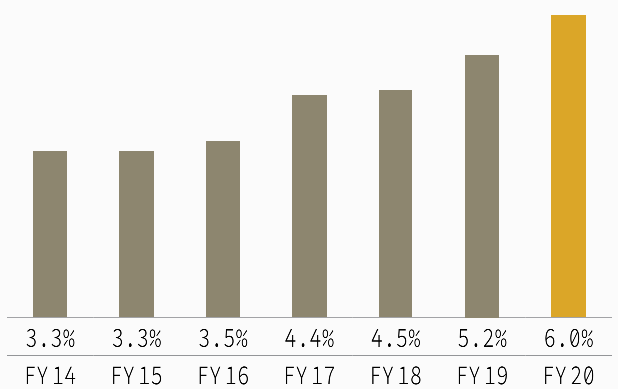

ALOS (Days)



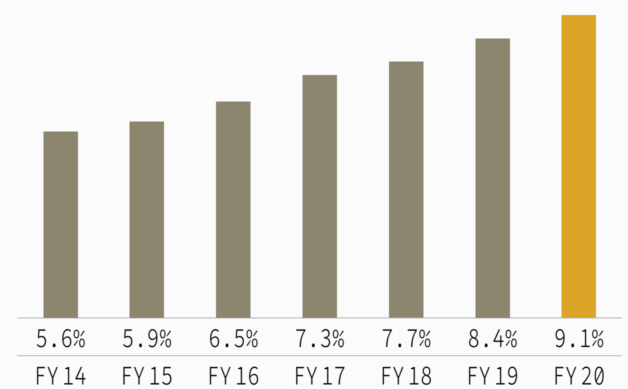

ARPOB (₹ per day) CAGR 8%




SAP EBITDA Margins




Mature Stores (Pre FY08) EBITDA Margins

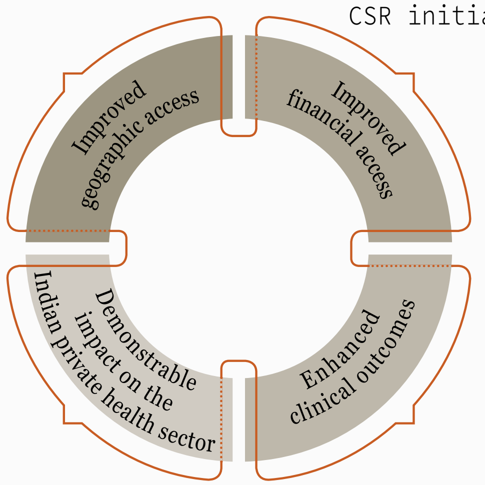



ALOS - Average Length of Stay; ARPOB - Average Revenue per Occupied Bed. Note: Figures from FY17 onwards have been presented on the basis of Ind AS. † Occupancy rate. ‡ Operating beds.

# THE APOLLO IMPACT

Apollo Hospitals has deep and sustained experience in all areas of diagnostics, treatment, and world-class clinical excellence. The Group has consistently endeavoured to offer India's populace, clinical care of international standards, often surpassing benchmarks of leading hospitals globally. An assessment carried out by a leading development finance institution, as part of their Environmental, Social & Governance (ESG) assessment, among other things, outlines Apollo's indelible impact on India's health sector, visible in four distinct ways.

- Has consistently improved overall availability of private health care services in India, and promoted better access to care in semi-urban and rural geographies
- Has provided equitable access to health services through price differentiation / cross-subsidization, telemedicine, and CSR initiatives




- Has led the way in influencing health care sector policies
- Been on the front line in introducing modern business standards into the Indian health care sector
- Steadily provided an attractive destination for medical talent in India and from overseas
- Helped India become the destination of choice for medical tourists
- Has continuously raised the bar on clinical standards by being one of the first in India to obtain international JCI accreditation
- Has ensured that many of the quality and outcome indicators are either at par or better than international benchmarks

## Improved access to care

Improving access to care is one of the official goals of Apollo. Since it opened its doors in Chennai in 1983, Apollo's mission statement has been "to bring healthcare of international standards within the reach of every individual". Facilitating access to care means helping people to command appropriate health care resources in order to preserve or improve their health.

### Improved geographic access

There are five main ways in which Apollo has aimed to increase geographic access to health care for Indian citizens:

First, Apollo clearly contributed to increasing the overall availability of care. At the time Apollo was established, the supply of health care services was far below (potential) demand (in 1980, the number of available hospital beds in India was only 0.77 bed per 1000 people), so that any additional supply was truly 'additional' as opposed to 'crowding out' existing supply.

Second, starting from its inception in 1983, Apollo has been bringing certain world-class medical treatments to India for which people previously had to go abroad. Many specialized health care treatments based on high international standards were simply not available prior to Apollo's entry into the market. Upper-class Indians who could afford it, therefore traveled abroad for such services. Those who could not, were not be able to access such services at all. By bringing world-class technology and expertise to India, Apollo dramatically improved access and availability of such services.

Third, from the 1990s, Apollo gradually expanded from Tier 1 cities into Tier 2 and even Tier 3 cities, to cater to the increasing demand of a growing population with a desire to be treated locally. The 'hub-and-spoke model' which Apollo introduced, offered certain specialized services like oncology in the 'hub hospital' which could be accessed by the remote 'spokes'. Through a combination of owned hospitals, managed hospitals and network healthcare centres, Apollo has been driving increased coverage and penetration across the key districts in India.

Fourth, from the 2000s, Apollo introduced the Clinics model to move care "closer to the home" in larger cities providing those living away from multi-specialty hospitals easier access to specialist doctors, primary care diagnostics services, treatment facilities (treatment room, physiotherapy, dentistry) and preventive health care (health checks and vaccinations).

Fifth, in more recent years, Apollo has further expanded into lesser populated regions via public-private partnerships (PPPs). Within a PPP, Apollo works with existing public hospitals by managing them. This is also sometimes combined with other CSR activities such as local production of uniforms, free surgeries, or free stabilizations of emergency cases. Through its PPP health care programs in remote areas, Apollo is currently providing health coverage to over 4 million patients. An estimated 1.5 million patients have benefitted from telemedicine alone in these areas.

Apollo has also made other efforts on its own to reach more remote regions through telemedicine. The Apollo doctor communicates with the local team and they exchange information, e.g. medical images or vital health statistics. Via telemedicine, minor procedures can be carried out and emergency cases can be stabilized, so that such patients can be moved physically by ambulance to a larger centre if needed.

## Improved financial access

There are four ways in which Apollo has improved financial access to care.

The first is through reduction in travel costs via enhanced geographic access. Patients no longer need to travel long distances to access care, nor do they need to put their livelihoods on hold for extended periods of time.

Apollo offers everything from a presidential suite to a multi-bed ward. Price differentiation has been possible via cross-subsidies. Certain services are offered at lower cost to low-income patients who are not charged for fixed costs, and only for 40-50% of the variable costs, even though this means that there are no margins in these services.

Apollo has improved financial access through innovations like change in surgical modalities to lower healthcare costs for all patients. The cost of some of the surgeries (e.g., heart surgery) is less than 10% of international costs. One way in which Apollo has reduced these costs is by treating some surgeries as day-care services, which becomes possible as a growing share of treatments is now non-invasive. This also allows some of these treatments to be moved into day-care service centres, which are less expensive to operate.

Another way in which Apollo has catered to low-income patients is via CSR initiatives and foundations that fund subsidized diagnostics and treatments to those who otherwise cannot afford them.

Examples include the following:

- Save a Child's Heart Initiative (SACHi)
- Society to Aid the Hearing Impaired (SAHI)
- The CURE Foundation

## Enhanced clinical outcomes

One of the key ways through which Apollo achieves improved health outcomes is via major improvements in its quality of care. Apollo has by far the best specialists, technologies and medical equipment in India and is thereby able to offer highly specialized world-class diagnostics and treatments.

The monitoring and evaluation of quality care indicators are founded on three key sources: (1) data collected by the department; (2) patient feedback; and (3) feedback from internal customers, teams of doctors and nurses. Data collection is accomplished daily through medical records (e.g., on infection control) and incident reports.

Although it is not mandatory for Apollo's hospitals to obtain JCI accreditation, 8 Apollo hospitals have thus far obtained it. Another 30 Apollo hospitals have NABH certification, which is the national standard, very similar to the JCI but requiring fewer indicators to be met.

### Impact on the private healthcare sector

Apollo has had a major impact on the regional and even national health sector, by influencing health care sector policies and through significant demonstration effects. Apollo has positively contributed to health sector employment by increasing both the quantity and quality of qualified medical staff in India comprising all health workers in India, namely, doctors, nurses, and ancillary health workers.

As per the report, the demand for healthcare in India has been precipitated by growing awareness about health and wellbeing, and this can be contributed to three main factors:

With the rapid growth of the Indian economy over the past decade, the Indian middle class's ability and willingness to pay for wellbeing and private treatments has grown rapidly as well.

The general increase in the incidence of non-communicable diseases (e.g., most heart diseases, most cancers, diabetes) in the Indian population, due to the general increase in life expectancy, urbanization, and better ability to treat communicable diseases.

Technological progress has contributed to significant improvement in the quality of care.

# FUTURE READY

### Future Healthcare Ecosystem

Several years ago, the healthcare ecosystem consisted merely of the patient, the doctor, and the provider. If medical attention was required, or even hospital stay, the doctor was incharge of coordinating the care and would consult with specialists as needed.

Today, healthcare is getting closer to home and away from the hospital. It is more centered on the consumer. The ecosystem has expanded to include countless care providers – primary and specialty physicians, nurses, other clinical staff, as well as different hospitals, clinics, and labs. It also includes healthcare organizations like insurance companies which act as payors, and pharmacies that dispense and manage medications. In fact, the landscape now includes medical device companies and distributors whose products and services are used to prevent diagnose, treat, and cure disease; and health information and technology providers who manage the all-important patient records and data.

In the near future, the healthcare ecosystem will likely be defined by the needs of different patient populations and their associated care journeys. The consumer-oriented nature of this ecosystem will increase the number of healthcare touchpoints, with the goal of modifying patient lifestyle and improving outcomes.

On one end of the spectrum, the ecosystem will address the needs of healthy patients, who have less consistent medical challenges but want to pursue personal wellness goals. These patients will likely experience a more digital ecosystem, where patient data and insights are consumed in a highly personalized and meaningful way, such as with wearable devices. Only a small percentage of the touchpoints will be in modalities of traditional care.

At the other end of the spectrum, the healthcare ecosystem will address the needs of patients who have multiple complex chronic conditions. Technology components of this ecosystem will often be leveraged to enhance the in-person experience.

Although patient segments help organize how we think about care journeys and the ecosystem required to support them, the services provided along these journeys will be tailored to the specific needs of each patient.

The digital ecosystem consists of three layers:

1

The infrastructure layer is foundational, composed of effective data capture, curation, management, storage, and interoperability to create a common data set upon which the ecosystem can operate.

2

Next comes the intelligence layer, which converts data elements to consumable and actionable insights.

3

Finally, a robust engagement layer brings an ecosystem to life enabled by the infrastructure and intelligence layers, to effectively curate an end-to-end experience for patients.

**1. Data liquidity**, the ability to access, ingest, and deploy standardized data sets allows stakeholders to operate off the same data sets with increased coordination. They can access a complete longitudinal patient record consisting of patient, and provider-generated data, health, wellness, financial, and social data. Data liquidity will likely enable more coordinated care and accelerate innovation.

**2. Advanced analytics**, including machine learning, artificial intelligence, and big data analytics–is critical for gaining actionable insights to guide stakeholders across ecosystems. It will lead to more robust patient risk identification, clinical pathway development, and personalized and precision medicine. Advanced analytics allows stakeholders to use personalized and predictive insights to more effectively manage population health.

**3. The engagement layer** requires a shared digital platform where end-users can access through one principal channel, the curated set of services and offerings. In healthcare, these engagement offerings include appointment scheduling, transportation assistance, daily health-monitoring, and financial assistance. In this layer, data liquidity and infrastructure will support advanced digital therapeutics and coordinated care across traditional and innovative care models that rely on up-to-date and comprehensive patient information.

Apollo Hospitals is well placed to be a forerunner in the future healthcare ecosystem. The many services we already offer the patient, run the gamut from Personalized Health Checks to Precision Medicine, HomeCare, Remote Healthcare, and others. We have a strong brick and mortar network of 71 Hospitals, where we deliver on our promise of personalized care through unrelenting focus on clinical excellence, world-class outcomes and differentiated patient experience. With 956 neighborhood retail health centers and 3,766 standalone pharmacies, the three segments are capacitized for growth and are pivotal to our future journey.

We have harnessed the power of technology to launch a proprietary integrated digital platform which empowers patients as well as doctors. Using information utilities, real-time surveillance and augmented intelligence, we have gathered actionable insight on disease progression, using which we have demonstrated effective clinical and operational outcomes. These initiatives, some off the ground, and some, ‘work-in-progress’, provide a strong foundation for our journey into the future.

## Apollo Hospitals of the future

Catering to the empowered patient

Digitally networked Apollo

Embracing the changing future

## Catering to the empowered patient

The fulcrum of our journey is firmly embedded in our three segments of business.

## Apollo Hospitals' network today

**Hospitals**

**Mature**

- **31** Hospitals, including units in major tier 1 cities
- **5,966** capacity beds
- **5,489** operational beds

**New**

- **14** Hospitals, including units in major tier 1 and tier 2 cities
- **2,856** capacity beds
- **2,002** operational beds

## Moving closer to the consumer

## Retail Healthcare — Apollo Health and Lifestyle Limited

'Retail' in healthcare means creating opportunities for a clinical encounter in a space other than in the hospital. The philosophy of 'Retail Healthcare' is to meet the consumers' healthcare needs right where they are. The growing interest among a large section of the population in maintaining good health and being medically fit, supports a seamless healthcare delivery format which not only treats minor illnesses within a relaxed environment rather than in a hospital, but also offers options for prevention and wellness.

These changing consumer preferences combined with their demand for convenience and flexibility, and the increased use of technology have successfully influenced our transition to retail healthcare. These locally relevant spaces are primarily focused on vaccinations, patient education, health checks, diagnostics, specimen collection and reports, day surgeries and aftercare, injections and in-person and tele consultations. They include primary care clinics, specialized birthing centres, single specialty clinics, primary health centres, dialysis centres, and diagnostic chains, apart from dental and daycare formats.

**Apollo Clinic**

- Multi specialty clinics that extend Apollo's expertise to the neighbourhood
- **148** centres
- **1150** doctors

**Apollo Spectra**

- Expertise across specialties
- **15** planned surgery centres
- **2300** doctors
- **431** room beds
- **1700** surgeries/month

**Apollo Diagnostics**

- B2C focused pathology business; Hub-and-spoke model.
- **650** centres
- **145** doctors

**Apollo Sugar**

- Provides treatment solutions for Diabetes
- **25** clinics
- **54** doctors
- **31** dieticians

**Apollo Cradle**

- Women and children focused hospital
- **12** centres
- **921** doctors
- **205** room beds
- **95** NICU/PICU beds
- **530** deliveries/month
- **80** IVF cycles/month

**Apollo Dialysis**

- Dialysis services
- **42** centres
- **55** doctors
- **340** room beds
- **15700** sessions/month

**Apollo White Dental**

- Combination of stand-alone, in-hospital & in-clinic models.
- **64** clinics
- **220** doctors
- **121** chairs

## Standalone Pharmacies

The Indian Retail Pharmacy market has been registering healthy growth thanks to a rising demand for both acute and chronic pharmaceutical products. Although retail pharmacy is one of the most fragmented sub-segments in healthcare service delivery, Apollo Pharmacy is India's first and largest organized, branded pharmacy network. It has been a key market player in this segment for over two decades.

Apollo Pharmacy, with 3,766 outlets in key locations across India, is accredited with International Quality Certification. We offer genuine medicines round-the-clock through our 24-hour pharmacies. We have now enhanced our offerings extensively to include a wide variety of wellness products in addition to the traditional pharmaceutical products and built an effective supply chain with strong distribution channels. We also offer home delivery of medicines.

₹48,206 mn
FY20 Revenues
24% yoy growth

₹2,893 mn
FY20 EBITDA
42% yoy growth

6.0% (FY20)
EBITDA MARGINS
5.2% (FY19)

Note: Pre Ind AS 116 EBITDA (effective 1st April 2019)

**Apollo Pharmacy — FY20 Presence**

~400 cities/towns across 21 states & 4 union territoties

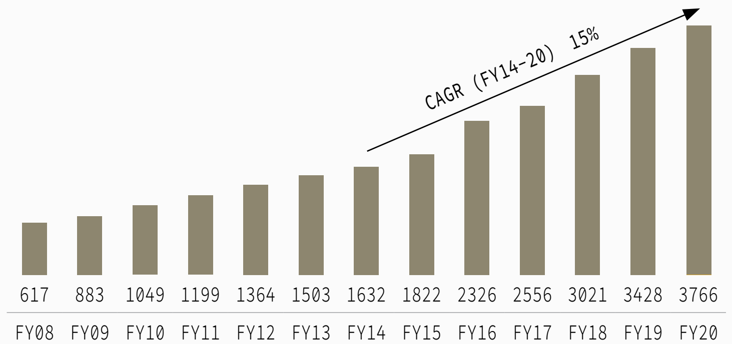
**Apollo Pharmacy — # of stores**

| FY20 | |
|---|---|
| Added | 426 |
| Closed | 88 |
| Total | 3,766 |

**Apollo Pharmacy — 365x24x7**

26,000 people serving ~450,000 customers a day

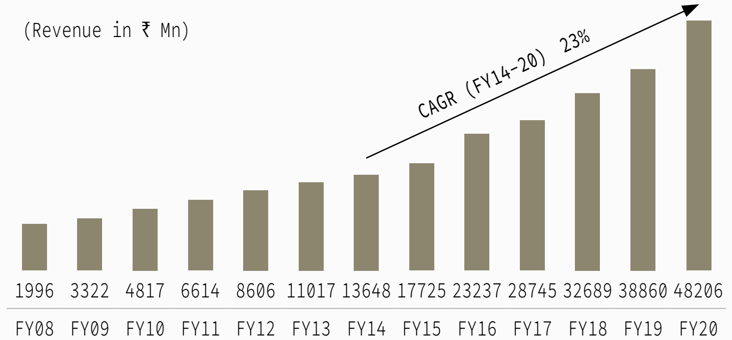
Proven ability to expand the store network




**Apollo Pharmacy — Product Mix**

Own brand private labels (FMCG & OTC drugs) constitute 8%+ of turnover

Well established track record of growth




**Apollo Pharmacy — ROCE**

FY20
24%
(best-in-class)

Changing consumer demographics have heralded new patient preferences for healthcare delivery. Patients place a lot of importance on accessibility while pursuing their health and wellness goals.

## Transforming through technology

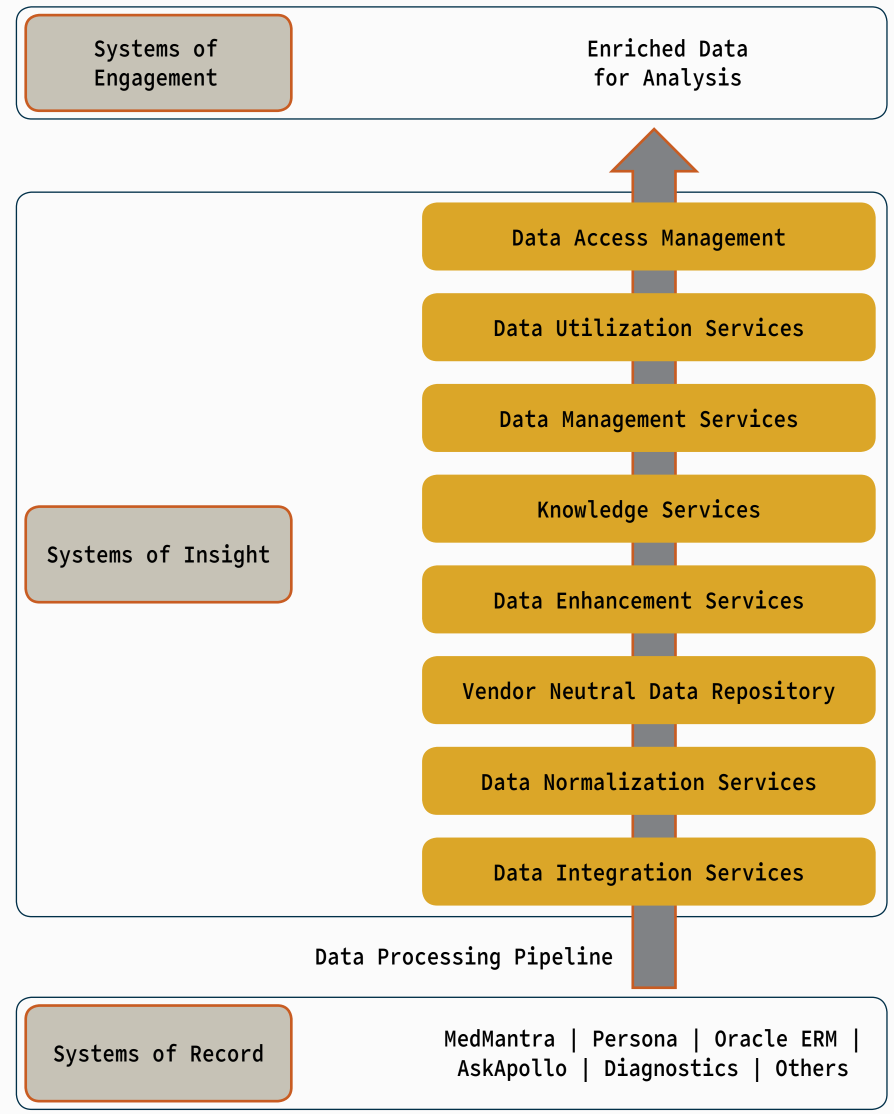
We are thus re-engineering the way we work on and with IT to create the future healthcare ecosystem. We embrace a collaborative culture as we believe that is the only sure path to success.

### Our hallmark

- Consolidating silos
- Standardization with uniqueness
- The promise of personalized care
- Enriched reporting
- Data harmonization
- Insight creation
- Superior quality of care
- Enhanced clinical outcomes
- Heightened patient experience

### Integrated Digital Platform – From Workbench to Decision Insights

- Make insights actionable "in the workflow" of the user
- Make insight available via a portfolio of APIs
- Visualize outcomes
- Drive real-time intervention



## Digitally networked Apollo

New and emerging technologies have transformed healthcare in recent years. IT services for healthcare has never been more vital in influencing patient outcomes. As medical facilities continue to modernize, the need for robust and responsive healthcare IT is only increasing.

### Digitizing the Core

Our IT backend services enable integrated care continuum for our patients, optimizing outpatient care including health checks. The approach focuses on the optimizing of admin and clinical processes, empowering care givers, eliminating manual processes and achieving fully paperless ward operations. Investigative analytics streamline data as per predefined KPIs (Operational/Clinical/Financial). The outcome is to enable an increased level of information, transparency, collaboration, personal choice and responsibility in the caregiving process. Crucially, it's about supporting patients' preferences in the management of their care and providing convenient options for where and when they can receive it.

### Working with Artificial Intelligence

**Collaboration with Microsoft India for launch of Preview–AI CVD Risk Score**

The AI-powered Cardiovascular Disease Risk Score API is an intelligent platform that can predict cardiovascular disease risk score in the Indian population. Over 200,000 people have been screened using the AI-driven API on Microsoft Azure across Apollo Hospitals over the last one year. The platform has been successful in allowing physicians to predict the risk score of patients, 5 to 7 years in advance. The national launch of the platform enables doctors across our network as well as doctors in other leading Indian hospitals to access and leverage this tool to predict risk of CVD in patients.

As part of the Microsoft's AI Network for Healthcare initiative, Microsoft India and Apollo Hospitals Group have set up a National Clinical Coordination Committee (NCCC) for Cardiovascular Disease Risk Score, with leading doctors from Apollo Hospitals; All India Institute of Medical Sciences, New Delhi; and King George's Medical University, Lucknow.

**Collaboration with Zebra Medical Vision to validate and deploy AI based screening tools across India**

Global Innovation and Technology Alliance (GITA), (on behalf of Department of Science and Technology, Government of India), and Israel Innovation Authority (IIA), (on behalf of the Government of Israel), have signed off a joint effort by HealthNet Global, (part of the Apollo Hospitals Group), and Zebra Medical Vision, Israel, to validate, co-develop and deploy medical imaging Artificial Intelligence (AI) across India in the area of Tuberculosis screening.

We will co-develop and provide clinical validation, and evidence to prove the efficacy of radiology AI based tools in India as per 14F norms. The project when completed will be able to function as a primary screening method for major diseases during large scale screenings.

Both companies will focus on development of an AI-based Chest X-ray interpretation tool for TB which will provide high quality, timely and cost-effective radiology access to remote locations and poor communities. The AI1 (All-in One) solution is one of the largest installations of AI in India and has the potential to help over 40 million people.

**Partnership with Maastricht University & Apollo – Microsoft Cardiac Global Data Consortium**

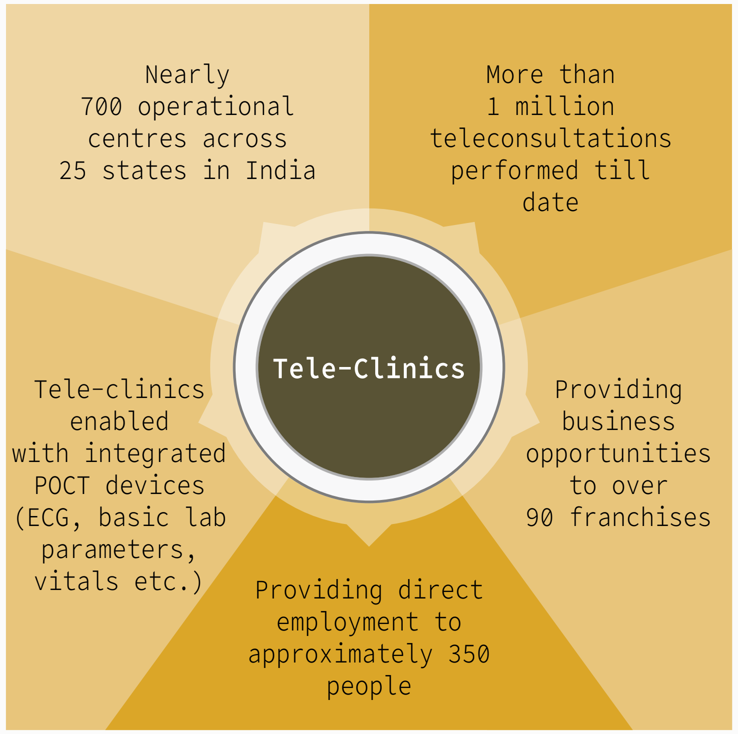
The Maastricht University has signed an agreement with the Apollo-Microsoft Cardiology Consortium to help expand the AI Network for Cardiology and Research, on cardiovascular diseases in the Netherlands.

### Apollo Telehealth Services

Apollo TeleHealth Services (ATHS), has a two-decade experience in Telemedicine Services with presence across 25 states in India. With close to 700 Teleclinics, we have the largest telemedicine network providing specialized solutions like Tele-consults, Tele-radiology, Tele-cardiology, Tele-condition management, e-ICU and others.

ATHS is enabling remotely located populations across the globe to access Apollo Hospitals' world renowned medical expertise through this state-of-the-art technology. With on-going advancement of technology and the enhanced use of connected medical devices the bar on services is being raised higher year on year.

### On-Going Projects




In several far reaching PPPs with the Government of India, Apollo Hospitals is making a difference in healthcare service delivery across remote areas in India. The initiatives span 134 Tele-radiology centres in Uttar Pradesh, 100 Digital Dispensary centres in Jharkhand, 115 Tele-ophthalmology units and 183 Electronic Urban Primary Health centres in Andhra Pradesh, 3 Tele-emergency service centres in Himachal Pradesh, and 120 Telemedicine centres in Uttar Pradesh.

### Partnership with De HEaRT, IIT Madras, Ahmedabad University, and Apollo Telemedicine Networking Foundation

The University of Pittsburgh has recognized Apollo TeleHealth for the implementation of a tele-clinic at Tuver village in association with De HEaRT, IIT Madras, Ahmedabad University, and Apollo Telemedicine Networking Foundation. Tuver, a underprivileged village in Gujarat, faces critical healthcare issues relating to the respiratory system and suffers very high mortality rates due to the scarcity of even basic resources.

This partnership works on the micro-grid project implementation to provide basic amenities including power to households, potable water, sanitation, hygiene and health education. A truly unique addition is the provision of affordable, accessible technology enabled 24/7 health care to anyone, anytime anywhere on this remote site.

Facilities will include primary, secondary and tertiary healthcare services, on-site pharmacy, laboratory services, and health literacy programs for these under-served people. The Apollo Tele Clinic in Tuver will also have an Apollo Tele Health and Wellness Centre to promote health literacy and disseminate knowledge on subjects related to wellness.

## Innovations by ATHS

### Launch of India's Comprehensive "Cardiac Command Centre"

The Cardiac Command Centre was launched with the aim of remote monitoring patients and reporting Tele ECG, Tele ECHO, Remote Cathlab, and CICU. The projected command centre is a one point remote cardiac care delivery centre which will be enabled across the Apollo Hospitals network for the integration of all digitally connected medical devices pertaining to cardiovascular care. Apart from the command centre, a dedicated communication line, i.e. a dedicated phone line and website, has been launched to help physicians, nursing homes, and clinics, join the remote cardiac care delivery network powered by Apollo Hospitals.

### A Solution Launch – Drones enabling Healthcare Delivery

Apollo Remote Healthcare has tied up with US-based Zipline to launch Drone Healthcare Delivery Solutions. The unit will explore and leverage drone technology to deliver emergency aid and organs for transplantation.

## Embracing the changing future

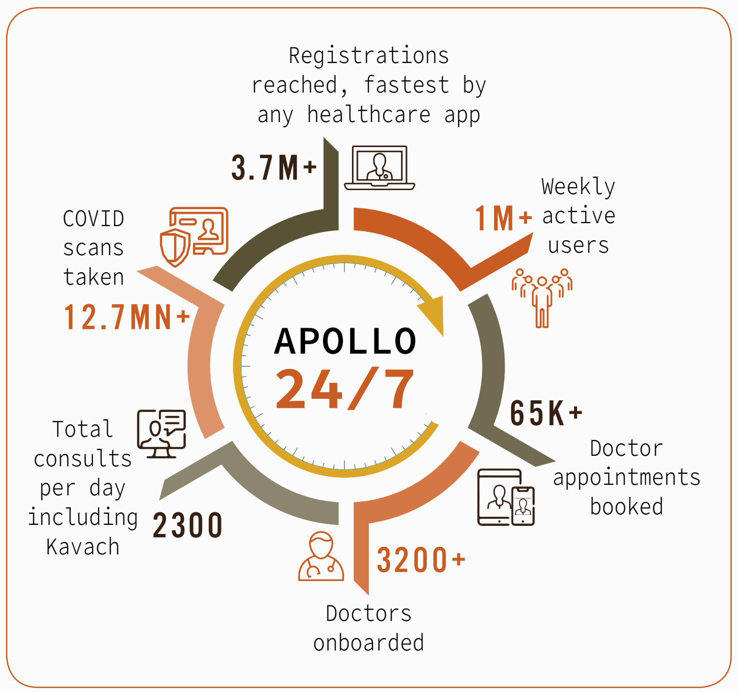
## Reinventing the health system of tomorrow, today

## Apollo 24/7

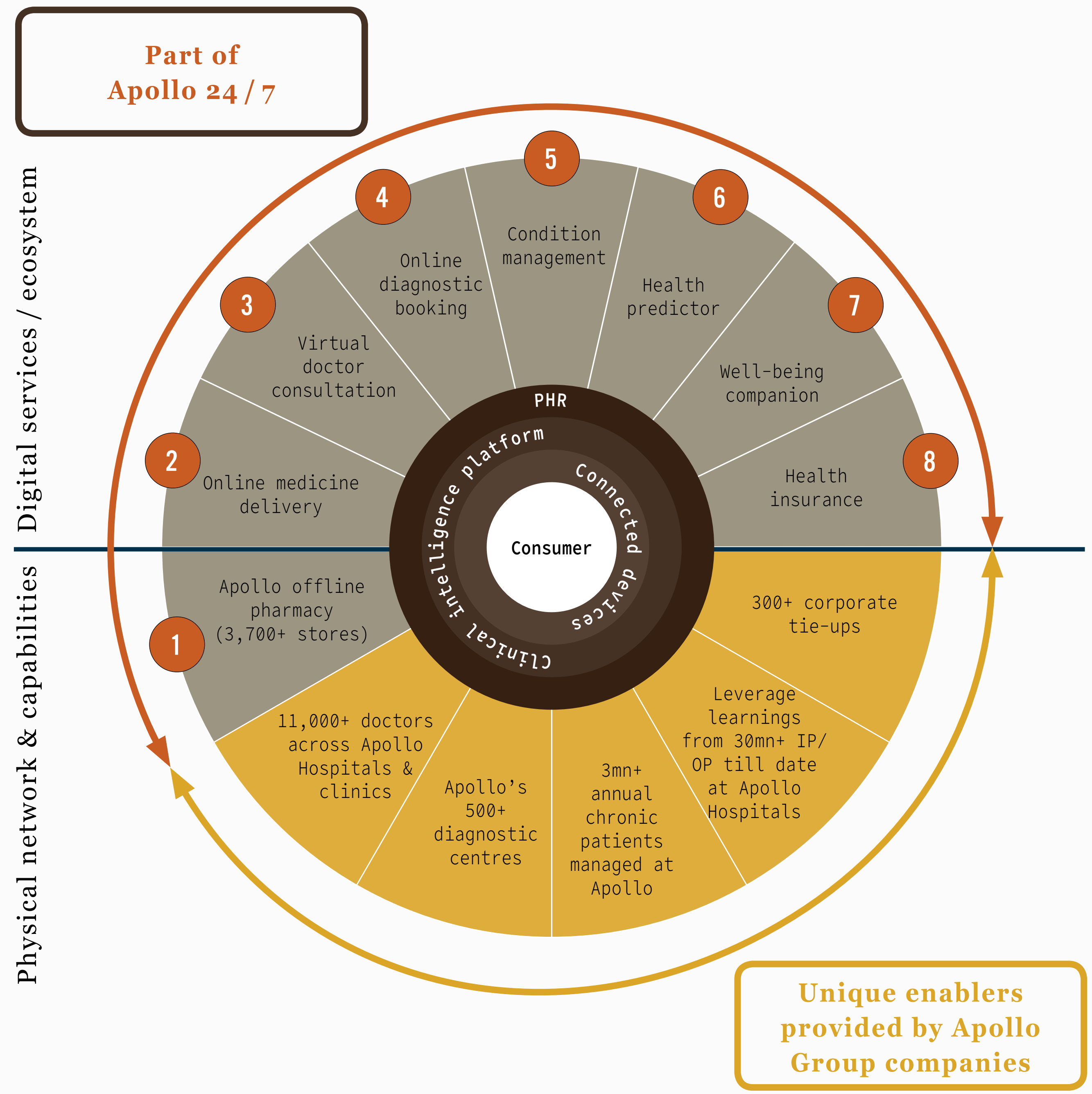
We have now created India's largest omni-channel healthcare platform leveraging our physical network of 71 hospitals. This establishes Apollo Hospitals as a forerunner in creating a patient centric future healthcare ecosystem. The app **Apollo 24/7** offers a full suite of distinctive and dedicated digital healthcare offerings that are fully integrated to track a person's complete medical health and wellness journey. From virtual consultations to using a platform that can leverage on-line and off-line records to making AI based health predictions, it is available literally 24/7 to a consumer. Be it testing, diagnostics, consultations, or treatment, Apollo never sleeps. This assurance goes beyond the physical hospitals, transcending geographic boundaries through the use of technology and digital innovations.

### Vision

To be the leading consumer-centric health ecosystem of the future anchored in world class health care assets, innovative technologies, ubiquitous access, and trusted brand



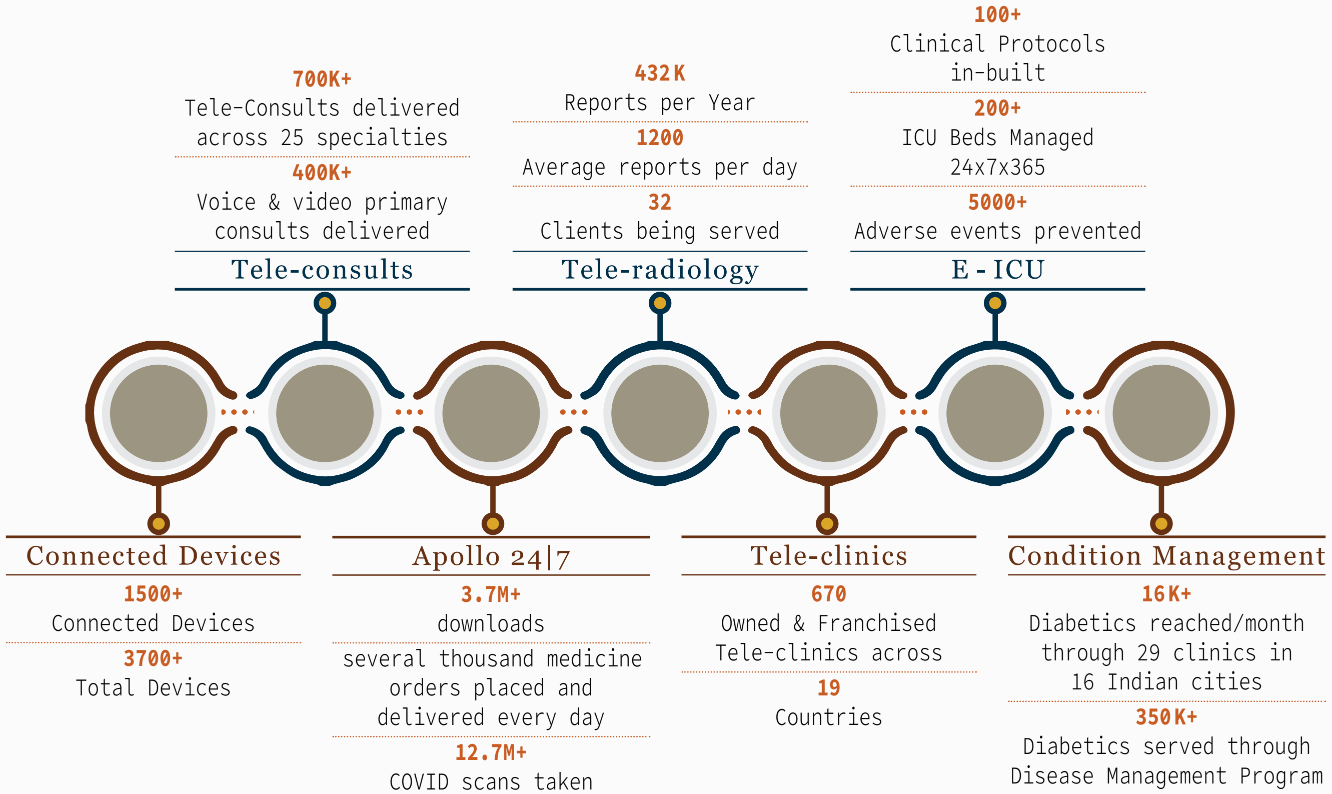

## Distinctive digital ecosystem coupled with a formidable physical network & capabilities



## Remote Healthcare

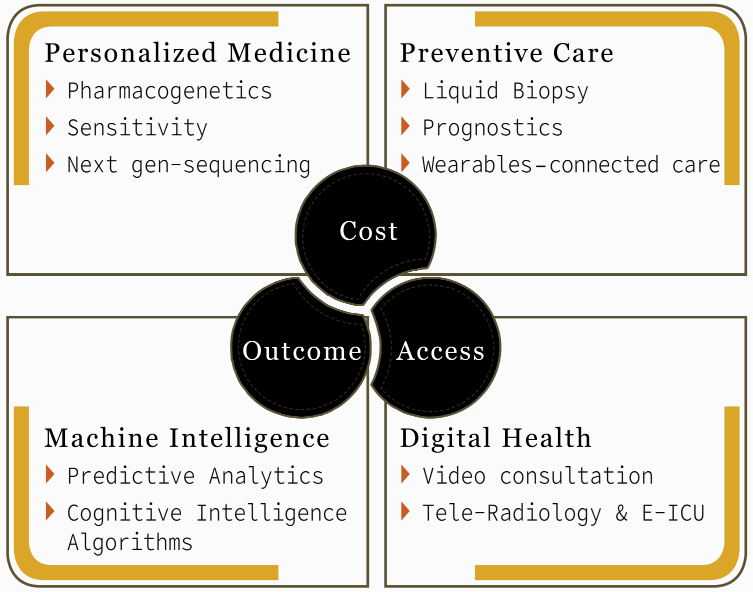
Remote Medical Care is a telemedicine service, which allows constant monitoring of a patient's condition outside of a clinical setting. This is made possible by the use of mobile devices which measure vital signs. Remote Patient Monitoring (RPM) uses digital technologies to collect medical and health data from individuals in one location, and then electronically transmit that information securely to health care providers in a different location for assessment and recommendations. RPM can help improve patient outcomes and reduce healthcare delivery costs especially for chronic disease management.

### An integrated approach to healthcare

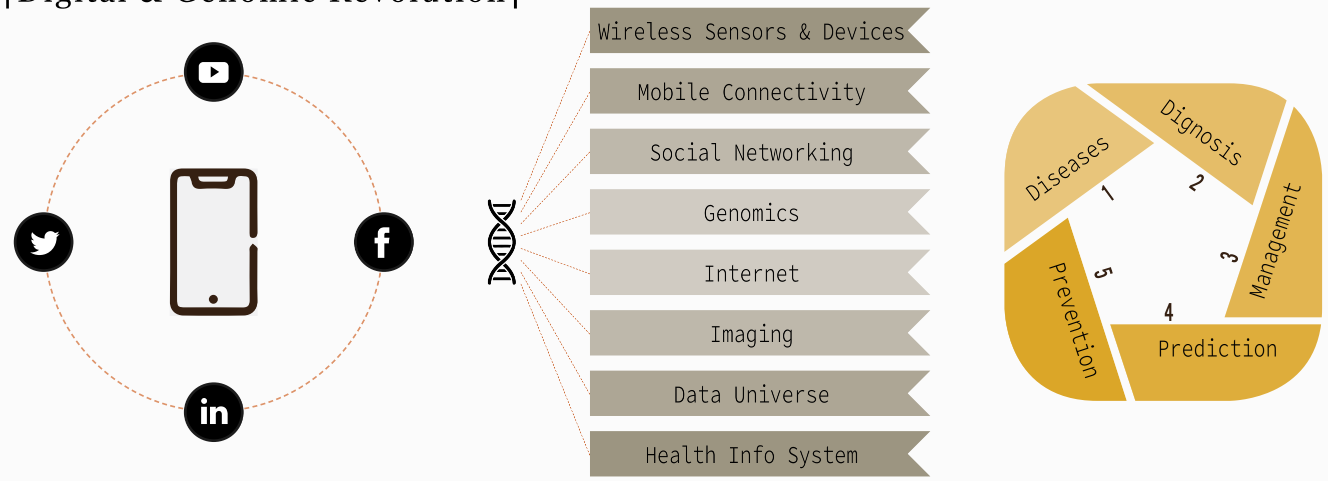



## Precision Medicine

Precision Medicine is "an emerging approach for disease treatment and prevention that takes into account individual variability in genes, environment, and lifestyle." Basis the genetic understanding of the patient, this approach will allow doctors to predict more accurately which treatment and preventive strategies will work for which patient for a particular disease vs. a one-size-fits-all approach.




### Digital & Genomic Revolution

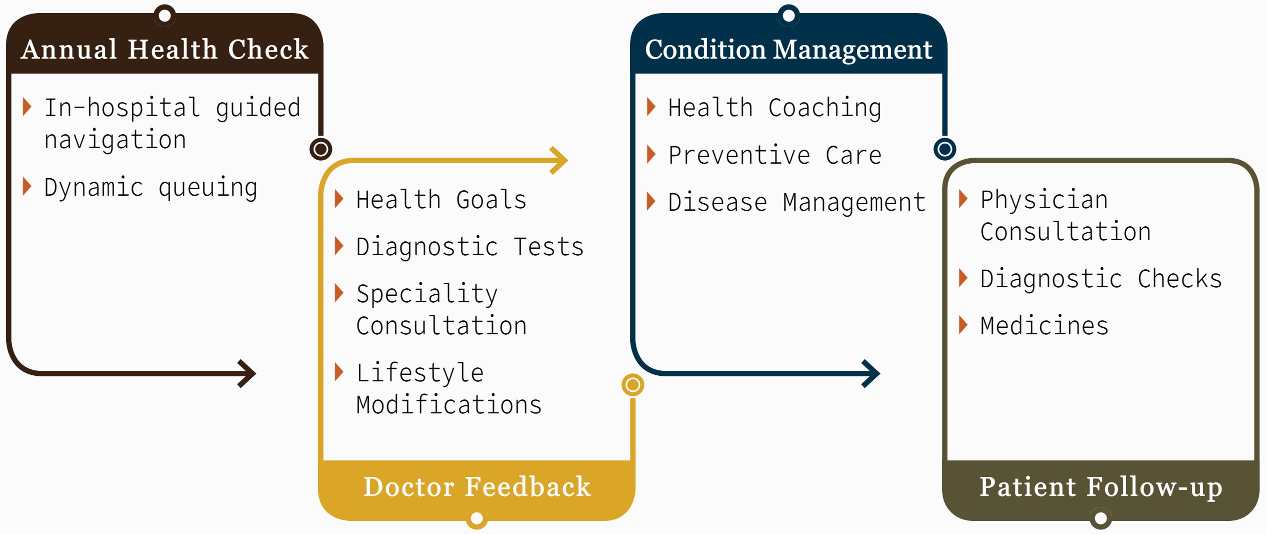


## ProHealth Program

Cardiovascular diseases, cancers, chronic respiratory diseases, diabetes and other NCDs account for nearly 60% of all deaths in India according to WHO. NCDs are also the reason for about 40% of all hospital stays. Preventive health management allows us to detect and tackle risks before they manifest. About 80% of mortality is preventable with early detection and proper management. Regular health check-ups help control the silent but deadly NCDs, helping a person stay healthy and productive.

Apollo ProHealth is a first of its kind, holistic and comprehensive health program powered by pHRA (personalised Health Risk Assessment) and enabled by artificial intelligence. ProHealth empowers individuals with actionable health analytics, helping them eliminate or reduce health risks through appropriate clinical and lifestyle interventions. ProHealth is driven by technology but brings a human touch in the form of a personal health mentor.

Integrating various touchpoints in the Apollo Healthcare ecosystem to create a seamless and integrated care continuum.




## HomeCare

Apollo HomeCare is now operational in 9 cities in India with a 1000 member team. We have segregated services into distinct programmes–Home Visit (Transactional Care), Home Nursing (Long term care), Home ICU Care, Mother & Baby Care, Geri Care Services and other supportive care in patients' homes. These services are complemented with medical devices and equipment, rental services, and support services like investigations at home, and medication delivery.

On a given day there are several hundred long term home nursing clients and as many home visits that are attended to with a combination of the Apollo healing touch and effective monitoring of care using technology at the backend.

During these trying times we have been able to supplement community healthcare infrastructure in the country. We established a contactless care program even at some remote locations in India by deploying a robust, monitored home isolation program focusing on healthcare needs, mental health, lung rehab, and treatment of issues like loneliness during home isolation. We have been able to accomplish this because of the rapid adoption of technology by patients and a paradigm shift in the consumption of healthcare, through the use of technology.

# CLINICAL EXCELLENCE AND INNOVATION

In 2019, we continued our concerted efforts to enhance clinical excellence, and embrace innovative processes and technologies. This has enabled better outcomes for patients and enhanced brand credibility.

## The Apollo Standards of Clinical Care (TASCC)

TASCC embodies standardization of processes and outcomes for clinical excellence and patient safety, across all Group Hospitals. TASCC has shown a steady increase in scores since implementation, reflecting increasing standardisation of processes and improving outcomes. The Apollo Hospitals Group aims at establishing the highest standards of clinical care and patient safety at all its hospitals irrespective of their location and size. TASCC encompasses six initiatives - Apollo Clinical Excellence dashboards (ACE 1 and ACE 2), Apollo Quality Program (AQP), Apollo Mortality Review (AMR), Apollo Incident Reporting System (AIRS) and Apollo Critical Policies Plans and Procedures (ACPPP).

### Apollo Quality Program

The Apollo Quality Program was started in December 2010 to implement patient safety practices in all Apollo Hospitals irrespective of the accreditation status. It covers five broad areas: Safety during Clinical Handovers, Surgical Safety, Medication Safety, the Six International Patient Safety Goals of JCI and Standardisation of Minimum Content of Medical Records. An analysis in 2019 has shown an increase in compliance levels for various parameters.

The ACE Platform (ACEP) is a standardized tool formulated by Apollo Hospitals, to share best practices for clinical excellence and quality improvement with other healthcare providers outside Apollo Hospitals Group. The initiative is pro-bono and is aimed at enhancing the quality of healthcare delivered across India, in the areas of quality improvement, patient safety and better clinical outcomes. ACEP comprises important indicator sets for monitoring quality and clinical excellence along with policies which deal with the core processes in patient care. Over 60 hospitals outside the Apollo Hospitals Group have so far implemented ACEP through affiliation and have consistently improved the implementation of quality parameters in their respective hospitals.

### Apollo Clinical Excellence Scorecard – ACE 1

ACE 1 is a clinical balanced scorecard incorporating 25 clinical parameters involving complication rates, mortality rates, one-year survival rates and average length of stay after major procedures like liver and renal transplant, CABG, TKR, THR, TURP, PTCA and endoscopy. It covers all major specialities. Also included are hospital acquired infection rates and patient satisfaction with pain management. Parameters have been benchmarked against published benchmarks of the world's best hospitals including Cleveland Clinic, Mayo Clinic, National Healthcare Safety Network, University of California, San Francisco and Agency for Healthcare Research and Quality, US.

### RACE

A balanced score card for Centres of Excellence, the parameters include complication rates, morality rates, infection rates & ALOS after major procedures, compared with international benchmarks.

### ACPP

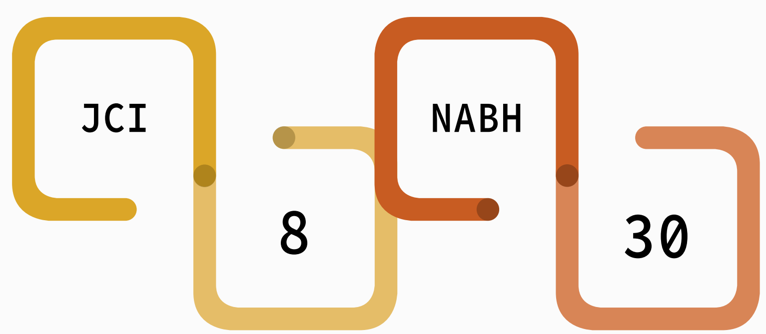
Apollo Clinical Policies, 25 in number, cover clinical care, nursing care, managerial processes & infrastructural requirements.

### AMR

Apollo Morality Review is a standardized methodology of identifying deaths in hospital which may have occurred from an error through trigger criteria. It is a systematic peer review through a checklist & categorization to identify preventable deaths and steps for future action.

### AIRS

Apollo Incident Reporting System is a mechanism for tracking incidents that pose a safety risk to patients.



## Clinical Innovations

**24** meetings conducted

**221** consultants engaged

**50** innovation proposals

### Examples of Innovative Technologies/Clinical Protocols Implemented in 2019

**Procedures and Processes**

Video Laryngoscopy ✦ Code Fast ✦ Cardiac Rhythm Disorder Centre ✦ Mechanical Thrombectomy ✦ HiPEC TransOral Robotic Surgery (TORS) for Sleep Apnoea ✦ Prostatic Artery Embolization ✦ Vacuum Assisted Biopsy ✦ Pharmacogenetic Testing ✦ Out Patient Arthroplasty ✦ Trans Arterial Chemo Embolization ✦ Stretta – RF treatment for GERD ✦ Spinal Cord Stimulator ✦ Deep Brain Stimulation (DBS) ✦ Mechanical CPR ✦ Automatic Bladder Scanner ✦ Movement Disorder Clinic ✦ Automatic Breast Volume Scanner

### Deep Brain Stimulation (DBS) for treating Parkinson's Disease

Mrs XY was suffering from very advanced Parkinson's Disease for the last 8 years with severe debilitating symptoms, such as tremors, rigidity, stiffness, slowed movement, and gait problems. The patient was almost bedridden for several months. After thorough evaluation she underwent DBS procedure. DBS is a surgical procedure used to treat a variety of disabling neurological symptoms for patients on whom medications are not adequate. It uses a surgically implanted, battery-operated medical device called a neurostimulator–similar to a heart pacemaker and approximately the size of a stopwatch–to deliver electrical stimulation to targeted areas in the brain that control movement, blocking the abnormal nerve signals that cause tremors and PD symptoms. The patient recovered significantly with DBS. She was able to walk around without support and all her symptoms improved. She later successfully underwent 'Remotely Programmed Deep Brain Stimulation'.

## Centers of Excellence

Apollo Hospitals has dedicated Centers of Excellence (COEs) for several key specialties and superspecialties. These Centers of Excellence are unique in terms of their service spectrum and are spread across the various Apollo Hospitals locations.

- CARDIAC SCIENCES
- ORTHOPAEDICS
- NEURO SCIENCES
- ONCOLOGY
- TRANSPLANT
- EMERGENCY

HEART INSTITUTES

# CARDIAC SCIENCES

~375 clinicians across network

10,000+ heart surgeries in FY20

Services offered at 34 units

## Clinical Expertise

Minimally Invasive Coronary Artery Surgery ✦ Mitral Clip ✦ TAVI ✦ Heart failure assist devices ✦ Hybrid Procedures ✦ Heart Transplant/Heart-Lung Transplant (En-bloc) ✦ Off-pump and beating-heart surgeries

## Service Spectrum

- Minimally Invasive Coronary Artery Surgery
- Adult cardiac surgery
- Pediatric cardiac surgery
- Neonatal cardiac surgery
- Stentless heart valve bioprosthesis
- Cutting edge technologyto aid in cardiac care
- Coronary Angiography
- 640 slice CT
- First biplane interventional Cath labsuite- Philips Allura Clarity 20/15
- IVUS
- Cardiac risk score assessment and tracking
- Electrophysiology procedure for heart failure
- Catheter Ablation
- Combined cardiac procedure
- Peripheral Vascular surgery
- Arrhythmia surgery

## Rare Procedures

A 5-year-old child from Myanmar, underwent a 10-hour long surgery to successfully repair a hole in his heart along with a leaking heart valve. For the very first time, a bypass in a small child by cannulating the groin blood vessels was successfully done.

A 3-week-old baby girl with rare heart condition—Anomalous Left Coronary Artery from the Pulmonary Artery (ALCAPA) was successfully managed by the intensivists. The baby had presented to the emergency department with cardiac arrest and was immediately resuscitated and stabilized.

Apollo Hospitals became the first centre in India to perform minimally invasive- Robotic Hybrid Revascularization surgery to treat blocks in two major blood vessels to improve blood flow to the heart. The cutting-edge procedure gave a new lease of life to a 63-year-old female patient from Chennai.

A successful arterial switch operation was successfully performed on a one-month old baby, diagnosed with rare congenital complaints of Transposition of Great Arteries (TGA), intact IVS (Intra-Ventricular Septum), Fossa Ovalis ASD and PDA. Patient recovered well and was discharged in a stable condition.

INSTITUTES OF ORTHOPAEDICS

# ORTHOPAEDICS

~300 clinicians across network

6,500+ Joint Replacements in FY20

Services offered at 40 units

## Clinical Expertise

Bilateral minimally invasive knee surgery ✦ 3D Robotic knee replacement (Unicondylar) ✦ Cell Therapy ✦ Small Joint Surgery ✦ Eazy-AIM–Electronic digital targeting system ✦ Rehabilitation Centre–ApoKos ✦ Renaissance Spine Robot ✦ Joint Navigation ✦ Robotic rehabilitation – Lokomat

## Service Spectrum

- Arthroscopic & Reconstructive techniques
- Arthritis Care
- Joint replacements including hip resurfacing and knee replacements (primary, complex primary and revision replacements)
- Articular cartilage Implantation (ACI)
- Dedicated units for Traumatology
- Orthopedic Oncology for treating bone cancers
- Modern Sports medicine centres
- Specialised Pediatric Orthopedics units offering the whole range of Pediatric Orthopedics
- Physical Therapy units to provide rehabilitation and pain management
- Shoulder surgeries and the most delicate hand micro surgeries
- Cartilage regeneration surgery, including microfracturing, mosaic-plasty
- Regenerative medicine
- Using a revolutionary combination of CT imaging/mapping, modelling software (virtual)
- 3D printing technology, medical miracles
- Robotic-Guided techniques routinely used
- Minimally Invasive Knee Replacement Surgery (MIKRS)

## Rare Procedures

India's first VenaSeal procedure to treat varicose veins was performed on a 40-year-old male patient using VenaSeal closure system, which is a minimally invasive treatment option that permanently treats varicose veins of the legs by sealing the affected superficial veins using an adhesive agent.

An elderly male patient with injury to back with paraplegia, with advanced Parkinson's disease and ankylosing spondylitis was successfully managed. Percutaneous titanium pedicle screw rod fixation followed by distraction and decompression of the spinal cord was performed using "Make in India" implants. This was the first such case in the region.

A 67-year-old Nigerian national, who had lost all hopes of walking again, was back on her feet after undergoing an advanced procedure, a half-knee replacement surgery, also called Oxford Knee Surgery.

Total thyroidectomy with bilateral radical neck dissection was successfully performed to treat a patient with a rare condition of huge thyroid swelling with extensive neck node metastasis.

Apollo HOSPITALS CANCER INSTITUTES

# ONCOLOGY

~225 clinicians across network

Celebrating 2,100 BMTs since inception

Services offered at 18 units

## Clinical Expertise

Robotic surgery ✦ Limbo salvage surgery ✦ HIPEC ✦ TACE ✦ RFA ✦ Bio bank ✦ Cancer genetics ✦ Liquid biopsy ✦ Vaccine therapy ✦ Immunotherapy and targeted therapy

## Service Spectrum

- **The only Proton Therapy system in this part of the world**
- Comprehensive suite of Chemotherapy services
- Paediatric Oncology services
- Tumour Board
- Bone Marrow Transplantation Services
- Immunotherapy
- Hematological malignancy treatment
- Molecular Profiling
- Genetic Profiling
- Hormonal Therapy
- Breast Conservative surgery
- Radical neck dissection
- Radical Nephrectomy & Radical Cystectomy
- Limb surgeries–peripheral solid tumours
- Surgical Gastroenterology services
- Mandiblectomy and advance Plastic surgery services
- Minimally invasive oesophagectomy
- Robotic intervention specially for Urology and Colorectal cancers
- Lobectomy/ Pnemonectomy
- Mediastinal mass excisions and Chest wall tumour excision with reconstruction
- Liver resections–staged Hepatectomy & ALLPS
- Retroperitoneal Lymph nodedissection
- Total/ Partial Penectomy with Groinnode sampling/dissection
- Stereotactic Surgery suite using Cyber Knife
- Image Guided Radiation Therapy (IGRT)
- Intensity Modulated Radiation Therapy (IMRT)
- Stereotactic Radio Surgery (SRS) with Brainlab, Stereotactic Radio Therapy (SRT) and Stereotactic
- Body Radiation Therapy (SBRT)
- Rapidarc Radiosurgery
- Volumetric Radiotherapy (VMAT)
- Brachytherapy - Intra Cavitary
- Brachytherapy (ICBT), Interstitial
- Brachytherapy (ISBT), Intraluminal High Dose Rate Brachytherapy (ILBT)
- Palliative Radiotherapy
- Total Body Irradiation
- Extra Corporeal Radiotherapy
- Respiratory Gated Radiotherapy
- SPECT Fibroscan
- 99 Tc Bone Scan
- CELLVIZIO - Endomicroscopy system which generates Optical biopsy
- Digital Mammography
- 128 slice PET scan
- Precision Oncology" focusing on precise treatment and outcomes



## Rare Procedures

A complex surgery was performed on a 48-year-old male patient to treat the advanced squamous cell carcinoma of temporal bone with metastatic deposits to neck, parotid and skin infiltration. The incidence of temporal bone cancer worldwide is one in a million. The ardous procedure took 8-hours to complete and the technique included left lateral temporal bone resection; wide local excision; resection of TM joint; radical parotidectomy; MRND; reconstruction with scalp rotation flap and SSG. The patient recovered without any complications.

A rare condition, 'Invasive Fungal Infection with Scattered Granunomatous Inflamation Demateceus (Pigmented) Fungal Organisms' was diagnosed in a 23 year old male patient. The patient had had headache for 2 months and the brain MRI revealed peripheral enhancing space occupying lesion in left temporal lobe. He underwent Left Frontotemporal Craniotomy and Total Excision of the Lesion. Post-operatively he was treated with antifungal medications and did not have any neurological deficit at the time of discharge.

A 31 year-old surgeon in the UK noticed clumsiness of the right leg after finishing his clinical duty. A week later, he noticed tremulousness in the leg. An MRI revealed a lesion in the left posterior frontal lobe, involving the motor cortex which controls the leg functions of the right side. He decided to come to Chennai, to the Apollo Proton Cancer Centre for treatment. Perfusion studies were suggestive of a high-grade tumour. He agreed for surgical decompression of the tumour with an attempt to remove as much of it as possible while preserving his leg function. Our multidisciplinary tumour board recommended an awake craniotomy with Intraoperative neuromonitoring for safe maximal tumour resection. Neuro navigation guidance was used to mark the site of the tumour. The craniotomy was performed over the marked area and the tumour and leg areas were mapped. Fluorescein dye was used to find the abnormal regions of the brain using a state of the art neurosurgical microscope Carl Zeiss Kinevo. Halfway into the procedure, the patient felt increasing clumpsiness in his leg and hip, and the tumour resection had to be stopped although 20% of the tumour was left behind. His biopsy report showed Diffuse astrocytoma, WHO grade II. The tumour board recommended 6 weeks of proton therapy for the remaining tumour. After a brief period of rest he returned to his duties in the UK, completely active, hale and healthy.

Apollo HOSPITALS INSTITUTES OF NEUROSCIENCES

# NEUROSCIENCES

~250 clinicians across network

35,000 Neuro surgical discharges in FY20

Services offered at 38 units

## Clinical Expertise

Micro - Neurosurgery ✦ Complex Spinal Surgeries/Minimal Access Spine Surgery ✦ Surgery for Spinal Cord Tumors ✦ Surgery for Acute Head Injury and Spinal Injuries ✦ Stroke prevention / Stroke treatment ✦ Epilepsy Surgery ✦ Skull Base Surgery ✦ Surgery for Parkinson's disease ✦ Neuro-Endoscopic Surgery for Pituitary Tumors/CSF Leaks ✦ Endovascular Coiling of Aneurysms/ Vascular Malformations ✦ Vertebroplasty

## Service Spectrum

- Deep Brain Stimulation (DBS) for Parkinson's disease and movement disorders
- Thrombolysis–intravenous intra-arterial and mechanical for acute stroke
- Mechanical Thrombectomy for Acute stroke
- Botulinum toxin injection for neurological disorders
- Auditory Brain-stem implant (ABI)
- EC-IC bypass (Extracranial-intracranial bypass)-where the brain's blood supply is augmented by diverting blood for blood vessels of face to brain
- Surgery for Parkinson's disease
- Pediatric Neurosurgery
- Vertebroplasty

## Rare Procedures

A fully awake craniotomy with neurophysiology monitoring was performed successfully to remove a tumor adjacent to the motor cortex of the brain.

A complicated procedure was performed on a 50-year-old-woman with brain aneurysm. The aneurysm of the woman was particularly rare due to its 'giant' size and location. To treat the condition, the doctors performed a procedure called 'high flow brain bypass surgery'.

A fully awake craniotomy with neurophysiology monitoring was performed successfully to remove a tumor adjacent to motor cortex of brain.

Intra cranial stenting was successfully performed in a 53-year-old male patient. The stent was specially designed for brain arteries and was recently launched in India.

INSTITUTES OF TRANSPLANT

# TRANSPLANT

**19,000+** transplants since inception

**~1,400** Solid Organ Transplants in FY20

**Busiest Solid Organ Transplant Program in the world since 2012**

## Clinical Expertise

Haemodiafilteration ✦ Everling
✦ Liver Transplants in very small infants (<5kgs)
✦ Multi-organ/Small bowel transplants
✦ ABO incompatible transplants
✦ Transplants in individuals with Situs

Services offered at **21** units

## Service Spectrum

- Kidney transplant
- Liver transplant
- Heart transplant
- Lung transplant
- Combined Heart and Lung
- Pancreas transplant
- Intestinal transplant
- Multi-organ transplant
- Cornea transplant
- ABO incompatible transplants
- Organ Oxmetra, can keep a liver 'alive' for up to 24 hours after donation

## Rare Procedures

The family of a 19-year old, brain dead female patient at Kolkata, donated the liver and kidneys to save the lives of 3 patients. The liver and the kidney were transplanted in a 59-year-old male patient and a 30-year-old female patient, respectively. The second kidney was donated to a patient in a nearby hospital in the city.

"Split Liver Transplant" was performed successfully. Liver donated by a 37-year-old brain-dead patient was split into two and transplanted into two adult recipients (64 years and 53 years) suffering from liver cirrhosis. Both the recipients were discharged from the hospital after successful liver transplants.

A 45-year-old patient underwent a record third kidney transplant. The patient's husband donated his kidney this time. They were ABO incompatible, however the team performed the highly complicated transplant successfully.

In an extremely rare case of Budd Chiari Syndrome with Biliary Atresia seen in one in a million babies, the liver team successfully performed a liver transplant on a 5-month old baby from Kakinada, Andhra Pradesh.

# EMERGENCY

24-hour emergency service

**200,000** emergency footfalls annually

## Clinical Expertise

Emergency 2.0 ✦ Air Ambulance ✦ Code FAST ✦ Acute MI – primary angioplasty ✦ E-ICU ✦ ReSQCPR System

## Service Spectrum

- Air Ambulance
- Golden Hour concept for early management of stroke – Code FAST Protocol
- Acute MI management – primary angioplasty
- Trauma management
- Sepsis management
- E-ICU services

**Pre-hospital Care services: 1066**

- 24 x 7 ACLS Ambulance services – Road, Bike and Air Ambulance with Emergency Physicians
- Management of all Medical and Toxicological Emergencies
- Medico Legal Specialists (RTA, Burns, Fall from height, Workplace injuries, Assault, Poisonings, Animal bites, Child and sexual Abuse)
- Poly Trauma Management Specialists
- Acute Stroke and Cardiac Thrombolysis Centre and Radiological Intervention
- Infectious Disease specialist centre
- Bedside Ultrasound and Echo procedures – For FAST scan, Central Lines, HHD catheters, Lung Ultrasound and 2 D Echo
- 24 x7 Burns centre

## Rare Procedures

Apollo Emergency Medical Team successfully managed an emergency delivery of a baby in an ambulance. The Apollo Team was intimated about the emergency landing of a Cebu Pacific Airlines' scheduled Flight from Dubai to Manila, at Hyderabad airport in the early hours because of a medical emergency. The patient, a 26-year-old and 37 weeks pregnant, was complaining of severe abdominal pain and bleeding PV. While the patient was being shifted to the hospital, she went into active labor and the baby was delivered in the ambulance itself. The mother and the baby were stabilized on reaching the hospital.

A high risk surgery was successfully performed to remove the blood clots from the lungs of a 22-year-old engineer who was brought to the emergency department at Delhi, in an unconscious state with extreme cardiorespiratory failure.

Revival of Out of Hospital Cardiac Arrest (OOHCA) emergency patients was successfully performed for patients aged 78 years and 60 years.

A 34 year old gentleman presented to the Emergency Department at Apollo Main Hospital in Chennai with severe chest and back pain on the 25th of May in the midst of the COVID pandemic. The Emergency team after evaluation suspected an "Aortic Dissection" – a tear in the largest artery (Aorta) that arises from the heart. After initial stabilization, the patient underwent a CT Aortogram which revealed an "Aortic Root Dilatation" (Aneurysm) and the bedside echo revealed "Acute Aortic Regurgitation" (a leaky aortic valve). This condition carries a very high risk of death. The Cardiothoracic surgeon and the OT team were alerted immediately and the patient was pushed into the OT for life saving surgery. He underwent a valve sparing aortic root repair and replacement of the ascending aorta which was a very high risk and rare surgery performed for the first time in this hospital. The patient had an uneventful recovery and was discharged home 6 days later.

# NOVEL CORONA VIRUS – COVID-19

In at least a hundred years, no virus has wreaked havoc of such a scale on humanity as the Novel Coronavirus (COVID-19). The pandemic characterized by its rapid spread and lack of control mechanisms, has caused unprecedented health crises across the world, attacking one country after another while destroying economies, altering work styles, and revising professional and social interactions. Healthcare resources and infrastructure are being stretched unimaginably in trying to counter the scourge.

Across our network we worked closely with the State Governments and the Central Government and initiated a comprehensive response plan to tackle the pandemic.

Our new initiative – 'Project Kavach (shield)' – is a integrated response plan, from dissemination of information to preventive measures, online self-assessment for risk, testing, isolation/quarantine rooms, treatment and hospital beds, and ICU facilities for critically ill patients. Our national emergency number 1066 remained active across India with a centralised ambulance network to ease the logistics requirements.

Our partnerships with several hotel chains and other organizations like Hindustan Unilever, State Bank of India, and Deutsche Bank helped us to set-up quarantine facilities in Hyderabad, Chennai, Mumbai, Kolkata, Bengaluru and Delhi and we launched ‘Project Stay I’. The partnerships pooled ~5,000 isolation rooms across the cities in proximity to our hospitals.

The diagnostic laboratories in several of our hospitals were authorized by the Indian Council of Medical Research to conduct COVID-19 tests in India. Apollo 24/7 has a round-the-clock doctor helpline and online consultation with Apollo certified doctors. We have dedicated close to 2,000 beds for the treatment of COVID-19. Additionally, our hospitals supported an initiative by the Medical Council of India and Telemedicine Society of India to sensitize and train doctors around the country for deploying tele-health services on a wide scale to meet the healthcare needs of people during the crisis.

We are proud to be a partner in the nation’s fight against the pandemic by contributing our facilities, healthcare services, medical equipment, training facilities, medicines and basic equipment. We are proud of the courage and tenacity demonstrated by our health practitioners, health workers and support staff who have been the real backbone of all our efforts.

## Institute of Infectious Diseases

The COVID-19 outbreak has shown us that infectious diseases should be handled with skill and specialized care. Our significant experience with COVID-19 and the knowledge we have thus gained needs to be brought together in a Centre of Excellence (CoE) such that it will not only help in the future but also facilitate further growth of the centre in clinical strength, expertise, research, and academics. We have therefore just established the Apollo Institute of Infectious Diseases, a CoE with a comprehensive service offering.

The Institute focuses on diseases that are caused by a pathogen, such as a virus, bacteria, fungus or parasite, which are infectious. These diseases are contagious and have the potential to spread amongst the population. Covid-19, Ebola, SARS, Tuberculosis, H1N1, Measles, Chicken Pox, etc., are some of the clinical conditions which fall under this category.

Special clinics offer consults related to Infectious Diseases in all Apollo Hospitals & primary care formats and can be easily scheduled at the click of a button from an individual mobile phone through the 24/7 app without visiting a hospital. A battery of tests, like antigen test, titre values, etc., are used to evaluate the risk to any infectious disease and advise is given on a relevant vaccination program. Such tests and evaluation can also be conducted at the convenience of a patient’s home. Treatment may involve hospital stay in isolation if necessary. It is also possible to render home care in some cases.

## Services of the Apollo Institute of Infectious Diseases

### Screening & Immunization
- ID Clinic
- Tele-consults
- Transplant ID consults
- Health check in hospitals
- Health check at home
- Immunization
- Travel Clinic

### Testing
- Home collection
- Drive-in Clinic
- Clinic on wheels (for communities)
- In hospital testing
- Immunity testing & Counseling

### Treatment
- Hospital facility for treatment & care continuum (assessment & treatment)
- Isolation facilities
- Home healthcare
- Counseling services
- ID Board for consults

### Products
- Care Kits for employees/customers
- ID kit for patients

### Corporate Consultation/ Services (Support & Education)
- Consulting services
- Process design
- Training modules
- Trainings/Webinars
- Education material
- Antimicrobial Stewardship Program

### Surveillance
- Video/on ground audits
- Contact tracing services
- Screening services
- Cleaning & disinfection protocols
- Review of protocols-Apollo Seal

### Education & Research
- Certificate programs for healthcare professionals
- Certificate programs for non healthcare professionals

## Project Kavach

INFORMATION | EDUCATION | TELEMEDICINE | UPDATING PROTOCOLS | DATA COLLECTION FOR ACTION AND FUTURE RESEARCH | SCALING

**Information & Awareness**
- Credible and expert information
- Compliant to Govt guidelines
- Multi-channel
- Multi-Stakeholder
- Multi-lingual

**Round the clock Helpline**
- 1860 500 1066
- Engaging with stakeholders

**Apollo 24/7**
- Online Doctor consultation
- Online booking of medicines
- Online booking for diagnostics
- Doorstep delivery of medicine
- Doorstep sample collection
- Online reports

**COVID-19 Scan**
- COVID risk assessment tool available to download from Google play store, Apple store

**3700+ pharmacies**
- Across 21 states
- Home delivery

Apollo PROJECT KAVACH

**Testing**
- Certified centres for swab testing
- Drive-through testing at select cities
- Report available online
- Home testing

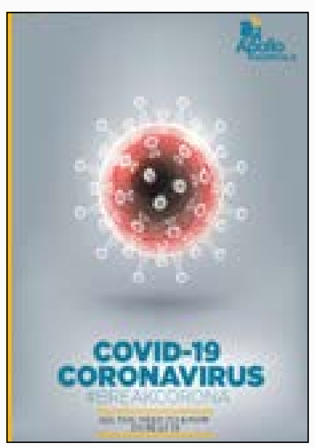
**Fever clinic**
- Specialized clinics
- Infectious disease experts
- Screening of patient with Flu like symptoms
- Multi-location

**Stay I**
- Social impact initiative for Isolation care
- Medically sanitized individual rooms across the country
- All clinical protocols driven by Apollo Ecostsyem
- 24/7 Clinical monitoring
- Round the clock e-Consult
- Door step delivery of Medicine, Sample collection
- Door step delivery of F & B in contacteless tamper proof packing

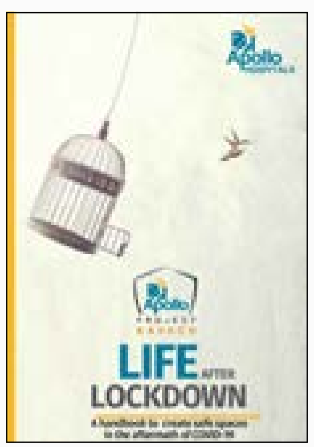
**Treatment**
- Specialized & dedicated team in treating Infectious disease
- International Infection control protocol
- Close to 2,000 dedicated beds
- Isolated quarantine treatment facilities which are away from the main unit
- High quality PPE for hospital personnel
- Appropriate stocking of required consumables and disposables
- e-ICU service to monitor patients in remote acute care using Telemedicine
- Advanced treatment intensive care
- Research education data analytics
- Support to Government

## The Project Kavach Approach


### Sample initiatives



Apollo Corona E-book
*https://bit.ly/2UNEOMi*



Corporate Handbook COVID19
*https://bit.ly/2WOpznt*



# AWARDS & RECOGNITIONS

Apollo Hospitals Group was conferred 88 awards and accolades at various national and international forums in 2019.

**Excellence in Quality Award (2020)**

- Apollo Cancer Centre, Chennai has won **Excellence in Quality Award 2020** by FICCI & Department of Health & Family Welfare, Government of Tamil Nadu in the 12th Edition of TANCARE 2020 in Chennai and recognised as the **Best Cancer Care Hospital among NABH accredited Hospitals**.

**The Best Hospital Survey (2019)**

- The survey conducted by THE WEEK, ranked Apollo Hospitals, Chennai as the **Best Corporate Multi-Speciality Hospital** in the country.

**The All India Critical Care Hospital Ranking Survey (2019)**

- Conducted by the Times of India, it ranked Apollo Hospitals, Chennai as the **Best Hospital in India, for the Specialities of Oncology, Cardiac Sciences, Paediatrics, Gastroenterology and Hepatology, Nephrology, Neuro Sciences, Urology, Emergency and Trauma.**

**TN Chief Minister's Comprehensive Health Insurance Scheme (2019)**

- Government of Tamil Nadu felicitated Apollo Cancer Centre, Teynampet for "**High scores among the empanelled hospitals**" in the TN Chief Minister's Comprehensive Health Insurance Scheme.

**FICCI Medical Travel Value Awards (2019)**

Medical Value Travel Specialist Hospitals

Kidney Transplant

- Indraprastha Apollo Hospitals, Delhi - Winner

Liver Transplant

- Indraprastha Apollo Hospitals, Delhi - Winner

Oncology

- Apollo Cancer Centre, Chennai - Winner
- Apollo Gleneagles Hospital, Kolkata - Runner up

Bone Marrow Transplant

- Apollo Cancer Centre, Chennai - Winner

Cardiology Cardiac Surgery

- Apollo Hospital, Chennai - Runner up

**Best Medical Tourism India Award (2019)**

- Apollo Health City, Hyderabad won the **Best Medical Tourism Facility Award**, presented by Shri Prahlad Singh Patel, Honorable Minister of State.

**The Week-Hansa Research Best Hospitals Survey (2019)**

- Apollo Hospitals in Chennai, Delhi, Kolkata and Hyderabad ranked as the **Best Hospitals** by The Week-Hansa Research Survey 2019.

**FICCI Healthcare Excellence Awards (2019)**

Service Excellence for Innovative Internal Patient Transport System

- Indraprastha Apollo Hospitals, Delhi

Skill Development for Skill Training & Enhancement program project (Reskilling & Upskilling training for Government hospital staff)

- Apollo MedSkills

**India's Most Admirable Brand Award (2019)**

- Apollo Hospitals, Group has been awarded as **India's Most Admirable Brand 2019** by The Brand Story.

**5S Sustenance Award (2019)**

- Apollo Cancer Centre, Teynampet, Chennai has been awarded the **5S Sustenance Award 2019** in "**The Large Scale Service Category**" by the Confederation of Indian Industry - Southern Region.

**Best CRM Programme (2019)**

- Apollo Health City, Hyderabad has been awarded **Best CRM Programme** at the 6th Customer Loyalty Awards.

**AHPI-Patient Friendly (2019)**

- Apollo Health City, Hyderabad has been awarded by AHPI as a **Patient Friendly Hospital**.

**Golden Peacock-HR Excellence Award (2019)**

- Apollo Health City, Hyderabad has been declared as winner of the **Golden Peacock-HR Excellence Award**.

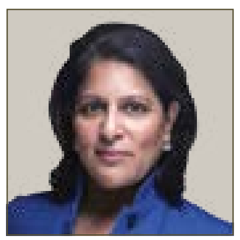
# BOARD MEMBERS

## Founder Chairman

**Dr. Prathap C Reddy**
Founder and Executive Chairman

## Executive Directors

**Smt. Preetha Reddy**
Executive Vice Chairperson

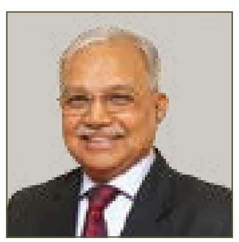


**Smt. Shobana Kamineni**
Executive Vice Chairperson

**Smt. Suneeta Reddy**
Managing Director

**Smt. Sangita Reddy**
Joint Managing Director

## Independent Directors



**Shri. M B N Rao**

**Shri. Vinayak Chatterjee**

**Dr. T Rajgopal**

**Smt. V Kavitha Dutt**

**Dr. Murali Doraiswamy**



# CORPORATE INFORMATION

## Senior Management Team

Dr. K. Hariprasad
President - Hospitals Division

Shri. Krishnan Akhileswaran
Chief Financial Officer

Shri. S.M. Krishnan
Vice President – Finance
& Company Secretary

## Auditors

Deloitte Haskins & Sells LLP
Chartered Accountants
Bengaluru

## Bankers

Andhra Bank
Axis Bank
Bank of India
Canara Bank
HDFC Bank
HSBC
ICICI Bank
IDBI Bank
IDFC First Bank
Indian Bank
Indian Overseas Bank
MUFG Bank
Oriental Bank of Commerce
State Bank of India

## Registered Office

# 19, Bishop Gardens,
Raja Annamalaipuram,
Chennai – 600 028

## Corporate Office

Sunny Side Building,
East Block, 3rd Floor,
# 8/17 Shafee Mohammed Road,
Chennai – 600 006

## Administrative Office

Ali Towers, # 55, Greams Road,
Chennai – 600 006
(E) investor.relations@apollohospitals.com
(W) www.apollohospitals.com

## Board Committees

| Audit Committee | Nomination and Remuneration Committee | Stakeholders Relationship Committee | Corporate Social Responsibility Committee |
|---|---|---|---|
| Shri. MBN Rao<br>Chairman | Shri. Vinayak Chatterjee<br>Chairman | Smt. V. Kavitha Dutt<br>Chairperson | Dr. Prathap C Reddy<br>Chairman |
| Dr. T. Rajgopal<br>Member | Shri. MBN Rao<br>Member | Smt. Preetha Reddy<br>Member | Smt. Preetha Reddy<br>Member |
| Smt. V. Kavitha Dutt<br>Member | Dr. T. Rajgopal<br>Member | Smt. Suneeta Reddy<br>Member | Smt. Sangita Reddy<br>Member |
| | Dr. Murali Doraiswamy<br>Member | | Shri. MBN Rao<br>Member |
| | | | Dr. Murali Doraiswamy<br>Member |

| Risk Management Committee | Investment Committee | Share Transfer Committee |
|---|---|---|
| Smt. Suneeta Reddy<br>Chairperson | Shri. Vinayak Chatterjee<br>Chairman | Smt. V. Kavitha Dutt<br>Chairperson |
| Smt. Preetha Reddy<br>Member | Shri. MBN Rao<br>Member | Smt. Preetha Reddy<br>Member |
| Shri. Vinayak Chatterjee<br>Member | Smt. Preetha Reddy<br>Member | Smt. Suneeta Reddy<br>Member |
| Dr. Sathyabhama<br>Member | Smt. Suneeta Reddy<br>Member | |
| Dr. K. Hariprasad<br>Member | Dr. Murali Doraiswamy<br>Member | |

# DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors are pleased to present the THIRTY NINETH ANNUAL REPORT and the audited financial statements for the year ended 31st March 2020.

## Financial Results

(₹in million)

| Particulars | Standalone | | Consolidated | |
|---|---|---|---|---|
| | Year ended 31st March 2020 | Year ended 31st March 2019 | Year ended 31st March 2020 | Year ended 31st March 2019 |
| Income from Operations | 97,944 | 83,367 | 112,468 | 96,147 |
| Profit before Exceptional Items and Tax after share of profits in Joint Ventures & Associates | 5,180 | 4,625 | 4,587 | 3,735 |
| Exceptional Items | 1,644 | - | 1,983 | - |
| Profit after Exceptional Items before Tax after share of profits in Joint Ventures & Associates | 6,824 | 4,625 | 6,570 | 3,735 |
| Provision for Tax | 2,121 | 1,597 | 2,252 | 1,734 |
| Profit for the Year | 4,703 | 3,028 | 4,317 | 2,002 |
| Earnings Per Share (₹) | 33.80 | 21.76 | 32.70 | 16.97 |

## Results of Operations

During the year under review, the income from operations of the Company increased to ₹97,944 million compared to ₹83,367 million in the previous year, registering a growth of 17%. The profit after tax for the year increased by 55% to ₹4,703 million compared to ₹3,028 million in the previous year.

During the year under review, the consolidated gross revenue of the Company increased to ₹112,468 million compared to ₹96,147 million registering an impressive growth of 17%. Net profit after minority interest for the group increased by 116% to ₹4,317 million compared to ₹2,002 million in the previous year.

Exceptional income of ₹1,644 million includes profit realised from sale of the Company's equity stake in Apollo Munich Health Insurance Company Limited of ₹1,965 million as adjusted for Impairment of investment in Apollo Lavasa Health Corporation Limited of ₹321 million.

## Impact of the COVID-19 pandemic on the business

Due to the COVID-19 pandemic situation, the Government had announced a country wide lockdown for three weeks starting from the third week of March 2020 involving restrictions on international and domestic travel while also issuing an advisory on postponing elective surgeries and undergoing preventive health checks.

Stand Alone Pharmacy segmental revenues and business performance were not impacted during the lockdown, and continued to show growth momentum.

However, the pandemic has led to a material impact on the healthcare industry in general and the Company's healthcare services business operations, due to the following reasons:

- Severe travel related restrictions impacting both employee movements and patient flows to our hospitals .
- Out Patient footfalls being impacted apart from incidence of postponement of elective procedures. Both factors in turn have led to a substantial reduction in the inpatient case loads .
- Continued investments being required to be made on investments in equipment, consumables and other resources to ensure 100% preparedness for safety in the hospital(s) and eventual treatment of patients in case of a need.
- Current embargo on international travel has also impacted patient flows to hospital units located in metro centres as well.

We are continuously calibrating our responses to the COVID-19 situation as it evolves. However, patient case loads and occupancies across the hospitals network have witnessed improvements post easing of lockdown related restrictions.

Given the current huge demand supply imbalance that persists with regard to healthcare infrastructure within the country, Apollo Hospitals as the largest private health care services provider in the country is well positioned to continue to address the demand for high quality tertiary care across the country over the long term.

## Consolidated Financial Statements

In accordance with the Companies Act, 2013 ("the Act") and Ind AS 110 - Consolidated Financial Statements read with Ind AS 28 - Investment in Associates and Ind AS 31 - Interests in Joint Ventures, the audited consolidated financial statements form part of the Annual Report.

In terms of provision to sub section (3) of Section 129 of the Act, the salient features of the financial statements of the Subsidiaries, Associates and Joint Venture Companies are set out in the prescribed Form AOC-1, which forms a part of the Annual Report.

In accordance with Section 136 of the Act, the audited financial statements, including the consolidated financial statements of the Company and audited accounts of the subsidiaries are available at the Company's website: www.apollohospitals.com. The documents will also be available for inspection during business hours at the registered office of the Company.

## Material Changes affecting the Company

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report. There has been no change in the nature of business of the Company.

## Scheme of Arrangement

The Board of Directors at their meeting held on November 14, 2018 had approved a Scheme of Arrangement ("the Scheme") between Apollo Hospitals Enterprise Limited ("AHEL") and Apollo Pharmacies Limited ("APL") and their respective shareholders in accordance with the provisions of Sections 230 to 232 of the Companies Act, 2013, for the transfer of the front-end portion of the retail pharmacy business ("the disposal group") carried out in the standalone pharmacy segment to APL by way of slump sale, subject to necessary approvals by stock exchanges, shareholders, the National Company Law Tribunal and all other requisite Regulatory Authorities.

The Company received no objection letters from National Stock Exchange of India Limited and BSE Limited. Further, the Company obtained approvals from Competition Commission of India (CCI) and from the equity shareholders in October 2019.

The petition seeking sanction of the Scheme, is pending before the National Company Law Tribunal (NCLT) as on the date of the report.

## Scheme of Amalgamation

The Board of Directors at their meeting held on February 13, 2020 had approved the amalgamation of Apollo Home Healthcare (India) Limited and Western Hospitals Corporation Private Limited, wholly owned subsidiaries of the Company (hereinafter referred to as "Transferor Companies") into Apollo Hospitals Enterprise Limited (Transferee Company) by way of a Scheme of Amalgamation between the Transferor Companies and the Transferee Company and their respective shareholders and creditors, in accordance with Sections 230 to 234 of the Companies Act, 2013.

The amalgamation is subject to requisite statutory and regulatory approvals and sanction by the respective shareholders of each of the companies involved in the scheme.

The amalgamation of the Transferor Companies with the Transferee Company is aimed at achieving the following primary benefits:

- Facilitate consolidation of the undertakings in order to enable effective management and unified control of operations;
- Create economies in administrative and managerial costs by consolidating operations;
- Reduce duplication of administrative responsibilities and multiplicity of records and legal and regulatory compliances.

There will not be any change in the shareholding pattern of the Transferee Company pursuant to implementation of the Scheme of Amalgamation as the Transferor Companies are wholly owned subsidiaries of the Transferee Company.

## Dividend

During the year, your Company declared an interim dividend of ₹3.25 (65%) per equity share of face value of ₹5/- each and the said dividend was paid to the shareholders on 5th March 2020 whose names appeared in the register of members as on 26th February 2020, being the record date fixed for this purpose.

Your Directors are pleased to recommend a Final Dividend of ₹2.75 (55%) per equity share of face value of ₹5/- each for the year ended 31st March, 2020.

The Final Dividend, subject to the approval of Members at the Annual General Meeting on Friday, September 25, 2020, will be paid on October 5, 2020, to the Members whose names appear in the Register of Members, as on the Book Closure date, i.e. from Saturday, September 19, 2020 to Friday, September 25, 2020 (both days inclusive).

The total dividend for the financial year, including the proposed Final Dividend, amounts to ₹6/- (120%) per equity share and will aggregate to ₹927.69 million (including Dividend Distribution Tax of ₹92.94 million on Interim Dividend).

In view of the changes made under the Income Tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the shareholders. Your Company shall, accordingly, make the payment of the Final Dividend after deduction of tax at source.

The Board approved and adopted a dividend distribution policy at its meeting held on 30th May 2017 which is annexed herewith as Annexure – I to this report and also posted on the Company's website: www.apollohospitals.com.

## Subsidiaries, Associate Companies and Joint Ventures

At the beginning of the year, your Company had nineteen direct subsidiaries, ten step down subsidiaries, four joint ventures and four associate companies.

During the year Apollo Healthcare Technology Solutions Limited, a subsidiary of the Company had applied for strike off of its name to the Registrar of Companies on 19th March 2020.

The Company had divested its entire equity stake in Apollo Munich Health Insurance Company Ltd (AMHIL) on 9th January 2020 and consequently. AMHIL has ceased to be an Associate Company.

As on 31st March 2020, your Company had eighteen direct subsidiaries, ten step down subsidiaries, four joint ventures and three associate companies.

The statement containing the summarized financial position of the subsidiary companies viz., Apollo Home Healthcare (I) Ltd (AHHCIL), A.B. Medical Centres Limited (ABMCL), Samudra Healthcare Enterprises Limited (SHEL), Apollo Hospital (UK) Limited (AHUKL), Apollo Hospitals Singapore Pte Limited (AHSPL), Apollo Health and Lifestyle Limited (AHLL), Western Hospitals Corporation Pvt Limited (WHCPL), Total Health (TH), Imperial Hospital and Research Centre Limited (IHRCL), Apollo Medicals Pvt Limited (AMPL), Apollo Home Healthcare Limited (AHHL), Apollo Nellore Hospital Limited (ANHL), Sapien BioSciences Pvt Limited (SBPL), Apollo Rajshree Hospitals Pvt Limited (ARHPL), Apollo Lavasa Health Corporation Limited (ALHCL), Assam Hospitals Limited (AHL), Apollo Hospitals International Limited (AHIL), Future Parking Pvt Limited (FPPL), Apollo Sugar Clinics Limited (ASCL), Apollo Specialty Hospitals Pvt Limited (ASHPL), Alliance Dental Care Limited (ADCL), Apollo Dialysis Pvt Limited (ADPL), Apollo CVHF Limited (CVHF), Apollo Bangalore Cradle Limited (ABCL), Kshema Healthcare Pvt Limited (KHPL), AHLL Diagnostics Limited (ADL), AHLL Risk Management Pvt Limited (ARMPL) and Apollo Pharmacies Limited (APL) pursuant to Section 129 read with Rules 5 of the Companies (Accounts) Rules, 2014 is contained in Form AOC-1, which forms part of the Annual Report.

### 1. Apollo Home Healthcare (India) Limited (AHHCIL)

AHHCIL, a wholly owned subsidiary of the Company recorded a revenue of ₹0.43 million, and net loss of ₹3.01 million.

### 2. A.B. Medical Centres Limited (ABMCL)

ABMCL, a wholly owned subsidiary of the Company does not have any commercial operations as it has leased out its infrastructure viz., land and building to the company for running a hospital. For the year ended 31st March, 2020, ABMCL recorded an income of ₹8.23 million and a net profit of ₹6.52 million.

### 3. Samudra Healthcare Enterprises Limited (SHEL)

SHEL, a wholly owned subsidiary of the company, runs a 120 bed multi speciality hospital at Kakinada. For the year ended 31st March, 2020, SHEL recorded an income of ₹376.05 million and a net profit of ₹1.71 million.

### 4. Apollo Health and Lifestyle Limited (AHLL)

AHLL, is a 70.25% subsidiary of the Company engaged in the business of providing primary healthcare facilities through a network of owned/franchised clinics across India offering specialist consultations, diagnostics, preventive health checks, telemedicine facilities and 24-hour pharmacy all under one roof. For the year ended 31st March, 2020, AHLL recorded an income of ₹7,096.12 million and a net loss of ₹727.40 million.

### 5. Western Hospitals Corporation Private Limited (WHCPL)

WHCPL, a wholly owned subsidiary of the Company, recorded an income of ₹6.21 million and a net loss of ₹8.63 million for the year ended 31st March 2020.

### 6. Total Health (TH)

TH, is a wholly owned subsidiary of the Company registered under Section 8 of the Companies Act, 2013, which is engaged in carrying on CSR activities in the field of community/rural development.

### 7. Apollo Hospital (UK) Limited (AHUKL)

AHUKL, is a wholly owned foreign subsidiary of the Company and has not yet commenced its operations.

## 8. Apollo Hospitals Singapore Pte Limited (AHSPL)

AHSPL, is a wholly owned subsidiary of the Company which has invested in a venture capital fund which focuses on funding early stage healthcare technology startups in Asia.

## 9. Apollo Medicals Private Limited (AMPL)

AMPL, is a wholly owned subsidiary of the Company and is yet to commence its operations.

## 10. Imperial Hospital and Research Centre Limited (IHRCL)

IHRCL, is a 90% subsidiary of the Company and owns a 290 beds multi-specialty hospital at Bengaluru. For the year ended 31st March, 2020, IHRCL recorded an income of ₹2,744.22 million and a net profit of ₹205.92 million.

## 11. Apollo Home Healthcare Limited (AHHL)

AHHL, a 70.75% subsidiary of the Company is engaged in the business of providing high quality, personalized and professional healthcare services at the doorsteps of the patients. AHHL recorded an income of ₹450.99 million and a net loss of ₹36.28 million.

## 12. Apollo Nellore Hospital Limited (ANHL)

ANHL a 80.87% subsidiary of the Company has leased out its land at Nellore to the Company. ANHL recorded an income of ₹8.17 million and a net profit of ₹6.48 million.

## 13. Sapien Biosciences Private Limited (SBPL)

SBPL, is a 70% subsidiary of the company which is engaged in the business of bio-banking of tissues. For the year ended 31st March, 2020, SBPL recorded an income of ₹31.43 million and a net profit of ₹11.18 million.

## 14. Apollo Rajshree Hospitals Private Limited (ARHPL)

ARHPL, a 54.63% subsidiary of the company, runs a multi speciality hospital at Indore. For the year ended 31st March, 2020, ARHPL recorded an income of ₹753.01 million and a net profit of ₹25.23 million.

## 15. Apollo Lavasa Health Corporation Limited (ALHCL)

ALHCL, a 51% subsidiary of the company, runs a hospital at Lavasa. For the year ended 31st March, 2020, ALHCL recorded an income of ₹2.82 million and a net loss of ₹41.69 million.

## 16. Assam Hospitals Limited (AHL)

AHL, a 65.52% subsidiary of the company, runs a multi speciality hospital at Guwahati. For the year ended 31st March, 2020, AHL recorded an income of ₹1,550.61 million and a net profit of ₹50.53 million.

## 17. Apollo Hospitals International Limited (AHIL)

AHIL, a 50% subsidiary of the company, runs a multi speciality hospital at Ahmedabad. For the year ended 31st March, 2020, AHIL recorded an income of ₹2,076.88 million and a net loss of ₹27.80 million

## 18. Future Parking Private Limited (FPPL)

FPPL, a subsidiary of the company, has been promoted for the development of a Multi level Car parking facility at Wallace Garden, Nungambakkam, Chennai. FPPL recorded an income of ₹47.63 million and a net loss of ₹15.41 million

## 19. Apollo Speciality Hospitals Private Limited (ASHPL)

ASHPL, a subsidiary of Apollo Health and Lifestyle Limited, is engaged in the business of running day surgery centres. For the year ended 31st March, 2020, ASHPL recorded an income of ₹3,682.94 million and a net loss of ₹380.73 million.

## 20. Apollo Sugar Clinics Limited (ASCL)

ASCL, a subsidiary of Apollo Health and Lifestyle Limited, is engaged in the business of running diabetes management centres. For the year ended 31st March, 2020, ASCL recorded an income of ₹291.34 million and a net loss of ₹4.61 million.

## 21. Alliance Dental Care Limited (ADCL)

ADCL, a subsidiary of Apollo Health and Lifestyle Limited which is engaged in the business of running dental care centres recorded an income of ₹300.32 million and a net loss of ₹21.35 million for the year ended 31st March 2020.

## 22. Apollo Dialysis Private Limited (ADPL)

ADPL, a subsidiary of Apollo Health and Lifestyle Limited is engaged in the business of running dialysis centers. For the year ended 31st March 2020, ADPL recorded a revenue of ₹252.66 million and a net loss of ₹17.42 million.

## 23. AHLL Diagnostics Limited (ADL)

ADL, a subsidiary of Apollo Health and Lifestyle Limited is yet to commence its operations.

## 24. AHLL Risk Management Private Limited (ARML)

ARML, a subsidiary of Apollo Health and Lifestyle Limited is engaged in the business of acting as agents, consultants, advisors in all insurance business and related activities. For the year ended 31st March. 2020, ARML recorded a revenue of ₹0.05 million and a net loss of ₹2.80 million.

## 25. Apollo CVHF Limited (CVHF)

CVHF, a subsidiary of Apollo Hospitals International Limited is in the business of providing healthcare services for the year ended 31st March, 2020, CVHF recorded a revenue of ₹136.48 million and a net loss of ₹132.74 million.

## 26. Apollo Bangalore Cradle Limited (ABCL)

ABCL, a subsidiary of Apollo Speciality Hospitals Private Limited, is engaged in the business of running Cradle centres. For the year ended 31st March, 2020, ABCL recorded an income of ₹360.26 million and a net profit of ₹5.75 million.

## 27. Kshema Healthcare Private Limited (KHPL)

KHPL, a subsidiary of Apollo Speciality Hospitals Private Limited is yet to commence its operations.

## 28. Apollo Pharmacies Limited (APL)

APL, a subsidiary of Apollo Medicals Private Limited is yet to commence its operations.

## Disinvestment/Impairment of Investments

- During the year, your Company fully divested its 9.94% equity stake in its associate company, Apollo Munich Health Insurance Company Ltd (AMHIL), a joint venture between the Apollo Hospitals Group and Munich Health Holdings AG. AMHIL was one of the first standalone health insurance companies to enter the market after liberalization of the Indian insurance industry.

  Having successfully incubated AMHIL since its inception and with a view to unlocking value, in January 2020, the Company divested its 9.94% equity stake in AMHIL thus realizing a net gain of ₹1,965 million (net of transaction costs and indemnity related deductions) through this transaction.

- The Board also decided to write down the value of the Company's investment and advances aggregating to ₹321 million in its subsidiary, Apollo Lavasa Health Corporation, which runs a secondary care hospital in the Lavasa town ship, consequent to continuing constraints faced in the Lavasa township combined with further uncertainties arising out of the COVID -19 pandemic situation.

## Corporate Governance

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. The report on corporate governance as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter Listing Regulations), forms an integral part of this report. The requisite certificate from the Auditors of the Company confirming the compliance with the conditions of corporate governance is attached to the report on Corporate Governance.

## Management Discussion and Analysis Report

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the Listing Regulations is presented in a separate section forming part of the Annual Report.

## Business Responsibility Report

As stipulated under the Listing Regulations, the Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance perspective is attached as part of the Annual Report.

## Sexual Harassment

The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. The Company has an Internal Complaints Committee for providing a redressal mechanism pertaining to sexual harassment of women employees at the work place. During the year, 4 complaints were received under the policy, all of which were disposed off.

## Vigil Mechanism/Whistle Blower Policy

The Company has established a vigil mechanism for Directors and Employees to report their genuine concerns, the details of which are given in the Corporate Governance Report. The policy on Vigil Mechanism and Whistle Blower Policy has been posted on the website of the Company www.apollohospitals.com.

## Particulars of Loans, Guarantees and Investments

The details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

## Fixed Deposits

The Company had stopped accepting fixed deposits as well as renewal of existing deposits from the public since 2014. The total outstanding deposits with the Company as on 31st March 2020 were ₹1.90 million (₹13.42 million as on 31st March 2019) which were not claimed by the depositors.

## Directors and other Key Managerial Personnel (KMPs)

## Board Composition and Independent Directors

The Board consists of the Executive Chairman, four Executive Directors and five Independent Directors. Independent directors are appointed for a term of five years and are not liable to retire by rotation.

All Independent Directors have given their declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 (b) of the SEBI Listing Regulations.

## Retirement by Rotation

Pursuant to Section 152 of the Companies Act 2013, Smt.Sangita Reddy, Director retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.

## Key Managerial Personnel

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company are Smt. Suneeta Reddy, Managing Director, Shri. Krishnan Akhileswaran, Chief Financial Officer and Shri. S.M. Krishnan, Vice President-Finance & Company Secretary. There has been no change in the Key Managerial Personnel during the year.

## Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and in terms of Regulation 17(10) of the SEBI Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of the Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

## Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee, approved a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

## Meetings of the Board

The Board met five times during the financial year, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

## Risk Management

The Board of Directors had constituted a Risk Management Committee to identify elements of risk in different areas of operations and to develop a policy for actions associated to mitigate the risks. The Committee on a timely basis informed the members of the Board of Directors about risk assessment and minimization procedures and in the opinion of the Committee there was no risk that may threaten the existence of the Company. The details of the Risk Management Committee are included in the Corporate Governance Report.

## Internal Financial Controls and their Adequacy

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations

The scope and authority of the Internal Audit (IA) function is defined in the Internal Audit Charter. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board. The details of the internal control system and its terms of reference are set out in the Management Discussion and Analysis Report forming part of the Board's Report.

The Board of Directors has laid down internal financial controls to be followed by the Company and the policies and procedures to be adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information. The Audit Committee evaluates the internal financial control systems periodically.

## Significant and Material Orders passed by the Regulators or Courts

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

## Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act 2013, the Board of Directors to the best of their knowledge hereby state and confirm:

a. that in the preparation of the annual financial statements for the year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;

b. that such accounting policies have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the year ended on that date;

c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. that the annual financial statements have been prepared on a going concern basis;

e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;

f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## Share Capital

The paid up Equity Share Capital as on March 31, 2020 was ₹695.63 million. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity. As of March 31, 2020, the details of shareholding in the Company held by the Directors are set out in the Corporate Governance Report forming part of the Board's Report and none of the directors hold convertible instruments of the Company.

## Contracts and Arrangements with Related Parties

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract/arrangement/ transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

During the year, the Company had obtained members approval for entering into a long term supply agreement with Apollo Pharmacies Limited (APL), a related party for supply of pharmacy items. The Company would be undertaking back end supplies of pharmacy items to APL, soon after receiving the order from the NCLT. Sanctioning the Scheme of Arrangement involving transfer of the front end portion of the standalone pharmacy business to APL, which may exceed the threshold limit of 10% of the consolidated turnover of the Company.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website www.apollohospitals.com. Your Directors draw the attention of the members to the Notes to the financial statements which sets out related party disclosures.

None of the Directors have any pecuniary relationships or transactions vis-à-vis the Company.

## Particulars of Employees and related disclosures

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided in the Annual Report, which forms part of this Report.

Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are also provided in the Annual Report, which forms part of this Report.

Having regard to the provisions of Section 136(1) read with the relevant provisions of the Companies Act, 2013, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the Registered Office of the Company during working hours. Any member interested in obtaining such information may write to the Company Secretary and the same will be furnished free of cost.

## Employee Stock Options

No Employee Stock Options have been granted to the employees of the Company and thus no disclosure is required.

## Corporate Social Responsibility Initiatives

As part of its initiatives under Corporate Social Responsibility (CSR), the Company has undertaken projects in the areas of Rural Development, Healthcare, Education & Skill Development and Research in Healthcare.

These projects are in accordance with Schedule VII of the Companies Act, 2013. The Report on CSR activities for the financial year 2019-2020 is annexed herewith as "Annexure A".

## Statutory Auditors

The Members at the Annual General Meeting held on 20th September 2017 approved the appointment of Deloitte Haskins & Sells LLP, Chartered Accountants as statutory auditors for a period of five years commencing from the Thirty Sixth Annual General Meeting till the conclusion of the Forty First Annual General Meeting subject to ratification by the Members every year. Pursuant to amendments in Section 139 of the Companies Act, 2013, the requirements to place the matter relating to such appointment for ratification by members at every annual general meeting has been dispensed with effect from 7th May, 2018 and the appointment of Deloitte Haskins & Sells LLP, Chartered Accountants as statutory auditors is valid till the conclusion of the Forty First Annual General Meeting to be held during the year 2022.

There are no qualifications, reservation or adverse remarks made by the statutory auditors in the audit report.

## Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Directors on the recommendation of the Audit Committee, appointed M/s. A.N. Raman & Associates, Cost Accountants, Chennai (FRN 102111) to audit the cost accounts of the Company for the financial year 2020- 2021 on a remuneration of ₹1.50 million.

As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a resolution seeking Member's ratification for the remuneration payable to M/s. A.N. Raman & Associates, Cost Accountants, Chennai (FRN102111) is included at Item No.9 of the Notice convening the Annual General Meeting.

The Company has maintained cost records in accordance with the provisions of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014 in respect of healthcare services.

## Secretarial Auditors

The Board had appointed Smt. Lakshmmi Subramanian, Senior Partner, M/s. Lakshmmi Subramanian & Associates, a firm of Company Secretaries in Practice, to conduct Secretarial Audit for the financial year 2019-2020. The Secretarial Audit Report for the financial year ended March 31, 2020 is annexed herewith as "Annexure B". The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## Statutory Auditors and Secretarial Auditors Report

The Directors hereby confirm that there is no qualification, reservation or adverse remark made by the statutory auditors of the company or in the secretarial audit report by the practicing company secretary for the year ended 31st March, 2020.

## Particulars regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo.

Information as required to be disclosed on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as "Annexure C".

## Extract of Annual Return

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as "Annexure D".

## Acknowledgement

Your Directors wish to place on record their appreciation of the contribution made by the employees at all levels, towards the continued growth and prosperity of your Company.

Your Directors also wish to place on record their appreciation of business constituents, banks and other financial institutions and shareholders of the Company for their continued support.

For and on behalf of the Board of Directors

Place : Chennai
Date : June 25, 2020

**Dr. Prathap C Reddy**
Executive Chairman

# ANNEXURE I
# DIVIDEND DISTRIBUTION POLICY

## Background

This policy is being adopted and published in compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016.

SEBI vide its notification dated July 8, 2016 introduced a new regulation 43A which prescribed that the top five hundred listed entities based on market capitalization (calculated as on March 31 of every financial year) shall formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites.

The regulation further prescribes that, the dividend distribution policy shall include the following parameters:

a. the circumstances under which the shareholders of the listed entities may or may not expect dividend;
b. the financial parameters that shall be considered while declaring dividend;
c. internal and external factors that shall be considered for declaration of dividend;
d. policy as to how the retained earnings shall be utilized; and
e. parameters that shall be adopted with regard to various classes of shares.

Provided that if the listed entity proposes to declare dividend on the basis of parameters in addition to clauses (a) to (e) or proposes to change such additional parameters or the dividend distribution policy contained in any of the parameters, it shall disclose such changes along with the rationale for the same in its annual report and on its website.

## Objective

Apollo Hospitals Enterprise Limited (the "Company") has always strived to enhance stakeholder value. The Company believes that returning cash to shareholders is an important component of overall value creation.

Parameters/Factors considered by the Company while declaring dividend

The Board of Directors of the Company shall consider the following parameters before declaring or recommending dividend to the shareholders:

**A) Financial Parameters / Internal Factors**

(a) Financial performance including profits earned (standalone), available distributable reserves etc;
(b) Cash Balance and Cash Flow;
(c) Current and future capital requirements such as
- Business Expansion/Modernisation
- Mergers and Acquisitions
- Additional Investment in JVs / Subsidiaries / Associates

(d) Fund requirement for contingencies and unforeseen events with financial implications;
(e) Past Dividend trend including Interim dividend paid, if any; and
(f) Any other factor as deemed fit by the Board

**B) External Factors**

(a) Macro-economic conditions
(b) Financing costs
(c) Government Regulations
(d) Taxation

After meeting internal cash requirements and maintaining a reasonable cash balance towards any strategic investments, the Company will endeavour to return the rest of the free cash generated to shareholders through regular dividends.

## Circumstances under which the shareholders of the Company may or may not expect dividend

There may be certain circumstances under which the shareholders of the Company may not expect dividends, including the following

(a) Adverse market conditions and business uncertainty;

(b) Inadequacy of profits earned during the financial year;

(c) Inadequacy of cash balance;

(d) Substantial forthcoming capital requirements which are best funded through internal accruals;

(e) Changing government regulations etc.

Even under such circumstances, the Board may at its discretion, and subject to applicable rules, choose to recommend a dividend out of the Company's free reserves.

## Utilisation of Retained Earnings

**Growth:** The Company will utilise its retained earnings for the growth of the Company. The Company can consider venturing into new markets/geographies/ verticals.

**Research and Development:** The Company will utilise its retained earnings for research and development of new products in order to increase market share

**Capital Expenditure:** The Company will utilise its retained earnings for capital expenditure by way of physical and technology infrastructure etc.

**Mergers and Acquisitions :** The Company will utilise its retained earnings for mergers and acquisitions, as it may deem necessary from time to time

## Multiple classes of shares

Currently, the Company has only one class of shares. In future, if the Company issues multiple classes of shares, the parameters of the dividend distribution policy will be appropriately addressed.

## Policy Review

The Board of Directors may review this policy periodically, by taking into account the national and global economic conditions, the Company's growth and investment plans and financial position etc., and in accordance with any regulatory amendments.

## Website

The Policy has been posted on the website of the Company www.apollohospitals.com.

For and on behalf of the Board of Directors

Place : Chennai
**Dr. Prathap C Reddy**
Date : June 25, 2020
Executive Chairman



# ANNEXURE - A TO THE DIRECTORS' REPORT

## Report on Corporate Social Responsibility (CSR) activities for the financial year 2019-2020

| | | |
|---|---|---|
| 1. | A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes | Your Company has undertaken CSR activities to create a meaningful and lasting impact on the communities in remote areas by helping them transcend barriers of socio-economic development.<br>Your company wishes to extend comprehensive integrated healthcare services to the community. Your company is also committed to developing the skills of the youth through high quality education and research in healthcare services.<br>Your company continues to focus on CSR activities under the following broad segments :<br>1. Rural Development<br>2. Healthcare<br>3. Education and Skill Development<br>4. Research in Healthcare<br>The CSR Policy can be assessed on the company's website.<br>Weblink:https://www.apollohospitals.com/apollo_pdf/csr-policy.pdf |
| 2. | Composition of the CSR Committee | • Dr. Prathap C Reddy, Chairman<br>• Smt. Preetha Reddy<br>• Smt. Sangita Reddy<br>• Shri. MBN Rao and<br>• Dr. Murali Doraiswamy |
| 3. | Average net profit of the Company for the last three financial years | ₹4,053.72 million |
| 4. | Prescribed CSR Expenditure (two percent of the amount as in item 3 above) | ₹81.07 million |
| 5. | Details of CSR spent for the financial year | 2019-2020 |
| | Total Amount to be spent for the financial year 2019-2020 | ₹81.07 million |
| 6. | Total Amount spent during the year | ₹95.67 million |
| | Amount unspent, if any | Nil |
| 7. | Manner in which the amount was spent during the financial year is detailed below | |

The Company undertook CSR activities in line with the CSR policy approved by the Board of Directors focussing on the following themes.

1. Rural Development
2. Healthcare
3. Education and Skill Development
4. Research in Healthcare

**Manner in which the amount was spent during the financial year is detailed below:**

| Sl No. | CSR Project or activity identified | Sector in which the project is covered | Projects or Programs (1) Local area or other (2) Specify the State and district where Projects or Programs were undertaken | Amount of Outlay (Budget) project or program wise ₹in million | Amount spent on the project or programs ₹in million | Cumulative Expenditure upto the reporting period ₹in million | Amount spent directly or through implementing agency |
|---|---|---|---|---|---|---|---|
| 1. | a) Providing safe drinking water<br>b) Extension of Sanitation facilities<br>c) Setting up of Nutrition Centres,<br>d) Vocational Training Centres facilitating skill development training<br>e) Mobile Medical Units – primary and preventive healthcare including diagnostics,<br>f) Promotion and Revival of rural sports | Rural Development | Andhra Pradesh, Chittoor District, Aragonda | 121.19 | 18.77 | 121.19 | Implementing Agency: Total Health |
| 2. | a) Health Check ups- Free Medicines and Medical Check ups for poor people<br>b) Health Care activities – Health awareness camps for primary and preventive health care including diagnostics | Promoting Healthcare including preventive care | Free Medical centres at:<br>1. Tirumala Tirupathi Devasthanam (TTD), Tirupathi, Andhra Pradesh<br>2. Koyambedu Bus Stand, Chennai<br>3. Research centre at Tambaram, Chennai<br>4. Rural Community Centre, Ayanambakkam, Chennai<br>5. Medical Centre at Sabarimala, Pamba, Pathanamthitta District, Kerala | 156.01 | 23.01 | 156.01 | Implementing Agency: Direct |
| 3 | Free Medicines to Geriatric Centres | Promoting healthcare including preventive care | Tamil Nadu | 83.92 | 26.98 | 83.92 | Implementing Agency: Direct |
| 4 | Free Medical Treatments to the employees of World Wild Life Fund for Nature India; WWF is focusing on conservation of species through field level activities in 10 landscapes in India as well as through direct interventions aimed at conserving a particular species | Promoting healthcare including preventive care | Pan India | 18.47 | 5.70 | 18.47 | Implementing Agency: Apollo Hospitals Charitable Trust |
| 5 | Free Medicines | Promoting healthcare including preventive care | Delhi | 10.07 | 0.61 | 10.07 | Implementing Agency: Billions Heart Beating Foundation |
| 6 | Research | Research | Pan India | 42.90 | 13.00 | 42.90 | Implementing Agency: Apollo Hospitals Educational and Research Foundation |
| 7 | Education | Promoting Education | Andhra Pradesh, Chittoor District, Aragonda | 31.02 | 5.00 | 31.02 | Implementing Agency: Aragonda Apollo Medical and Educational Research Foundation |

| Sl No. | CSR Project or activity identified | Sector in which the project is covered | Projects or Programs (1) Local area or other (2) Specify the State and district where Projects or Programs were undertaken | Amount of Outlay (Budget) project or program wise ₹in million | Amount spent on the project or programs ₹in million | Cumulative Expenditure upto the reporting period ₹in million | Amount spent directly or through implementing agency |
|---|---|---|---|---|---|---|---|
| 8 | Environment Sustainability | Protecting the Environment | | 2.50 | 2.50 | 2.50 | Implementing Agency: Donation to Isha Foundation – Cauvery Calling |
| 9 | Conservation of Heritage | | | 0.10 | 0.10 | 0.10 | Implementing Agency: Donation to Crafts Council of India |
| | | | **Total** | **466.18** | **95.67** | **466.18** | |

**Responsibility Statement by the Corporate Social Responsibility Committee:**
The implementation and monitoring of the CSR Policy, is in compliance with the CSR objectives and policy of the Company.

sd/-
**Dr. Prathap C Reddy**
Chairman, CSR Committee

sd/-
**Suneeta Reddy**
Managing Director

Place : Chennai
Date : June 25, 2020





# ANNEXURE - B TO THE DIRECTORS' REPORT

# SECRETARIAL AUDIT REPORT

## for the financial year ended 31st March 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members
Apollo Hospitals Enterprise Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Apollo Hospitals Enterprise Limited (hereinafter called the company). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have also examined the following with respect to the new amendment issued vide SEBI Circular number CIR/CFD/CMD1/27/2019 dated 8th February, 2019 (Regulation 24A of SEBI(LODR)).

(a) all the documents and records made available to us and explanations provided by Apollo Hospitals Enterprise Limited ("the Listed Entity");

(b) the filings/submissions made by the listed entity to the Stock Exchanges;

(c) website of the listed entity;

(d) books, papers, minute books, forms and returns filed with the Ministry of Corporate Affairs and other records maintained by Apollo Hospitals Enterprise Limited ("the Company") for the financial year ended on 31st March, 2020 according to the provisions as applicable to the Company during the period under audit and subject to the reporting made hereinafter and in respect of all statutory provisions listed hereunder:

i. The Companies Act, 2013 (the Act) and the Rules made there under;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

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

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

(a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

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

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

(e) SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 on Schemes of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957;

**We hereby report that**

a. The Listed Entity has complied with the provisions of the above Regulations and circulars/guidelines issued thereunder.

b. The Listed Entity has maintained proper records under the provisions of the above Regulations and circulars/guidelines issued thereunder in so far as it appears from our examination of those records.

c. There were no actions taken against the listed entity/its promoters/directors/material subsidiaries either by SEBI or by the Stock Exchanges (including under the Standard Operation Procedures issued by SEBI through various circulars) under the aforesaid Acts/Regulations and circulars/guidelines issued thereunder.

**We have also examined compliance with the applicable clauses of the following:**

(i) The Listing Agreements entered into by the Company with the Stock Exchanges, where the securities of the Company are listed and the uniform listing agreement with the said stock exchanges pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

(ii) Secretarial Standards with respect to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

In our opinion and as identified and informed by the Management, the Company has adequate systems to monitor and ensure compliance (including the process of renewal/fresh/pending applications with Government Authorities), the following laws are specifically applicable to the Company.

| | |
|---|---|
| 1 | Atomic Energy Act, 1962 |
| 2 | Birth and Death and Marriage Registrations Act, 1886 |
| 3 | Blood Bank Regulations under Drugs and Cosmetics Act, 1940 |
| 4 | Clinical Thermometers (Quality Control ) Order, 2001 |
| 5 | The Dentists Act, 1948 |
| 6 | Drugs and Cosmetics Act, 1940 |
| 7 | Drugs and Cosmetics Rules, 1945 |
| 8 | Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954 |
| 9 | Drugs and Magical Remedies Rules, 1955 |
| 10 | Epidemic Diseases Act, 1897 |
| 11 | Ethical guidelines for Biomedical Research on Human Subjects |
| 12 | Excise Permit (For Storage of Spirit) under Central Excise Act, 1956 |
| 13 | Infant Milk Substitute, Feeding Bottles and Infant Foods (Regulation of Production, Supply and Distribution) Act, 1992 |
| 14 | Infant Milk Substitute, Feeding Bottles and Infant Foods (Regulation of Production, Supply and Distribution) Rules, 1993 |
| 15 | Legal Metrology Act, 2009 |
| 16 | Legal Metrology Rules, 2011 |
| 17 | Medical Termination of Pregnancy Act, 1971 |
| 18 | Medical Termination of Pregnancy Regulations, 2003 |
| 19 | Medical Termination of Pregnancy Rules, 2003 |
| 20 | NACO Guidelines |
| 21 | Mental Healthcare Act, 2017 |
| 22 | Narcotic Drugs and Psychotropic Substances Act, 1985 |
| 23 | Narcotic Drugs and Psychotropic Substances Rules, 1985 |
| 24 | Pharmacy Act, 1948 |
| 25 | Poisons Act, 1919 |
| 26 | Poisons Rules (state specific) |
| 27 | Pre Conception and Prenatal Diagnostic Techniques Act, 1994 |
| 28 | Pre Conception and Prenatal Diagnostic Techniques, Prohibition of Sex Selection Rules, 1996 |
| 29 | Prevention of Illicit Traffic in Narcotics Drugs Act, 1988 |
| 30 | Prohibition of Smoking Act, 2008 |
| 31 | The Static and Mobile Pressure Vessels (Unfired) Rules, 2016 |
| 32 | The Bio Medical Waste Management Rules, 2016 |
| 33 | Transplantation of Human Organs and Tissues Act, 1994 |
| 34 | Transplantation of Human Organs and Tissues Rules, 1995 and 2014 |
| 35 | Clinical Establishments and Registration Act, 2010/ State Private Clinical Establishment Registration Act. |
| 36 | E-Waste Management Rules, 2016 |
| 37 | Solid Waste Management Rules, 2016 |
| 38 | Batteries Waste Management Rules, 2001 |
| 39 | Plastic Waste Management Rules, 2016 |
| 40 | Copyright Act, 1976 |
| 41 | Patent Act, 1970 |
| 42 | Trademark Act, 1999 |

It is reported that during the period under review, the Company has been regular in complying with the provisions of the Act, Rules, Regulations and Guidelines, as mentioned above

We further report that there were no actions/events in the pursuance of

1. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Employees Stock Option Scheme, 2007 approved under the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

2. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009

3. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018

4. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

requiring compliance thereof by the Company during the financial year under review.

We further report that, based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of quarterly compliance reports by the respective department heads/ the Company Secretary taken on record by the Board of Directors of the Company, in our opinion, adequate systems and control mechanism exist in the Company to monitor and ensure compliance with other applicable general laws including Human Resources and Labour laws.

We further report that the compliance status with regard to applicable financial laws, like direct and indirect tax laws, has not been covered under the scope of this Audit since the same has been subject to review by the the Statutory financial auditor and other designated professionals.

**We further report that**

The Company is well constituted with a proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes took place in the composition of the Board of Directors during the period under review except for confirmation of appointment of Independent Directors in the General Meeting.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were delivered and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meetings and for meaningful participation at the meetings.

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

We further report that during the audit period no events have occurred, which have a major bearing on the Company's affairs, except the following:

1. The Company had entered into a Scheme of Arrangement with Apollo Pharmacies Limited whereby the front end portion of the Stand Alone Pharmacy business of the Company would be demerged and transferred to Apollo Pharmacies Limited for which the approval of shareholders was obtained through a General Meeting conducted on 21st October, 2019 as directed by the National Company Law Tribunal vide their orders date 28th August, 2019 and 9th September, 2019. The Company is awaiting the Order of the National Company Law Tribunal, Chennai Bench for sanctioning the Scheme of Arrangement.
2. Shri Vinayak Chatterjee (DIN: 00008933) was re-appointed as Independent Director for a second term of five years at the Annual General Meeting held on 27th September, 2019.
3. Dr. Murali Doraiswamy, Smt. Kavitha Dutt and Shri. MBN Rao were appointed as Independent Directors at the Annual General Meeting held on 27th September, 2019.
4. The Company has altered the Memorandum of Association and adopted a new set of Articles at the Annual General Meeting held on 27th September, 2019.
5. The Company redeemed 2,000 Non-Convertible Debentures of ₹1,000,000 (Rupees Ten Lakh) each aggregating to ₹2,000,000,000 (Rupees Two Hundred Crores) issued in favour of Baroda Credit Risk Fund, Baroda Treasury Advantage Fund, Baroda Dynamic Equity Fund, General Insurance Corporation and NPS-Trust –A/C LIC Pension Fund Scheme through exercise of call option and is in the process of obtaining No due certificate from the Debenture Trustee for filing satisfaction of charges with the Ministry of Corporate Affairs.
6. The Company has entered into a Long Term Supply Agreement with Apollo Pharmacies Limited which is a related party for supply of pharmaceutical products (as per the above mentioned Scheme of Arrangement with Apollo Pharmacies Limited) and the same was approved by members through Postal Ballot dated 3rd February, 2020.
7. A Scheme of Amalgamation with M/s. Apollo Home Healthcare (India) Limited and M/s. Western Hospitals Corporation Private Limited, wholly owned subsidiaries of the Company was approved at the Board Meeting held on 13th February, 2020 and the same is under process.
8. The Company has duly transferred unclaimed matured deposits for the period 2012-13 and unclaimed dividend for the period 2011-12 to the Investor Education and Protection Fund Account under Section 125 of the Companies Act. However the process initiated for transferring shares to IEPF account could not be completed due to the COVID-19 situation.
9. At the Annual General Meeting held on 27th September 2019, an enabling resolution was passed to offer or invite subscriptions for redeemable non-convertible debentures, of an aggregate nominal value up to ₹ 5,000 million, in one or more series / tranches, on private placement. The Company is yet to progress on the said issue.
10. The Company, during the year under review had disinvested its holdings in Apollo Munich Health Insurance Company Limited (an Associate Company ) (currently known as HDFC ERGO Health Insurance Limited).
11. During the year under review, the Company has made additional investment in Apollo Health and Lifestyle Limited and fresh investments in Connect Wind India Private Limited, CWRE Power Private Limited and Immanuel Therapeutics Private Limited

Place: Chennai — For **LAKSHMMI SUBRAMANIAN & ASSOCIATES**

Date: 24th June 2020 — **Lakshmmi Subramanian**

Senior Partner

FCS No.3534
C.P.No. 1087
UDIN:F003534B000477986

# ANNEXURE – A

To,

The Members
Apollo Hospitals Enterprise Limited

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on a random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Chennai — For **LAKSHMMI SUBRAMANIAN & ASSOCIATES**
Date: 24th June 2020 — **Lakshmmi Subramanian**
Senior Partner

FCS No.3534
C.P.No. 1087
UDIN:F003534B000477986

# ANNEXURE - C TO THE DIRECTORS' REPORT

## Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

### Conservation of Energy

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

Your Company constantly evaluates and invests in new technology to make its infrastructure more energy efficient.

The following energy saving measures were adopted during the year 2019-2020.

- Phasing out of CFL lamps to LED lights in Apollo Hospitals, Navi Mumbai achieved a savings of ₹2.29 million.
- Bio Gas generation from food waste resulted in a savings of ₹0.20 million per year for Apollo Hospitals Madurai, Trichy, Karaikudi and Karur.
- Usage of Wind Power Generators achieved a savings of ₹6.50 million per year for Apollo Hospitals Madurai, Trichy, Karaikudi and Karur.
- Installation of timers to switch off/on the A/c units and switching on the altemate lights at corridors, to reduce the power consumption thereby achieved a savings of ₹4.01 million by Apollo Hospitals, Navi Mumbai.
- Optimization of fuel consumption in boiler operations.
- Phasing out of conventional AHU blowers into EC plug fans.
- VFD installation for AHU motor in a phased manner.
- All Lifts and OT AHUs are operated with VFD panels.
- Phasing out of split air conditioner units with chilled water FCU to reduce the power consumption and capital cost.
- Fixing retrofit blowers in AHUs and fixing pressure regulating water tap to conserve water.
- The Company sourced power generated from alternate sources like wind mills, solar energy etc. thereby achieving substantial savings.

As energy costs comprise a very small portion of your Company's total expenses, the financial implications of these measures are not material.

### Technology Absorption

Over the years, your Company has brought into the country the best that the world has to offer in terms of technology.

In its continuous endeavour to serve the patients better and to bring healthcare of international standards, your Company has introduced the latest technology in its hospitals.

**1. Da Vinci Xi® Robotic Surgical System :**

The latest model da Vinci Xi® Robotic Surgical System has been acquired at Apollo Hospitals, Bangalore to capitalize on its advantages over earlier models being used in Group Hospitals. The new system provides a natural extension of the surgeon's eyes and hands into the patient. Highly-magnified 3D HD Vision ensures that surgeons can see the surgical site with true depth perception and crystal-clear vision. Wristed instruments bend and rotate far beyond the human hand. The da Vinci Xi Surgical System is designed to be fluorescence imaging capable. Firefly Fluorescence Imaging provides real-time visualization and assessment of vessels, bile ducts and tissue perfusion. The camera, endoscope, and cable are integrated into one handheld design. At less than half the weight, the scope allows for placement on any of the four arms, providing the increased flexibility for visualizing the surgical site. Tremor filtration and Intuitive® Motion technologies allow the surgeon to operate with steady, natural motion. Surgical cart can be placed at any position around the patient - allowing for four-quadrant access. Redesigned arms offer greater range of motion. The laser targeting system positions the boom and ensures optimal configuration for the procedure. The da Vinci Xi Surgical System is designed to seamlessly integrate future innovations, such as advanced instrumentation, surgical skills simulation, software upgrades, and other advancements in one dynamic platform.

**2. Corpath vascular robotic system :**


The Corpath vascular robotic system has been installed at Apollo Main Hospital, Chennai. This system assists in performing cardiac and neuro vascular interventional procedures with robotic precision, while protecting the physicians from exposure to radiation and preventing musculoskeletal injuries due to their stress inducing postures during conventional procedures in the Cathlab. The robotic drive placed at the Cathlab Table holds a disposable cassette which is loaded with guide wire, balloon/stent catheter and guide catheter and these are remotely controlled by the Physicians seated at the interventional cockpit located in the Console room. Use of this system has also demonstrated reduction in fluoroscopy procedure times, reduction in quantity of contrast media used for patients and reduced radiation exposure for patients.

**3. Excelsius GPS Robotic Navigation platform**

The Excelsius GPS Robotic Navigation platform is the first technology to combine a rigid robotic arm and full navigation capabilities for precise trajectory alignment in Spine Surgery. This system has been installed at Apollo Speciality Hospital, Teynampet. It is designed to improve accuracy and optimize patient care by using robotics and navigation. ExcelsiusGPS supports screw placement for a variety of different approaches, including Posterior Cervical, Posterior Thoracic, Sacroiliac, Posterior Lumbar and Lateral Lumbar in the Lateral position.

4. **NAVIO surgical system**

Apollo Hospital, Jayanagar, Bangalore has acquired the NAVIO surgical system for use in surgical knee procedures where stereotactic surgery is appropriate like unicondylar knee replacement, patellofemoral arthroplasty, and total knee arthroplasty. The NAVIO Surgical System is a surgical planning, navigation, and intraoperative visualization system, combined with a robotic controlled handheld smart instrument for bone sculpting. The NAVIO Surgical System is designed to aid surgeons in accurate implant positioning, ligament balancing and bone preparation during knee arthroplasty. The system is upgradable for hip and shoulder arthrosplasty when it becomes available in the future.

5. **MRI System – 1.5 Tesla**

The latest model MRI system from M/s.Philips – Ingenia Ambition 1.5 Tesla system and first of its kind in India has been installed at Apollo Main Hospital, Chennai. The system is designed with a unique fully sealed Blue Seal magnet that does not require any Helium refill throughout its life time. It is fully loaded with software for clinical applications for Head, Neck, Spine, Body , Muskuloskeletal, Cardiovascular and Neuro imaging . The system is delivered with improved features of better image clarity and throughput. The classical Philips Ambient Experience solution with patient selectable themes enables a combination of audio, video and lighting elements for a personalized experience through out the MR exam duration.

**6. Robotic Visualisation System**

The best in class neurosurgical microscope from Carl Zeiss Kinevo 900 – robotic visualisation system has been installed at Apollo Proton Cancer Center. The system combines digital and optical visualization modalities and surgeon controlled robotics including Point lock, Active vibration damping and Position memory apart from surgical Navigation interface. The system also incorporates intraoperative fluorescence technologies with Vascular and Tumor fluorescence modules. The system also includes integrated 3D HD camera and recording capabilities.

7. **Intraoperative MRI System**

The Intraoperative MRI system at Apollo Hospitals, Hyderabad is very helpful to visualise tumor and normal tissue to confirm successful tumor resection, guide surgical decision making and lower the incidence of repeat resections. In addition this also enables brain shift compensation by virtue of real time intraoperative imaging capability. In order to optimally utilise the MRI system for routine radiological applications, rear docking of MR table has been enabled by this Philips system. The intraoperative MRI suite is complete with MR compatible surgical table and patient transfer solution from Maquet, MR compatible monitor from Philips and MR compatible anaesthesia workstation from Draeger, Skull frame from Doro, Navigation system and O-arm from Medtronic.

8. **Varian Trubeam STX Linear Accelerator**

To advance the treatment of lung, breast, prostate, head and neck, and other types of cancers, the TrueBeam™ platform for image-guided radiotherapy and radiosurgery has been installed at Apollo Hospitals Hyderabad, Vizag and Bhubaneswar to treat even moving targets with unprecedented speed and accuracy. The system dynamically synchronizes imaging, patient positioning, motion management, and treatment delivery. “Intelligent” automation further speeds treatments with an up to five-fold reduction in the number of steps needed for imaging, positioning and treating patients. The system can be used for all forms of advanced external-beam radiotherapy including image-guided radiotherapy and radiosurgery (IGRT and IGRS), intensity-modulated radiotherapy (IMRT), stereotactic body radiotherapy (SBRT) and RapidArc® radiotherapy. New ‘gated’ RapidArc radiotherapy, which compensates for tumor motion by synchronizing imaging with dose delivery during a continuous rotation around the patient, is a powerful tool for treating cancers of the thorax, such as lung and liver cancer, when tumor motion is an issue.

## Foreign Exchange Earnings & Outgo

**Foreign Exchange Earnings:** ₹908 million (This is exclusive of rupee payments made by Non-Resident Indian and Foreign Nationals)

**Foreign Exchange Outgo:** ₹1,383 million towards purchase of medical equipment and capital expenditure.

# ANNEXURE - D TO THE DIRECTORS' REPORT

## Form No. MGT 9

## Extract of Annual Return

## for the financial year ended 31st March 2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014.

## I. Registration & Other details

| | | |
|---|---|---|
| i. | CIN | L85110TN1979PLC008035 |
| ii. | Registration Date | 5th December 1979 |
| iii. | Name of the Company | APOLLO HOSPITALS ENTERPRISE LIMITED |
| iv. | Category/Sub-category of the Company | Public / Company Limited by Shares |
| v. | Address of the Registered office & contact details | #19, Bishop Gardens<br>Raja Annamalaipuram,<br>Chennai - 600 028,<br>Tamil Nadu, India<br>Tel : 91-44-28290956, Fax: 91-44-28290956<br>email: investor.relations@apollohospitals.com |
| vi. | Whether listed company | Yes |
| | Name of the Stock Exchanges where equity shares are listed | National Stock Exchange of India Limited, Mumbai<br>Stock Code: **APOLLOHOSP** |
| | | BSE Limited, Mumbai<br>Stock Code: **508869** |
| vii. | Name, Address & contact details of the Registrar & Transfer Agent, if any | Integrated Registry Management Services Private Ltd<br>Kences Towers, II Floor, No. 1 Ramakrishna Street,<br>North Usman Road, Chennai - 600 017<br>Ph: 91-44 2814 0801 Fax: 91-44 2814 2479 |

## II Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the Company shall be stated

| SL No | Name & Description of main products / services | NIC Code of the Product / service | % to total turnover of the company |
|---|---|---|---|
| 1 | Healthcare Services & Pharmacies | 86100 | 100 |

## III Particulars of Holding, Subsidiary & Associate Companies

| SL No | Name & Address of the Company | CIN / GLN | Subsidiary / Associate / Holding | % of Shares Held | Section Applicable |
|---|---|---|---|---|---|
| 1. | Apollo Home Healthcare (India) Limited, Ali Towers, I Floor, No. 55 Greams Road, Chennai - 600 006 | U85110TN1995PLC031663 | Subsidiary | 100.00 | 2(87) |
| 2. | A.B. Medical Centers Limited, No. 159 EVR Periyar Salai, Chennai - 600 010 | U85320TN1974PLC006623 | Subsidiary | 100.00 | 2(87) |
| 3. | Samudra Healthcare Enterprises Limited, No. 13-1-3 Suryaraopeta, Main Road, Kakinada - 533 001 | U85110TG2003PLC040647 | Subsidiary | 100.00 | 2(87) |
| 4. | Western Hospitals Corporation Private Limited, Ali Towers, Ground Floor, No. 55 Greams Road, Chennai - 600 006 | U85110TN2006PTC061323 | Subsidiary | 100.00 | 2(87) |
| 5. | Total Health, Aragonda Village, Thavanampalle Mandal, Chittoor District, Andhra Pradesh - 517129 | U85100TN2013NPL093963 | Subsidiary | 100.00 | 2(87) |
| 6. | Apollo Medicals Private Limited (AMPL), No. 19, Bishop Gardens, Raja Annamalaipuram, Chennai - 600 028 | U85300TN2018PTC124435 | Subsidiary | 100.00 | 2(87) |
| 7. | Apollo Hospital (UK) Limited, First Floor, Kirkland House, 11-15, Peterborough Road, Harrow, Middlesex, HA1 2AX, United Kingdom | NA | Subsidiary | 100.00 | 2(87) |
| 8. | Apollo Hospitals Singapore Pte Limited, 50, Raffles Place, Singapore Land Tower # 30, Singapore-048623 | NA | Subsidiary | 100.00 | 2(87) |
| 9. | Imperial Hospital and Research Centre Limited, No. 154/11 Bannerghatta Road, Opp. IIM, Bengaluru 560 076 | U85110KA1991PLC011781 | Subsidiary | 90.00 | 2(87) |
| 10. | Apollo Nellore Hospital Limited, No. 16/111/1133, Muthukur Road, Pinakini Nagar, Nellore - 524004 | U85110TN1986PLC072193 | Subsidiary | 80.87 | 2(87) |
| 11. | Sapien Biosciences Private Limited, 8-2-293/82/J-III/DH/900, 1st Floor, AIMSR Building, Apollo Health City, Jubilee Hills, Hyderabad - 500 033 | U73100TG2012PTC080254 | Subsidiary | 70.00 | 2(87) |
| 12. | Apollo Health and Lifestyle Limited (AHLL), 1-10-60/62, Ashoka Raghupathi Chambers, 5th Floor, Begumpet, Hyderabad – 500 016. | U85110TG2000PLC115819 | Subsidiary | 70.25 | 2(87) |
| 13. | Assam Hospitals Limited, Lotus Tower, GS Road, Ganeshguri, Guwahati - 781 005, Assam | U85110AS1997PLC004987 | Subsidiary | 65.52 | 2(87) |

| SL No | Name & Address of the Company | CIN / GLN | Subsidiary / Associate / Holding | % of Shares Held | Section Applicable |
|---|---|---|---|---|---|
| 14. | Apollo Home Healthcare Limited, No. 55, Greams Road, Ali Towers 3rd Floor, Chennai - 600 006 | U85100TN2014PLC095340 | Subsidiary | 70.75 | 2(87) |
| 15. | Apollo Rajshree Hospitals Private Limited, Dispensary Plot, Scheme No. 74C Sector D, Vijay Nagar , Indore, Madhya Pradesh - 452 010 | U85110MP2008PTC020559 | Subsidiary | 54.63 | 2(87) |
| 16. | Apollo Lavasa Health Corporation Limited, Plot No.13, Parsik Hill Road, Off Uran Road, Sector 23, CBD Belapur, Navi Mumbai - 400 614, Maharashtra | U85100MH2007PLC176736 | Subsidiary | 51.00 | 2(87) |
| 17. | Apollo Hospitals International Limited (AHIL), Plot No. 1A, GIDC Estate, Bhat Village, Gandhi Nagar, Gujarat - 382 428 | U85110TN1997PLC039016 | Subsidiary | 50.00 | 2(87) |
| 18. | Future Parking Private Limited, 3rd Floor, G Block, No. 55 Greams Road, Chennai - 600 006 | U45206TN2009PTC072304 | Subsidiary | 49.00 | 2(87) |
| 19. | Apollo Sugar Clinics Limited, 1-10-60/62, Ashoka Raghupathi Chambers, 5th Floor, Begumpet, Hyderabad – 500 016. | U85110TG2012PLC081384 | Step-down subsidiary (subsidiary of AHLL) | 80.00 | 2(87) |
| 20. | Apollo Speciality Hospitals Pvt Ltd, 1-10-60/62, Ashoka Raghupathi Chambers, 5th Floor, Begumpet, Hyderabad – 500 016. | U85100TG2009PTC099414 | Step-down subsidiary (subsidiary of AHLL) | 100.00 | 2(87) |
| 21. | Alliance Dental Care Limited, 1-10-60/62, Ashoka Raghupathi Chambers, 5th Floor, Begumpet, Hyderabad – 500 016. | U85120TG2002PLC135199 | Step-down subsidiary (subsidiary of AHLL) | 69.54 | 2(87) |
| 22. | Apollo Dialysis Pvt Limited, 1-10-60/62, Ashoka Raghupathi Chambers, 5th Floor, Begumpet, Hyderabad – 500 016. | U85100TG2014PTC135198 | Step-down subsidiary (subsidiary of AHLL) | 59.30 | 2(87) |
| 23. | Apollo CVHF Limited, Plot No. 1A, Bhat GIDC Estate, Bhat, Gandhinagar, Gujarat – 382428 | U74140GJ2016PLC086449 | Step-down subsidiary (subsidiary of AHIL) | 66.67 | 2(87) |
| 24. | Apollo Pharmacies Limited, No. 19, Bishop Gardens, Raja Annamalaipuram, Chennai - 600 028 | U52500TN2016PLC111328 | Step-down subsidiary (subsidiary of AMPL) | 100.00 | 2(87) |
| 25. | Apollo Bangalore Cradle Limited, 1-10-60/62, Ashoka Raghupuli Chambers, 5th floor, Begumpet, Hyderabad - 500 01 | U85110TG2011PLC077888 | Step-down subsidiary of AHLL | 100.00 | 2(87) |
| 26. | Kshema Healthcare Private Limited, 1-10-60/62, Ashoka Raghupuli Chambers, 5th floor, Begumpet, Hyderabad - 500 016 | U85110TG2006PTC119295 | Step-down subsidiary of AHLL | 100.00 | 2(87) |
| 27. | AHLL Diagnostics Limited, 7-1-617/A, 615 and 616 Imperial Towers, 7th Floor, Ameerpet, Hyderabad – 500 038 | U85200TG2018PLC125317 | Step-down subsidiary of AHLL | 100.00 | 2(87) |
| 28. | AHLL Risk Management Private Limited, 7-1-617/A, 615 and 616 Imperial Towers, 7th Floor, Ameerpet, Hyderabad – 500 038 | U66000TG2018PTC125224 | Step-down subsidiary of AHLL | 100.00 | 2(87) |
| 29. | Apollo Gleneagles Hospital Limited, No. 58 Canal Circular Road, Kolkata - 700 054 | U33112WB1988PLC045223 | Joint Venture | 50.00 | 2(6) |
| 30. | Apollo Gleneagles PET-CT Private Limited, Apollo Hospitals Complex, Jubilee Hills, Hyderabad - 500 033 | U85110TN2004PTC052796 | Joint Venture | 50.00 | 2(6) |
| 31. | ApoKos Rehab Private Limited, 4th Floor, Apollo Hospitals Building, Jubilee Hills, Hyderabad - 500 033 | U85191TG2012PTC084641 | Joint Venture | 50.00 | 2(6) |
| 32. | Medics International Lifesciences Limited, Plot No. KBC-31, Sector-B LDA Colony, Kanpur Road, Lucknow – 226 012 | U85191UP2011PLC043154 | Joint Venture | 50.00 | 2(6) |
| 33. | Family Health Plan Insurance (TPA) Limited, Srinilaya Cyber Spazio, Ground Floor, Road No.2, Banjara Hills, Hyderabad – 500034 | U85110TN1995PLC031121 | Associate | 49.00 | 2(6) |
| 34. | Stemcyte India Therapeutics Private Limited, Apollo Hospitals Complex, Plot No. 1A, GIDC Estate, Bhat Village, Gandhi Nagar, Gujarat - 382 428 | U85100GJ2008FTC052859 | Associate | 24.50 | 2(6) |
| 35. | Indraprastha Medical Corporation Limited, Sarita Vihar, Delhi Mathura Road, New Delhi - 110 044 | L24232DL1988PLC030958 | Associate | 22.03 | 2(6) |

## IV. Shareholding Pattern (Equity Share capital Break up as % to total equity)

### (i) Category - wise Shareholding

| Category of Share holders | No. of Shares held at the beginning of the year (As on 1st April 2019) | | | | No. of Shares held at the end of the year (As on 31st March 2020) | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **A. Promoters** | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/HUF | 20,556,635 | - | 20,556,635 | 14.78 | 15,572,785 | - | 15,572,785 | 11.19 | (3.59) |
| b) Central Govt. or State Govt. | - | - | - | - | - | - | - | - | - |
| c) Bodies Corporates | 27,296,028 | - | 27,296,028 | 19.62 | 27,296,028 | - | 27,296,028 | 19.62 | - |
| d) Bank/FI | - | - | - | - | - | - | - | - | - |
| e) Any other | - | - | - | - | - | - | - | - | - |
| **Sub Total (A) (1)** | **47,852,663** | **-** | **47,852,663** | **34.40** | **42,868,813** | **-** | **42,868,813** | **30.81** | **(3.59)** |
| 2) Foreign | | | | | | | | | |
| a) NRI-Individuals | - | - | - | - | - | - | - | - | - |
| b) Other Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| d) Banks / FI | - | - | - | - | - | - | - | - | - |
| e) Any other | - | - | - | - | - | - | - | - | - |
| Sub Total (A) (2) | - | - | - | - | - | - | - | - | - |
| **Total Shareholding of Promoter** | | | | | | | | | |
| **(A)= (A)(1)+(A)(2)** | **47,852,663** | **-** | **47,852,663** | **34.40** | **42,868,813** | **-** | **42,868,813** | **30.81** | **(3.59)** |
| **B. Public Shareholding** | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| a) Mutual Funds | 9,883,181 | - | 9,883,181 | 7.10 | 12,374,634 | - | 12,374,634 | 8.89 | 1.79 |
| b) Alternate Investment Funds | 100,000 | - | 100,000 | 0.07 | 8,500 | - | 8,500 | 0.01 | (0.06) |
| c) Banks/FI | 24,245 | 3,838 | 28,083 | 0.02 | 5,490,615 | 3,538 | 5,494,153 | 3.94 | 3.92 |
| d) Central govt / State Govt. | 323,708 | - | 323,708 | 0.23 | 323,708 | - | 323,708 | 0.23 | - |
| e) Venture Capital Fund | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | 7,934,481 | - | 7,934,481 | 5.70 | 2,694,190 | - | 2,694,190 | 1.94 | (3.76) |
| g) FIIs | 61,589,715 | - | 61,589,715 | 44.27 | 65,273,702 | - | 65,273,702 | 46.92 | 2.65 |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others | - | - | - | - | - | - | - | - | - |
| **Sub Total (B)(1)** | **79,855,330** | **3,838** | **79,859,168** | **57.39** | **86,165,349** | **3,538** | **86,168,887** | **61.93** | **4.54** |
| 2) Non Institutions | | | | | | | | | |
| a) Bodies Corporates | 1,252,634 | 51,250 | 1,303,884 | 0.94 | 419,821 | 46,650 | 466,471 | 0.34 | (0.60) |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto ₹2 lakh | 4,654,248 | 1,442,215 | 6,096,461 | 4.38 | 4,942,415 | 1,284,688 | 6,227,103 | 4.48 | 0.10 |
| ii) Individuals shareholders holding nominal share capital in excess of ₹2 lakh | 1,296,365 | 96,650 | 1,393,015 | 1.00 | 703,105 | 40,250 | 743,355 | 0.53 | (0.47) |
| c) Others | 1,609,031 | 880,230 | 2,489,261 | 1.78 | 1,782,413 | 827,026 | 2,609,439 | 1.88 | 0.10 |
| **Sub Total (B)(2)** | **8,812,276** | **2,470,345** | **11,282,621** | **8.10** | **7,847,754** | **2,198,614** | **10,046,368** | **7.23** | **(0.87)** |
| **Total Public Shareholding** | | | | | | | | | |
| **(B) = (B) (1) + (B) (2)** | **88,667,606** | **2,474,183** | **91,141,789** | **65.51** | **94,013,103** | **2,202,152** | **96,215,255** | **69.16** | **3.65** |
| **Total (A) + (B)** | **136,520,269** | **2,474,183** | **138,994,452** | **99.91** | **136,881,916** | **2,202,152** | **139,084,068** | **99.97** | **0.06** |
| C. Shares held by Custodian for GDRs & ADRs | | | | | | | | | |
| i) Promoter and Promoter Group | - | - | - | - | - | - | - | - | - |
| ii) Public | 130,707 | - | 130,707 | 0.09 | 41,091 | - | 41,091 | 0.03 | (0.06) |
| **Total Public Shareholding (C)** | **130,707** | **-** | **130,707** | **0.09** | **41,091** | **-** | **41,091** | **0.03** | **(0.06)** |
| **Grand Total (A+B+C)** | **136,650,976** | **2,474,183** | **139,125,159** | **100.00** | **13,692,3007** | **2,202,152** | **139,125,159** | **100.00** | **-** |

**(ii) Shareholding of Promoters**

| Sl No | Name | Shareholding at the beginning of the year (As on 1st April 2019) | | | Shareholding at the end of the year (As on 31st March 2020) | | | % change in share holding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total shares of the Company | % of shares pledged / encumbered to total shares | No. of Shares | % of total shares of the Company | % of shares pledged / encumbered to total shares | |
| 1 | Dr. Prathap C Reddy | 5,445,464 | 3.91 | - | 245,464 | 0.17 | - | (3.74) |
| 2 | Smt. Sucharitha P Reddy | 569,800 | 0.41 | - | 169,800 | 0.12 | - | (0.29) |
| 3 | Smt. Preetha Reddy | 2,193,915 | 1.58 | 1.57 | 2,193,915 | 1.58 | 1.46 | - |
| 4 | Smt. Suneeta Reddy | 3,381,695 | 2.43 | 2.34 | 4,381,695 | 3.14 | 3.05 | 0.71 |
| 5 | Smt. Shobana Kamineni | 2,239,952 | 1.61 | 1.61 | 2,239,952 | 1.61 | - | - |
| 6 | Smt. Sangita Reddy | 2,432,508 | 1.75 | 1.75 | 2,432,508 | 1.75 | - | - |
| 7 | Shri. Karthik Anand | 330,600 | 0.24 | - | 339,050 | 0.24 | - | - |
| 8 | Shri. Harshad Reddy | 320,200 | 0.23 | - | 327,900 | 0.24 | - | - |
| 9 | Smt. Sindoori Reddy | 518,600 | 0.37 | - | 318,600 | 0.22 | - | (0.13) |
| 10 | Shri. Aditya Reddy | 210,200 | 0.15 | - | 10,200 | 0.01 | - | (0.14) |
| 11 | Smt. Upasana Kamineni | 217,276 | 0.16 | - | 217,276 | 0.16 | - | - |
| 12 | Shri. Puansh Kamineni | 212,200 | 0.15 | - | 212,200 | 0.15 | - | - |
| 13 | Smt. Anuspala Kamineni | 259,174 | 0.19 | - | 259,174 | 0.19 | - | - |
| 14 | Shri. Konda Anindith Reddy | 230,200 | 0.17 | - | 230,200 | 0.17 | - | - |
| 15 | Shri. Konda Vishwajit Reddy | 222,300 | 0.16 | - | 222,300 | 0.16 | - | - |
| 16 | Shri. Konda Viraj Madhav Reddy | 168,224 | 0.12 | - | 168,224 | 0.12 | - | - |
| 17 | Shri. P. Vijay Kumar Reddy | 8,957 | 0.01 | - | 8,957 | 0.01 | - | - |
| 18 | Shri. P. Dwaraknath Reddy | 18,000 | 0.01 | - | 18,000 | 0.01 | - | - |
| 19 | Shri. Anil Kamineni | 20 | - | - | 20 | - | - | - |
| 20 | Shri. K Vishweshwar Reddy | 1,577,350 | 1.13 | 1.13 | 1,577,350 | 1.13 | 1.13 | - |
| 21 | PCR Investments Ltd | 27,223,124 | 19.57 | 15.67 | 27,223,124 | 19.57 | 5.64 | - |
| 22 | Obul Reddy Investments Ltd | 11,200 | 0.01 | - | 11,200 | 0.01 | - | - |
| 23 | Indian Hospitals Corporation Ltd | 61,704 | 0.04 | - | 61,704 | 0.04 | - | - |
| | **Total** | **47,852,663** | **34.40** | **23.54** | **42,868,813** | **30.81** | **11.28** | **(3.59)** |

**(iii) Change in Promoters' Shareholding**

| Sl No | Name | Shareholding at the beginning of the year (As on 1st April 2019) | | Cumulative shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 1 | Dr. Prathap C Reddy | | | | |
| | At the beginning of the year | 5,445,464 | 3.91 | 5,445,464 | 3.91 |
| | 11-Sep-2019: Interse transfer | | | (5,200,000) | (3.74) |
| | At the end of the year | | | 245,464 | 0.17 |
| 2 | Smt. Sucharitha P Reddy | | | | |
| | At the beginning of the year | 569,800 | 0.41 | 569,800 | 0.41 |
| | 11-Sep-2019: Interse transfer | | | (400,000) | (0.29) |
| | At the end of the year | | | 169,800 | 0.12 |
| 3 | Smt. Preetha Reddy | | | | |
| | At the beginning of the year | 2,193,915 | 1.58 | 2,193,915 | 1.58 |
| | At the end of the year | | | 2,193,915 | 1.58 |
| 4 | Smt. Suneeta Reddy | | | | |
| | At the beginning of the year | 3,381,695 | 2.43 | 3,381,695 | 2.43 |
| | 11-Sep-2019: inter se transfer | | | 5,600,000 | 4.03 |
| | 12-Sep-2019: Market Sale | | | (5,000,000) | (3.59) |
| | 31-Mar-2020: interse transfer | | | 400,000 | 0.27 |
| | At the end of the year | | | 4,381,695 | 3.14 |
| 5 | Smt. Shobana Kamineni | | | | |
| | At the beginning of the year | 2,239,952 | 1.61 | 2,239,952 | 1.61 |
| | At the end of the year | | | 2,239,952 | 1.61 |
| 6 | Smt. Sangita Reddy | | | | |
| | At the beginning of the year | 2,432,508 | 1.75 | 2,432,508 | 1.75 |
| | At the end of the year | | | 2,432,508 | 1.75 |
| 7 | Shri. Karthik Anand | | | | |
| | At the beginning of the year | 330,600 | 0.24 | 330,600 | 0.24 |
| | 24-Mar-2020: Market Purchase | | | 8,450 | - |
| | At the end of the year | | | 339,050 | 0.24 |

| Sl No | Name | Shareholding at the beginning of the year (As on 1st April 2019) | | Cumulative shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 8 | Shri. Harshad Reddy | | | | |
| | At the beginning of the year | 320,200 | 0.23 | 320,200 | 0.23 |
| | 24-Mar-2020: Market Purchase | | | 7,700 | 0.01 |
| | At the end of the year | | | 327,900 | 0.24 |
| 9 | Smt. Sindoori Reddy | | | | |
| | At the beginning of the year | 518,600 | 0.37 | 518,600 | 0.37 |
| | 31-Mar-2020: Inter se transfer | | | (200,000) | (0.13) |
| | At the end of the year | | | 318,600 | 0.24 |
| 10 | Shri. Aditya Reddy | | | | |
| | At the beginning of the year | 210,200 | 0.15 | 210,200 | 0.15 |
| | 31-Mar-2020: Inter se transfer | | | (200,000) | (0.14) |
| | At the end of the year | | | 10,200 | 0.01 |
| 11 | Smt. Upasana Kamineni | | | | |
| | At the beginning of the year | 217,276 | 0.16 | 217,276 | 0.16 |
| | At the end of the year | | | 217,276 | 0.16 |
| 12 | Shri. Puansh Kamineni | | | | |
| | At the beginning of the year | 212,200 | 0.15 | 212,200 | 0.15 |
| | At the end of the year | | | 212,200 | 0.15 |
| 13 | Smt. Anuspala Kamineni | | | | |
| | At the beginning of the year | 259,174 | 0.19 | 259,174 | 0.19 |
| | At the end of the year | | | 259,174 | 0.19 |
| 14 | Shri. Konda Anindith Reddy | | | | |
| | At the beginning of the year | 230,200 | 0.17 | 230,200 | 0.17 |
| | At the end of the year | | | 230,200 | 0.17 |
| 15 | Shri. Konda Vishwajit Reddy | | | | |
| | At the beginning of the year | 222,300 | 0.16 | 222,300 | 0.16 |
| | At the end of the year | | | 222,300 | 0.16 |

| Sl No | Name | Shareholding at the beginning of the year (As on 1st April 2019) | | Cumulative shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 16 | Shri. Konda Viraj Madhav Reddy | | | | |
| | At the beginning of the year | 168,224 | 0.12 | 168,224 | 0.12 |
| | At the end of the year | | | 168,224 | 0.12 |
| 17 | Shri. P. Vijay Kumar Reddy | | | | |
| | At the beginning of the year | 8,957 | 0.01 | 8,957 | 0.01 |
| | At the end of the year | | | 8,957 | 0.01 |
| 18 | Shri. P. Dwaraknath Reddy | | | | |
| | At the beginning of the year | 18,000 | 0.01 | 18,000 | 0.01 |
| | At the end of the year | | | 18,000 | 0.01 |
| 19 | Shri. Anil Kamineni | | | | |
| | At the beginning of the year | 20 | - | 20 | - |
| | At the end of the year | | | 20 | - |
| 20 | Shri. K Vishweshwar Reddy | | | | |
| | At the beginning of the year | 1,577,350 | 1.13 | 1,577,350 | 1.13 |
| | At the end of the year | | | 1,577,350 | 1.13 |
| 21 | PCR Investments Limited | | | | |
| | At the beginning of the year | 27,223,124 | 19.57 | 27,223,124 | 19.57 |
| | At the end of the year | | | 27,223,124 | 19.57 |
| 22 | Obul Reddy Investments Ltd | | | | |
| | At the beginning of the year | 11,200 | 0.01 | 11,200 | 0.01 |
| | At the end of the year | | | 11,200 | 0.01 |
| 23 | Indian Hospitals Corporation Ltd | | | | |
| | At the beginning of the year | 61,704 | 0.04 | 61,704 | 0.04 |
| | At the end of the year | | | 61,704 | 0.04 |

**Note:** The cumulative shareholding column reflects the balance as on day end.

**(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters & Holders of GDRs)**

| Sl No | Shareholders Name | Shareholding at the beginning of the year (As on 1st April 2019) | | Cumulative shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 1 | Life Insurance Corporation of India | | | | |
| | At the beginning of the year | 7,900,314 | 5.68 | 7,900,314 | 5.68 |
| | Sold during the year | (2,463,052) | (1.77) | 5,437,262 | 3.91 |
| | At the end of the year | | | 5,437,262 | 3.91 |
| 2 | Schroder International Selection Fund Asian Opportunities | | | | |
| | At the beginning of the year | 3,144,822 | 2.26 | 3,144,822 | 2.26 |
| | Bought during the year | 783,987 | 0.56 | 3,928,809 | 2.82 |
| | At the end of the year | | | 3,928,809 | 2.82 |
| 3 | Aditya Birla Sun Life Trustee Private Limited | | | | |
| | At the beginning of the year | 1,236,690 | 0.89 | 1,236,690 | 0.89 |
| | Bought during the year | 2,671,773 | 1.92 | 3,908,463 | 2.81 |
| | Sold during the year | (228,515) | (0.16) | 3,679,948 | 2.65 |
| | At the end of the year | | | 3,679,948 | 2.65 |
| 4 | Copthall Mauritius Investment Limited | | | | |
| | At the beginning of the year | 2,424,125 | 1.74 | 2,424,125 | 1.74 |
| | Bought during the year | 1,048,051 | 0.75 | 3,472,176 | 2.49 |
| | Sold during the year | (644,192) | (0.46) | 2,827,984 | 2.03 |
| | At the end of the year | | | 2,827,984 | 2.03 |
| 5 | Munchener Ruckversicherungsgesellschaft Aktiengesellschaft In Munchen | | | | |
| | At the beginning of the year | 2,397,380 | 1.72 | 2,397,380 | 1.72 |
| | At the end of the year | | | 2,397,380 | 1.72 |
| 6 | Veritas Funds PLC on behalf of Veritas Asian Funds | | | | |
| | At the beginning of the year | 1,121,469 | 0.81 | 1,121,469 | 0.81 |
| | Bought during the year | 1,250,000 | 0.90 | 2,371,469 | 0.90 |
| | At the end of the year | | | 2,371,469 | 1.71 |
| 7 | Touchstone Strategic Trust – Touchstone Sands | | | | |
| | At the beginning of the year | 1,350,521 | 0.97 | 1,350,521 | 0.97 |
| | Bought during the year | 977,105 | 0.70 | 2,327,626 | 1.67 |
| | Sold during the year | (3,700) | 0.00 | 2,323,926 | 1.67 |
| | At the end of the year | | | 2,323,926 | 1.67 |
| 8 | ITPL – Invesco India Business Leaders Fund | | | | |
| | At the beginning of the year | 1,338,072 | 0.96 | 1,338,072 | 0.96 |
| | Bought during the year | 1,299,870 | 0.93 | 2,637,942 | 1.89 |
| | Sold during the year | (617,704) | (0.44) | 2,020,868 | 1.45 |
| | At the end of the year | | | 2,020,868 | 1.45 |
| 9 | HDFC Life Insurance Company Limited | | | | |
| | At the beginning of the year | 100,000 | 0.07 | 100,000 | 0.07 |
| | Bought during the year | 1,786,400 | 1.28 | 1,886,400 | 1.36 |
| | Sold during the year | (99,300) | (0.07) | 1,787,100 | 1.29 |
| | At the end of the year | | | 1,787,100 | 1.29 |
| 10 | Kotak Funds – India Midcap Fund | | | | |
| | At the beginning of the year | 1,718,373 | 1.24 | 1,718,373 | 1.24 |
| | Bought during the year | 95,316 | 0.07 | 1,813,689 | 1.30 |
| | Sold during the year | (86,301) | (0.06) | 1,727,388 | 1.24 |
| | At the end of the year | | | 1,727,388 | 1.24 |

**(v) Shareholding of Directors and Key Managerial Personnel**

| Sl No | Name | Shareholding at the beginning of the year (As on 1st April 2019) | | Cumulative shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| | **DIRECTORS** | | | | |
| 1 | Dr. Prathap C Reddy | | | | |
| | At the beginning of the year | 5,445,464 | 3.91 | 5,445,464 | 3.91 |
| | 11-Sep-2019 : Interse transfer | | | (5,200,000) | (3.74) |
| | At the end of the year | | | 245,464 | 0.17 |
| 2 | Smt. Preetha Reddy | | | | |
| | At the beginning of the year | 2,193,915 | 1.58 | 2,193,915 | 1.58 |
| | At the end of the year | | | 2,193,915 | 1.58 |
| 3 | Smt. Suneeta Reddy | | | | |
| | At the beginning of the year | 3,381,595 | 2.43 | 3,381,595 | 2.43 |
| | 11-Sep-2019 .inter se transfer | | | 5,600,000 | 4.03 |

| Sl No | Name | Shareholding at the beginning of the year (As on 1st April 2019) | | Cumulative shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| | 12-Sep-2019: Market Sale | | | (5,000,000) | (3.59) |
| | 31-Mar-2020:interse transfer | | | 400,000 | 0.27 |
| | At the end of the year | | | 4,381,695 | 3.14 |
| 4 | Smt. Shobana Kamineni | | | | |
| | At the beginning of the year | 2,239,952 | 1.61 | 2,239,952 | 1.61 |
| | At the end of the year | | | 2,239,952 | 1.61 |
| 5 | Smt. Sangita Reddy | | | | |
| | At the beginning of the year | 2,432,508 | 1.75 | 2,432,508 | 1.75 |
| | At the end of the year | | | 2,432,508 | 1.75 |
| 6 | Shri. Vinayak Chatterjee | | | | |
| | At the beginning of the year | - | - | - | - |
| | At the end of the year | - | - | - | - |
| 7 | Dr. T. Rajgopal | | | | |
| | At the beginning of the year | - | - | - | - |
| | At the end of the year | - | - | - | - |
| 8. | Dr. Murali Doraiswamy | | | | |
| | At the beginning of the year | - | - | - | - |
| | At the end of the year | - | - | - | - |
| 9 | Smt. V. Kavitha Dutt | | | | |
| | At the beginning of the year | - | - | - | - |
| | At the end of the year | - | - | - | - |
| 10 | Shri. MBN Rao | | | | |
| | At the beginning of the year | 400 | - | 400 | - |
| | At the end of the year | - | - | 400 | - |
| | **KEY MANAGERIAL PERSONNEL** | | | | |
| 11 | Shri. Krishnan Akhileswaran | | | | |
| | At the beginning of the year | 4 | - | 4 | - |
| | At the end of the year | - | - | 4 | - |
| 12 | Shri. S.M. Krishnan | | | | |
| | At the beginning of the year | - | - | - | - |
| | At the end of the year | - | - | - | - |

**Note :** The cumulative shareholding column reflects the balance as on day end.



## V INDEBTEDNESS

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

(₹ in million)

| Sl. No | Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year** | | | | | |
| i) | Principal Amount | 28,383 | 3,995 | 13 | 32,391 |
| ii) | Interest due but not paid | - | - | - | - |
| iii) | Interest accrued but not due | 309 | 14 | - | 323 |
| | **Total (i+ii+iii)** | **28,692** | **4,009** | **13** | **32,714** |
| **Change in Indebtedness during the financial year** | | | | | |
| | Additions | 7,890 | 724 | - | 8,614 |
| | Reduction | 5,976 | (3,418) | 12 | 9,404 |
| | Net Change | 1,914 | 2,694 | (12) | (791) |
| **Indebtedness at the end of the financial year** | | | | | |
| i) | Principal Amount | 30,297 | 1,301 | 1 | 31,600 |
| ii) | Interest due but not paid | - | - | - | - |
| iii) | Interest accrued but not due | 216 | 3 | - | 219 |
| | **Total (i+ii+iii)** | **30,513** | **1,304** | **1** | **31,819** |

## (VI) Remuneration of Directors and Key Managerial Personnel

**A. Remuneration to Managing Director, Whole time director and/or Manager**

(₹ in million)

| Sl. No | Particulars of Remuneration | Name of the MD/WTD/Manager | | | | | Total Amount |
|---|---|---|---|---|---|---|---|
| | | Dr. Prathap C Reddy | Smt. Preetha Reddy | Smt. Suneeta Reddy | Smt. Shobana Kamineni | Smt. Sangita Reddy | |
| 1 | Gross salary | | | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961. | 93.51 | 47.44 | 47.44 | 47.44 | 47.44 | 283.27 |
| | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 | - | - | - | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | - | - | - | - | - | - |
| 2 | Stock option | NA | NA | NA | NA | NA | NA |
| 3 | Sweat Equity | NA | NA | NA | NA | NA | NA |
| 4 | Commission | | | | | | |
| | as % of profit | 27.83 | - | - | - | - | - |
| | others (specify) | - | - | - | - | - | - |
| 5 | Others, please specify | - | - | - | - | - | - |
| | **Total (A)** | **121.34** | **47.44** | **47.44** | **47.44** | **47.44** | **311.10** |

Ceiling as per the Act ₹518 million (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)

**B. Remuneration to other Directors**

(₹ in million)

| Sl. No | Particulars of Remuneration | Name of the Directors | | | | | Total Amount |
|---|---|---|---|---|---|---|---|
| | | Shri.Vinayak Chatterjee | Dr.T. Rajgopal | Dr. Murali Doraiswamy | Smt.Kavitha Dutt | Shri.MBN Rao | |
| | **Independent Directors** | | | | | | |
| 1 | (a) Fee for attending board committee meetings | 0.70 | 1.00 | 0.60 | 0.80 | 1.20 | 4.30 |
| | (b) Commission | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 6.25 |
| | (c ) Others, please specify | - | - | - | - | | |
| | Total (1) | 1.95 | 2.25 | 1.85 | 2.05 | 2.45 | 10.55 |
| | Other Non Executive Directors | | | | | | |
| 2 | (a) Fee for attending board committee meetings | - | - | - | - | - | - |
| | (b) Commission | - | - | - | - | - | - |
| | (c) Others, please specify. | - | - | - | - | - | - |
| | Total (2) | - | - | - | - | - | - |
| | **Total (B) = (1+2)** | **1.95** | **2.25** | **1.85** | **2.05** | **2.45** | **10.55** |
| | **Total Managerial Remuneration** | | | | | | **321.65** |

Overall Ceiling as per the Act ₹570 million (being 11% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

(₹ in million)

| Sl. No | Particulars of Remuneration | Key Managerial Personnel | | Total |
|---|---|---|---|---|
| 1 | Gross Salary | CFO | Company Secretary | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. | 24.64 | 7.35 | 31.99 |
| | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | - | - | - |
| 2 | Stock Option | - | - | - |
| 3 | Sweat Equity | NA | NA | NA |
| 4 | Commission | - | - | - |
| | as % of profit | NA | NA | NA |
| | others, specify | NA | NA | NA |
| 5 | Others, please specify | - | - | - |
| | **Total** | **24.64** | **7.35** | **31.99** |

## (VII) Penalties / Punishment / Compounding of Offences

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment / Compounding fees imposed | Authority (RD / NCLT / Court) | Appeal made if any (give details) |
|---|---|---|---|---|---|
| **A. COMPANY** | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| **B. DIRECTORS** | | | | | |
| Penalty | | | NIL | | |
| Punishment | | | | | |
| Compounding | | | | | |
| **C. OTHER OFFICERS IN DEFAULT** | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

# CORPORATE GOVERNANCE REPORT

## 1. The Company's philosophy on code of Governance

The basic objective of corporate governance policies adopted by the Company is to attain the highest levels of transparency, accountability and integrity. This objective extends not merely to comply with statutory requirements but also to go beyond them by putting into place procedures and systems, which are in accordance with the best practices of governance. Your Company believes that good Corporate Governance enhances the trust and confidence of all the stakeholders. Good practice in corporate behaviour helps to enhance and maintain public trust in companies and the stock markets.

Your Company reviews its corporate governance practices to ensure that they reflect the latest developments in the corporate arena, positioning itself to conform to the best corporate governance practices. Your Company is committed to pursuing excellence in all its activities and in maximisation of shareholders' wealth.

**The Company's corporate governance policies and practices focus on the following principles:**

1. To recognize the respective roles and responsibilities of the Board and management.
2. To achieve the highest degree of transparency by maintaining a high degree of disclosure levels.
3. To ensure and maintain high ethical standards in its functioning.
4. To accord the highest importance to investor relations.
5. To ensure a sound system of risk management and internal controls.
6. To ensure that employees of the Company subscribe to the corporate values and apply them in their conduct.
7. To ensure that the decision making process is fair and transparent.
8. To ensure that the Company follows globally recognized corporate governance practices

**Governance Structure**

Apollo's Governance structure broadly comprises of the Board of Directors and the Committees of the Board at the apex level and the Management structure at the operational level. This layered structure brings about a harmonious blend in governance as the Board sets the overall corporate objectives and gives direction and freedom to the Management to achieve these corporate objectives within a given framework, thereby bringing about an enabling environment for value creation through sustainable profitable growth.

The Board of Directors plays a pivotal role in ensuring that the Company runs on sound and ethical business practices and that its resources are utilized for creating sustainable growth and societal wealth. The Board operates within the framework of a well defined responsibility matrix which enables it to discharge its fiduciary duties of safeguarding the interests of the Company, ensuring fairness in the decision making process and integrity and transparency in the Company's dealing with its Members and other stakeholders.

With a view to have a more focused attention on various facets of business and for better accountability, the Board has constituted the following committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Risk Management Committee, Corporate Social Responsibility Committee and Investment Committee. Each of these Committees have been mandated to operate within a given framework.

A management structure for running the business of the Company as a whole is in place with appropriate delegation of powers and responsibilities.



## 2. Board of Directors

The Company has an Executive Chairman. As per Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), in case of an Executive Chairman, at least half of the Board should comprise of independent directors. Independent Directors, including an independent woman director constitute 50 percent of the overall Board. The Board has a healthy blend of executive and non-executive directors, and consequently ensures the desired level of independence in functioning and decision-making. Moreover all the non-executive directors are eminent professionals, and bring the wealth of their professional expertise and experience to the management of the Company.

### (a) Composition and category of the Board of Directors, relationship between directors inter se, shareholding of Directors in the Company and Memberships in other Boards.

| Director | DIN | Category | Designation | Relationship with other Directors | Shareholding in the Company |
|---|---|---|---|---|---|
| Dr. Prathap C Reddy | 00003654 | Promoter | Executive Chairman | Father of Smt. Preetha Reddy, Smt. Suneeta Reddy, Smt. Sangita Reddy & Smt. Shobana Kamineni | 245,464 |
| Smt. Preetha Reddy | 00001871 | Promoter | Executive Vice Chairperson | Daughter of Dr. Prathap C Reddy, Sister of Smt. Suneeta Reddy, Smt. Sangita Reddy & Smt. Shobana Kamineni | 2,193,915 |
| Smt. Suneeta Reddy | 00001873 | Promoter | Managing Director | Daughter of Dr. Prathap C Reddy, Sister of Smt. Preetha Reddy, Smt. Sangita Reddy & Smt. Shobana Kamineni | 4,381,695 |
| Smt. Shobana Kamineni | 00003836 | Promoter | Executive Vice Chairperson | Daughter of Dr. Prathap C Reddy, Sister of Smt. Preetha Reddy, Smt. Suneeta Reddy & Smt. Sangita Reddy | 2,239,952 |
| Smt. Sangita Reddy | 00006285 | Promoter | Joint Managing Director | Daughter of Dr. Prathap C Reddy, Sister of Smt. Preetha Reddy, Smt. Suneeta Reddy & Smt. Shobana Kamineni | 2,432,508 |
| Shri Vinayak Chatterjee | 00008933 | Independent | Director | - | - |
| Dr. T. Rajgopal | 02253615 | Independent | Director | - | - |
| Dr. Murali Doraiswamy | 08235560 | Independent | Director | - | - |
| Smt. V. Kavitha Dutt | 00139274 | Independent | Director | - | - |
| Shri. MBN Rao | 00287260 | Independent | Director | - | 400 |

| Name of the Director | Number of Directorships (out of which as Chairman) other than AHEL # | Number of Memberships in Board Committees other than AHEL ## | Number of Memberships in Board Committees other than AHEL ## | Name of other listed companies where he / she is a Director | |
|---|---|---|---|---|---|
| | | | | Name of the Company | Category |
| Dr. Prathap C Reddy | 5(4) | | - | 1. Indraprastha Medical Corporation Limited | Non-Executive Director |
| Smt. Preetha Reddy | 8 | 1 | Member | - | - |
| Smt. Suneeta Reddy | 5 | 2 | Member | 1. Apollo Sindoori Hotels Limited | Non Executive Director |
| | | | | 2. Indraprastha Medical Corporation Limited | Non Executive Director |
| Smt. Shobana Kamineni | 6 | - | - | 1. Indraprastha Medical Corporation Limited | Non Executive Director |
| Smt. Sangita Reddy | 8 | 1 | Member | - | - |
| Shri. Vinayak Chatterjee | 3 | 1 | Member | 1. Indraprastha Medical Corporation Limited | Independent Director |
| | | | | 2. ACC Limited | Independent Director |
| Dr. T. Rajgopal | 1 | - | - | - | - |
| Dr. Murali Doraiswamy | - | - | - | - | - |
| Smt. V. Kavitha Dutt | 5 | 1 | Member | 1. The KCP Limited | Executive Director |
| | | | | 2. DCM Shriram Industries Limited | Independent Director |
| | | | | 3. Centum Electronics Limited | Independent Director |
| Shri. MBN Rao | 8(2) | 1<br>4 | Chairman<br>Member | 1. KG Denim Limited | Independent Director |
| | | | | 2. The Ramco Cements Limited | Independent Director |
| | | | | 3. Taj GVK Hotels and Resorts Limited | Independent Director |

# excluding Directorships in Foreign Companies, Private Companies and Section 8 Companies

## Represents Membership/Chairmanship of Audit Committees and Stakeholders'/ Investors' Relationship Committees.

As on 31st March, 2020, none of the Directors on the Board hold the office of Director in more than 10 Public Limited Companies, or Membership of Committees of the Board in more than 10 Committees and Chairmanship of more than 5 Committees, across all companies. None of the Independent Directors of the Company serve as an Independent Director in more than seven listed companies and where any Independent Director is serving as whole- time director in any listed company, such director does not serve as an Independent Director in more than three listed companies.

## (b) Skills/expertise/competence of the Bord of Directors

The Company has identified the core skills/expertise/competence of the Board of Diretors in the context of its business for it to function effectively, which is available with the existing Board of Directors.

**The details of the core skills/expertise/competence of the Individual directors of the Company is detailed out as under:**

| Name of the Director | Nature of Skills/Expertise | | | | | | |
|---|---|---|---|---|---|---|---|
| | Corporate Leadership/ Strategy | Healthcare Experience | Financial Acumen | Diversity | Governance | Technology | Risk Management |
| Dr. Prathap C Reddy | √ | √ | | | √ | √ | |
| Smt. Preetha Reddy | √ | √ | | | √ | | √ |
| Smt. Suneeta Reddy | √ | √ | √ | | √ | | √ |
| Smt. Shobana Kamineni | √ | √ | √ | | √ | √ | |
| Smt. Sangita Reddy | √ | √ | | | √ | √ | |
| Shri. Vinayak Chatterjee | √ | | √ | √ | √ | √ | √ |
| Dr. T. Rajgopal | √ | √ | | √ | √ | | √ |
| Dr. Murali Doraiswamy | √ | √ | | √ | √ | √ | |
| Shri. MBN Rao | √ | | √ | √ | √ | | √ |
| Smt. V. Kavitha Dutt | √ | | √ | √ | √ | | √ |

## (c) Declaration of Independence

Based on the disclosures received from all the independent directors and also in the opinion of the Board, the Independent Directors fulfill the conditions specified in Companies Act, 2013 and SEBI Listing Regulations and are independent of the Management.

## (d) Board Meetings and Attendance of Directors

Five board meetings were held during the financial year from 1st April 2019 to 31st March 2020. The dates on which the meetings were held are as follows:

30th May 2019, 13th August 2019, 27th September 2019, 14th November 2019 and 13th February 2020.

**Attendance details of each Director at the Board Meetings, at the last AGM.**

| Name of the Director | Number of Board Meetings held | Number of Board Meetings attended | Last AGM Attendance (Yes/No) |
|---|---|---|---|
| Dr. Prathap C Reddy | 5 | 5 | Yes |
| Smt. Preetha Reddy | 5 | 4 | Yes |
| Smt. Suneeta Reddy | 5 | 5 | Yes |
| Smt. Shobana Kamineni | 5 | 4 | Yes |
| Smt. Sangita Reddy | 5 | 4 | Yes |
| Shri. Vinayak Chatterjee | 5 | 5 | Yes |
| Dr. T. Rajgopal | 5 | 4 | No |
| Dr. Murali Doraiswamy | 5 | 4 | Yes |
| Smt. V. Kavitha Dutt | 5 | 4 | Yes |
| Shri. MBN Rao | 5 | 5 | Yes |

The Companies Act, 2013 read with the relevant rules made thereunder, now facilitates the participation of a Director in Board / Committee Meetings through video conferencing or other audio visual mode. Accordingly, the option to participate in the Meeting through video conferencing was made available for the Directors except in respect of such Meetings / Items which are not permitted to be transacted through video conferencing.

## (e) Availability of Information to Board Members

The Board periodically reviews the items required to be placed before it and in particular reviews and approves quarterly/half yearly unaudited financial statements and the audited annual financial statements, corporate strategies, business plans, annual budgets, projects and capital expenditure. It monitors overall operating performance, progress of major projects and reviews such other items which require the Board's attention. It directs and guides the activities of the Management towards the set goals and seeks accountability. It also sets standards of corporate behaviour, ensures transparency in corporate dealings and compliance with laws and regulations. The Agenda for the Board Meeting covers items as prescribed under Part A of Schedule-II of Sub-Regulation-7 of Regulation-17 of the Listing Regulations to the extent these are relevant and applicable. All agenda items are supported by relevant information, documents and presentations to enable the Board to take informed decisions.

The information made available to the Board includes the following:

1. Annual Operating plans, budgets and any updates.
2. Capital budgets and any updates.
3. Quarterly results of the Company and its operating divisions or business segments.
4. Minutes of meetings of the audit committee and other committees of the Board.
5. Information or recruitment and remuneration of senior officers just below the board level, including appointment and removal of the Chief Financial Officer and the Company Secretary.
6. Show cause, demand, prosecution notices and penalty notices, which are materially important.
7. Fatal or serious accidents, dangerous occurrences any material effluent or pollution problems.
8. Any material default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company.
9. Any issue which involves possible public or product liability, claims of substantial nature including judgments or orders which, may have passed strictures on the code of conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
10. Details of joint venture or collaboration agreements.
11. Transactions that involve substantial payments towards goodwill, brand equity or intellectual property.
12. Significant labour problems and their resolutions. Any significant development on the Human Resources/ Industrial Relations front like signing of wage agreement, implementation of VRS scheme etc.
13. Sale of material nature such as investments, subsidiaries, assets which is not in the normal course of business.
14. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
15. Non-compliance of any regulatory, statutory or listing requirements and shareholder services such as non-payment of dividend, delay in share transfers etc.

## (f) The Board reviews periodically the compliance reports of all laws applicable to the Company

## (g) Code of Conduct for Board Members and Senior Management Personnel

The Board of Directors had adopted a Code of Conduct for the Board Members and Senior Management Personnel of the Company. This Code helps the Company to maintain the Standard of Business Ethics and ensure compliance with the legal requirements, specifically under Regulation 17(3) of the Listing Regulations. The Code is aimed at preventing any wrongdoing and promoting ethical conduct of the Board and employees.

The Company Secretary has been appointed as the Compliance Officer and is responsible to ensure adherence to the Code by all concerned. A copy of the code of conduct has been posted at the Company's official website www.apollohospitals.com.

The Code lays down the standard of conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. All the Board Members and the Senior Management personnel have confirmed compliance with the Code.

The declaration regarding compliance with the code of conduct is appended to this report.

### Code of Conduct for prevention of Insider Trading

The Company has adopted a code of conduct for prevention of insider trading in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended. Shri. S.M. Krishnan, Vice President Finance and Company Secretary is the Compliance Officer. All the Directors and Senior Management Personnel and such other designated employees of the Company who are expected to have access to unpublished price sensitive information relating to the Company are covered under the said code. The Directors, their relatives, senior management personnel, designated employees etc., are restricted from purchasing, selling and dealing in the shares while being in possession of unpublished price sensitive information about the Company during certain prohibited periods. All Board Directors and the designated employees have confirmed compliance with the Code.

## (h) Familiarization Programmes for Board Members

The Board Members of the Company are eminent personalities having wide experience in the fields of business, finance, education, industry, commerce and administration. Their presence on the Board has been valuable and fruitful in taking business decisions.

The Board Members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices.

Periodic presentations are made at the Board and Board Committee Meetings, on business apart from performance updates of the Company, global business environment, business strategy and risks involved. Updates on relevant statutory changes encompassing important laws are regularly circulated to the Independent directors.

The familiarization policy including details of familiarization programmes attended by independent directors during the year ended March 31, 2020 is posted on the website of the Company at https://www.apollohospitals.com/apollo_pdf/board-familiarization-policy.pdf.

## (i) Independent Directors' Meeting

During the year under review, the Independent Directors met on 13th February 2020 inter alia, to discuss:

- Evaluation of the performance of Independent Directors and the Board of Directors as a whole;

- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

## 3. Composition of Board Committees

| Audit Committee | Nomination & Remuneration Committee | Stakeholders Relationship Committee | Corporate Social Responsibility Committee |
|---|---|---|---|
| Shri. MBN Rao<br>Chairman | Shri. Vinayak Chatterjee<br>Chairman | Smt.V.Kavitha Dutt<br>Chairperson | Dr. Prathap C Reddy<br>Chairman |
| Dr. T. Rajgopal<br>Member | Shri. MBN Rao<br>Member | Smt. Preetha Reddy<br>Member | Smt. Preetha Reddy<br>Member |
| Smt. V. Kavitha Dutt<br>Member | Dr. T. Rajgopal<br>Member | Smt. Suneeta Reddy<br>Member | Smt. Sangita Reddy<br>Member |
| | Dr. Murali Doraiswamy<br>Member | | Shri. MBN Rao<br>Member |
| | | | Dr. Murali Doraiswamy<br>Member |

| Risk Management Committee | Investment Committee | Share Transfer Committee |
|---|---|---|
| Smt. Suneeta Reddy<br>Chairperson | Shri. Vinayak Chatterjee<br>Chairman | Smt.V. Kavitha Dutt<br>Chairperson |
| Smt. Preetha Reddy<br>Member | Smt. Preetha Reddy<br>Member | Smt. Preetha Reddy<br>Member |
| Shri. Vinayak Chatterjee<br>Member | Smt. Suneeta Reddy<br>Member | Smt. Suneeta Reddy<br>Member |
| Dr. Satyabhama<br>Member | Shri. MBN Rao<br>Member | |
| Dr. K. Hariprasad<br>Member | Dr. Murali Doraiswamy<br>Member | |

## 1. Audit Committee

### a) Composition of the Audit Committee

The Company continued to derive immense benefit from the deliberations of the Audit Committee comprising of the following Independent Directors.

1. Shri. MBN Rao, Chairman
2. Dr. T. Rajgopal, Member
3. Smt. V. Kavitha Dutt, Member

The Committee comprises of eminent professionals with expert knowledge in corporate finance and healthcare. The minutes of each audit committee meeting are placed before and discussed by the Board of Directors of the Company.

### b) Meetings of the Audit Committee

The Audit Committee met four times during the financial year from 1st April 2019 to 31st March 2020. The dates on which the meetings were held are as follows:

29th May 2019, 12th August 2019, 13th November 2019 and 12th February 2020.

| Sl. No. | Name of the Member | Designation | Number of Meetings held | Number of Meetings attended |
|---|---|---|---|---|
| 1 | Shri. MBN Rao | Chairman | 4 | 4 |
| 2 | Dr. T. Rajgopal | Member | 4 | 4 |
| 3 | Smt. V. Kavitha Dutt | Member | 4 | 4 |

### c) Powers of the Audit Committee

**The powers of the Audit Committee include the following:**

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary

### d) Functions of the Audit Committee

**The role of the Audit Committee includes the following:**

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of the auditors of the Company;
3. Approval of payments to the statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon 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 (c) of sub-section 3 of section 134 of the Companies Act, 2013.
   (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 judgment 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) Modified opinion(s) in the draft Audit Report.

5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

6. 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 utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of the audit process;

8. Approval or any subsequent modification of transactions of the Company with related parties;

9. Scrutiny of inter-corporate loans and investments;

10. Reviewing the utilization of loans and/or advances/investment made by the Company in its subsidiary exceeding a sum of INR 1 billion or 10% of the asset size of the subsidiary, whichever is lower including existing loans/investments/advances;

11. Valuation of undertakings or assets of the Company, wherever it is necessary;

12. Evaluation of internal financial controls and risk management systems;

13. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

14. Reviewing 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;

15. Discussion with internal auditors on any significant findings and follow up there on;

16. Reviewing 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;

17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

18. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

19. To review the functioning of the Whistle Blower mechanism;

20. Approval of appointment of the CFO after assessing the qualifications, experience and background, etc. of the candidate;

21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

**The Audit Committee shall mandatorily review the following information.**

i) Management discussion and analysis of financial condition and results of operations.

ii) Statement of significant related party transactions (as defined by the audit committee submitted by management).

iii) Management letters / letters of internal control weaknesses issued by the statutory auditors.

iv) Internal audit reports relating to internal control weaknesses and

v) The appointment/removal and terms of remuneration of the Internal Auditors shall be subject to review by the Audit Committee and such other matters as prescribed.

vi) Statement of deviations

(a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchanges as per the relevant stock exchange listing regulations

(b) Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice.

In addition to the areas noted above, the audit committee reviews controls and security relating to the Company's critical IT applications, the internal and control assurance audit reports of all major divisions and profit centers and deviations from the code of business principle, if any.

## 2. Nomination & Remuneration Committee

### a) Composition and Scope of the Nomination & Remuneration Committee

The Nomination & Remuneration Committee comprises of the following Independent and Non-Executive Directors

1. Shri. Vinayak Chatterjee, Chairman
2. Shri. MBN Rao, Member
3. Dr. T. Rajgopal, Member
4. Dr. Murali Doraiswamy, Member

### b) Meetings of the Nomination & Remuneration Committee

Two meetings were held during the financial year from 1st April 2019 to 31st March 2020 and the dates on which the meetings were held are as follows:

30th May 2019 and 15th November 2019.

| Sl. No. | Name of the Member | Designation | Number of Meetings held | Number of Meetings attended |
|---|---|---|---|---|
| 1 | Shri. Vinayak Chatterjee | Chairman | 2 | 2 |
| 2 | Shri. MBN Rao | Member | 2 | 2 |
| 3 | Dr. T. Rajgopal | Member | 2 | 2 |
| 4 | Dr. Murali Doraiswamy | Member | 2 | 1 |

### c) Scope of the Nomination & Remuneration Committee

**The Scope of the Nomination & Remuneration Committee includes the following:**

The Committee shall formulate the criteria for determining the qualification, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

1. The Committee shall identify persons who are qualified to become directors and who may be appointed in senior management positions in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
2. The Committee shall formulate the criteria for evaluation of performance of independent directors and the board of directors.
3. The Committee shall ensure that the level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets performance benchmarks, and involves a balance between fixed and incentive pay.
4. Review the policy from time to time for selection and appointment of Directors, Key Managerial Personnel and senior management employees and their remuneration.
5. Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board. In reviewing the overall remuneration of the Board of Directors and Senior Management, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short term and long term objectives of the Company.
6. Recommend to the Board on all the payments made, in whatsoever form, to the senior management.
7. Filling up of vacancies in the Board that might occur from time to time and appointment of additional Non- Executive Directors. In making these recommendations, the Committee shall take into account the special professional skills required for efficient discharge of the Board's functions.
8. Recommendation to the Board with regard to re-appointment of directors, liable to retire by rotation and appointment of Executive Directors.
9. To determine and recommend to the Board from time to time
   a) the amount of commission and fees payable to the Directors within the applicable provisions of the Companies Act, 2013.
   b) the amount of remuneration, including performance or achievement bonus and perquisites payable to the Executive Directors.
   c) To frame guidelines for Reward Management and recommend suitable schemes for the Executive Directors and Senior Management.
10. To determine the need for key man insurance policy for any of the Company's personnel.
11. To carry out the evaluation of performance of Individual Directors and the Board.
12. To carry out any function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modifications as may be applicable.

## d) Policy for selection of Directors and their remuneration

The N&R Committee has adopted a Charter which, inter alia, deals with the manner of selection of Non-Executive Directors, Independent Directors and Executive Directors and their remuneration. This Policy is accordingly derived from the said Charter.



**1. Criteria for selection of Non-Executive Directors and Independent Directors**

a. The Non-Executive Directors shall be persons of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of healthcare, manufacturing, marketing, finance, taxation, law, governance and general management

b. In case of appointment of Non-Executive Independent Directors, the N&R Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.

c. The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.

d. The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.

   i. Qualifications, expertise and experience of the Directors in their respective fields;

   ii. Personal, Professional or business standing;

   iii. Diversity of the Board

e. In case of re-appointment of Non-Executive Independent Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

**2. Criteria for selection of Executive Directors**

For the purpose of selection of the Executive Directors, the N&R Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendations, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

**3. Remuneration Policy**

**a) Executive Directors**

The main aim of the remuneration policy is to pay the Executive Directors and senior management competitively, having regard to other comparable companies and the need to ensure that they are properly remunerated and motivated to perform in the best interests of all stakeholders, including shareholders. Performance-related rewards, based on measurable and stretch targets, are therefore an important component of an Executive Director's remuneration package and aligned with Apollo's long-term business strategy.

The N&R Committee obtains external advice from an independent compensation and benefit consultant firm while reviewing the Executive Directors remuneration, including benchmarking based on prevailing market practices.

**Executive Directors compensation practice followed till Financial year 2018-19**

**Fixed Compensation (Base Salary)**

The base salary or the fixed component is finalized based on prevailing market standards and reviewed annually having regard to the Executive Director's position, responsibilities, individual performance and competitive market practice. Salaries are reviewed by the N&R Committee taking into account the Company's performance and market conditions.

**Performance-based Incentives (Annual Bonus and Commission)**

All Executive Directors are eligible for a performance-based annual bonus with a maximum award limit set at 125% of their respective base salaries.

The Executive Chairman's annual bonus is entirely linked to achievement of operating profit targets. For all Executive Directors, excluding the Executive Chairman, 50% of the bonus is determined with reference to achievement of the operating profit targets and the remaining 50% is determined with reference to the individual Key Result Areas (the "KRAs") as finalized by the N&R Committee each year.

As evidenced by the bonuses earned by the Executive Directors over recent years (i.e. on average less than one-third of the maximum amount), the N&R Committee sets extremely stringent performance targets which ensures that Executive Directors are only rewarded for outperformance from approved Annual Operating Plans.

In addition to the annual bonus, the Executive Chairman is eligible for a commission of up to 1% of the net profits before tax of the Company. The payment of the commission is determined by the N&R Committee based on the review of the Executive Chairman's achievement linked to improvement in shareholders returns and brand enhancement which involves evaluation of the following parameters:

i) Retaining market leadership through higher patient footfalls;

ii) Maintaining best in class clinical outcomes;

iii) Attracting and retaining top clinical talent; and

iv) Deepening share of business from high end specialties.

**Revisions made to Executive Directors compensation from Financial Year 2019-2020**

During the period under review, the N&R Committee undertook a robust review of the Executive Director's total remuneration packages given that the last extensive review was conducted during the financial year 2014-15 and also considering the Company's increased scope and size over this period.

As part of its review, the N&R Committee commissioned an independent compensation and benefit consultant firm to undertake a pay benchmarking exercise of 23 comparator Indian companies which are predominantly listed and operate similar organizational structures and size as Apollo Hospitals across business verticals such as Healthcare, FMCG, Automobile, Engineering and Manufacturing .

The N&R Committee's review concluded that whilst the total potential pay quantum for the Executive Directors was broadly in line with the peer group, the base salaries for the Executive Directors needed revisions to take into account the effects of inflation as well as to make them market competitive, especially vis-à-vis the Healthcare sector.

Based on the inputs received from the Independent firm, the N&R Committee decided to increase the fixed component of their remuneration package whilst reducing the proportion of annual bonus they are eligible to receive to maintain the same overall level total pay quantum considering that the Executive Directors are already full-aligned with shareholders' interests by the nature of them being part of the Promoter Group.

More specifically, the N&R Committee approved the following changes in the Remuneration Policy for the Executive Directors to be applicable till the end of the financial year 2025-26:

a. A 12% increase in the base salary for the Executive Chairman and a 25% increase in the base salaries of the other Executive Directors. To provide forward-looking transparency to shareholders, the N&R Committee also set a maximum ceiling for future base salary increases until the financial year 2025-26.

b. The maximum annual bonus payable to each executive director going forward would be reduced to 67.50% from 125% of base salary for all Executive Directors, including the Executive Chairman.

c. The Executive Chairman would continue to be eligible to receive a commission of up to 1% of the net profit before tax of the Company based on the evaluation of various parameters as set out above .

**Remuneration Policy for Executive Directors as approved on 25th June, 2020**

The main aim of the remuneration policy is to pay the Executive Directors competitively, based on market levels and the need to ensure that they are motivated to perform in the best interests of stakeholders. Performance- related rewards, based on measured and stretch targets, are therefore an important component of remuneration packages.

The components of the remuneration package for Executive Directors comprises of base salary and a performance-based annual bonus. The Executive Chairman is also eligible to receive a commission based on meeting pre-determined criteria. Given that the Executive Directors are already significant shareholders of the Company, the Executive Directors are not eligible to receive further equity compensation. Furthermore, none of the Executive Directors are eligible to receive severance pay and benefits.

**Salary**

Base salaries, reviewed annually, are based on prevailing market practices, the Executive Director's position, responsibilities, and performance in the role. The N&R Committee, comprised solely of Independent Directors, also consider market trends and prevailing inflation in the economy.

In the interest of providing further clarity to our shareholders, the N&R Committee has decided to communicate an upper limit for which the base salaries may be increased in respect of all the Executive Directors as follows till the end of the financial year 2025-2026:

| S.No | Name of the Director | Base Salary (2019-20) | Base Salary (Upper Limit) |
|---|---|---|---|
| | | Amt in ₹ million | Amt in ₹ million |
| 1. | Dr Prathap C Reddy, Executive Chairman | 71.85 | 85.00 |
| 2. | Smt Preetha Reddy, Exec Vice Chairperson | 36.45 | 50.00 |
| 3. | Smt Suneeta Reddy, Managing Director | 36.45 | 50.00 |
| 4. | Smt Shobana Kamineni, Exec Vice Chairperson | 36.45 | 50.00 |
| 5. | Smt Sangita Reddy, Joint Managing Director | 36.45 | 50.00 |
| | **Total** | **217.65** | **285.00** |

In the event that salaries are increased, the N&R Committee will make sure to provide adequate disclosures in the Annual Report to justify such increase.

**Benefits and perks**

The Executive Directors are not eligible for any long-term benefits, perquisites, and/or retirement benefits.

**Service contracts**

None of the Executive Directors are eligible for any severance pay.

**Performance-based incentive (Annual Bonus and Commission)**

The maximum annual bonus payable to all Executive Directors including the Executive Chairman, would be 67.50% of base salary. For all Executive Directors, excluding the Executive Chairman, 50% of the bonus is payable with reference to achievement of the operating profit targets and the balance 50% is payable with reference to the individual Key Result Areas ("KRAs") as finalized by the N&R Committee each year.

The KRAs include criteria such as increase in healthcare and pharmacy segmental revenues and profitability, recruitment and retention of Doctors and key medical professionals, customer feedback and satisfaction scores, Clinical outcomes and IT-related initiatives. For the Executive Chairman, 100% of the annual bonus would be linked to achievement of operating profit targets.

In addition to the annual bonus, the Executive Chairman is eligible for a commission of up to 1% of the net profits before tax of the Company. This will be determined by the N & R Committee based on the review of the Executive Chairman's achievement linked to improvement in shareholders returns and brand enhancement which involves evaluation of the following parameters:

- Retaining market leadership through higher patient footfalls ;
- Maintaining best in class clinical outcomes;

- Attracting and retaining top clinical talent; and
- Deepening share of business from high end specialties.

**Long-Term Equity Incentives**

Apollo does not have any long-term equity incentives to its Executive Directors as they are already significant shareholders of the Company and their interests are considered to already be fully aligned with those of shareholders.

In the event of inadequate profits in any year, the remuneration payable to the Executive Directors would be accordingly moderated and paid as per the relevant applicable regulations after obtaining requisite approvals.

**b) Non-Executive Directors**

Compensation to the non-executive directors takes the form of :

i) Sitting fees for the meetings of the Board and Committees, if any attended by them and

ii) Commission of Profits

The Shareholders at their meeting held on 27th September 2019 have approved the payment of commission to Non Executive and Independent Directors within the overall maximum ceiling limit of 1% of the net profits of the Company for a period of five years with effect from 1st April 2019 in addition to the sitting fee being paid by the Company for attending the Board/Committee Meetings.

The compensation is reviewed periodically taking into consideration various factors such as performance of the Company, time spent by the directors for attending to the affairs and business of the Company, and the extent of responsibilities cast on the directors under various laws and other relevant factors.

The Board approved the payment of commission of ₹1.25 million to each Non Executive Independent Director of the Company for the year ended 31st March 2020.

The aggregate commission payable to all non-executive directors is well within the limits approved by the shareholders and in line with the provisions of the Companies Act, 2013.

**c) Senior Management Employees**

In determining the remuneration of Senior Management Employees (ie KMPs and Executive Committee Members) the N&R Committee shall ensure/consider the following:

i) The relationship of remuneration and performance benchmark is clear;

ii) The balance between fixed and incentive pay reflecting short and long term performance objectives, is appropriate to the working of the Company and its goals;

iii) The remuneration is divided into two components viz, fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;

iv) The remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individuals performance vis-à-vis KRAs/KPIs, industry benchmarks and current compensation trends in the market;

v) The Managing Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned hereinabove, whilst recommending the annual increments and performance incentives to the N&R Committee for its review and approval.

## e) Performance Evaluation of the Board and the Directors

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, Annual Performance Evaluation was conducted for all Board Members as well as the working of the Board and its Committees.

This evaluation was led by the Chairman of the Nomination and Remuneration Committee with specific focus on the performance and effective functioning of the Board. The Board evaluation framework has been designed in compliance with the requirements under the Companies Act, 2013 and the Listing Regulations, and in consonance with the Guidance Note on Board Evaluation issued by SEBI. The Board evaluation was conducted through a questionnaire having qualitative parameters and feedback based on ratings.

Evaluation of the Board was based on criteria such as composition and role of the Board, Board communication and relationships, functioning of Board Committees, review of performance and compensation to Executive Directors, succession planning, strategic planning, etc.

Evaluation of Directors was based on criteria such as participation and contribution in Board and Committee meetings, representation of shareholder interests and enhancing shareholder value, experience and expertise to provide feedback and guidance to top management on business strategy, governance and risk, understanding of the organization's strategy, risk and environment, etc.

The performance evaluation of the Chairman and the Executive Directors was carried out by the Independent Directors. The performance evaluation of the Independent Directors was carried out by the entire Board. The Directors expressed their satisfaction with the overall evaluation process.

## f) Remuneration of Directors

The details of the remuneration paid/accrued to the Directors for the year ended 31st March 2020 is given below:

(₹in million)

| Name of the Director | Remuneration paid for the year ended 31st March 2020 | | | | Total |
|---|---|---|---|---|---|
| | Sitting Fee | Remuneration | | Commission | |
| | | Fixed Pay | Variable Pay | | |
| Dr. Prathap C Reddy | - | 71.85 | 21.66 | 27.83 | 121.34 |
| Smt. Preetha Reddy | - | 36.45 | 10.99 | - | 47.44 |
| Smt. Suneeta Reddy | - | 36.45 | 10.99 | - | 47.44 |
| Smt. Shobana Kamineni | - | 36.45 | 10.99 | - | 47.44 |
| Smt. Sangita Reddy | - | 36.45 | 10.99 | - | 47.44 |
| Shri. Vinayak Chatterjee | 0.70 | - | - | 1.25 | 1.95 |
| Dr. T. Rajgopal | 1.00 | - | - | 1.25 | 2.25 |
| Dr. Murali Doraiswamy | 0.60 | - | - | 1.25 | 1.85 |
| Smt. V. Kavitha Dutt | 0.80 | - | - | 1.25 | 2.05 |
| Shri. MBN Rao | 1.20 | - | - | 1.25 | 2.45 |

**Notes :**

i) The term of the executive directors & independent directors is for a period of 5 years from the respective dates of appointment.

ii) The Company does not have any service contract with any of the directors.

iii) None of the above persons is eligible for any severance pay.

iv) Commission to the Non-Executive Directors for the year ended 31st March 2020 @ ₹1.25 million each per annum will be paid, subject to deduction of tax after adoption of accounts by shareholders at the Annual General Meeting to be held on September 25, 2020. Sitting fee also includes payment of fees for attending Board-level Committee Meetings.

v) The Company has no stock option plans and hence, such an instrument does not form part of the remuneration package payable to any Executive Director.

vi) The Company did not advance any loan to any of its directors during the year.

**Pecuniary relationships or transactions of Non executive directors vis-à-vis the Company**

The Company does not have any direct pecuniary relationship/transaction with any of its Non-Executive Directors.

## 3. Stakeholders Relationship Committee

### a) Composition and Scope of the Stakeholders Relationship Committee

The Stakeholders Relationship Committee comprises of the following Directors.

1. Smt. V. Kavitha Dutt, Chairperson
2. Smt. Preetha Reddy, Member and
3. Smt. Suneeta Reddy, Member

### b) Meetings of the Stakeholders Relationship Committee

Four meetings were held during the financial year from 1st April 2019 to 31st March 2020 and the dates on which the meetings were held are as follows:

10th April 2019, 12th July 2019, 10th October 2019 and 13th January 2020

| Sl.No | Name of the Member | Designation | Number of Meetings held | Number of Meetings attended |
|---|---|---|---|---|
| 1 | Smt. V. Kavitha Dutt | Chairman | 4 | 4 |
| 2 | Smt. Preetha Reddy | Member | 4 | 4 |
| 3 | Smt. Suneeta Reddy | Member | 4 | 4 |

**Name and designation of the Compliance Officer:**

Shri. S.M. Krishnan, Vice President – Finance and Company Secretary.

### c) Scope of the Stakeholders Relationship Committee

The Scope of the Stakeholders Relationship Committee includes the following:

1. To resolve the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. To review the measures taken for effective exercise of voting rights by shareholders.
3. To review the adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. To review the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

### d) Shareholders' Services

The Company usually attended to the investor grievances/correspondences within a period of 2 days from the date of receipt of the same during the financial year, except in cases that were constrained by disputes and legal impediments.

The status on the total number of requests / complaints received during the year was as follows:

| Sl. No | Nature of Service | Received | Replied | Remarks |
|---|---|---|---|---|
| 1 | Change of Address | 65 | 65 | – |
| 2 | Revalidation and issue of duplicate dividend warrants | 46 | 46 | – |
| 3 | Share transfers | 19 | 19 | – |
| 4 | Split of Shares | 1 | 1 | – |
| 5 | Stop Transfer | - | - | – |
| 6 | Change of Bank Mandate | 97 | 97 | – |
| 7 | Correction of Name | 13 | 13 | – |
| 8 | Dematerialisation Confirmation | 378 | 378 | – |
| 9 | Rematerialisation of shares | 6 | 6 | – |
| 10 | Issue of duplicate share certificates | 29 | 29 | – |
| 11 | Transmission of shares | 53 | 53 | – |
| 12 | General enquiry | 255 | 255 | – |

### e) Legal Proceedings

There are three pending cases relating to dispute over the title to shares, in which the Company had been made a party. However these cases are not material in nature.

## 4. Corporate Social Responsibility Committee

### Composition and Scope of the Corporate Social Responsibility Committee

**The composition of the Corporate Social Responsibility Committee as at March 31, 2020 and the details of Members' participation at the Meetings of the Committee are as under:**

| Sl.No | Name of the Member | Designation | Number of Meetings held | Number of Meetings attended |
|---|---|---|---|---|
| 1 | Dr. Prathap C Reddy | Chairman | 2 | 2 |
| 2 | Smt. Preetha Reddy | Member | 2 | 2 |
| 3 | Smt. Sangita Reddy | Member | 2 | 2 |
| 4 | Shri.MBN Rao | Member | 2 | 2 |
| 5 | Dr.Murali Doraiswamy | Member | 2 | 1 |

**The terms of reference of the Committee include the following:**

- To formulate and recommend to the board, a CSR policy, which will indicate the activities to be undertaken by the Company as well as the amount of expenditure to be incurred on the activities referred to in the CSR policy.
- To monitor the CSR activities from time to time.
- To prepare a transparent monitoring mechanism for ensuring implementation of the projects / programmes activities proposed to be undertaken by the Company.

- To report, in the prescribed format, the details of the CSR initiatives in the Directors' Report and on the Company's website.

The Company undertook the following projects as specified in Schedule VII of the Companies Act, 2013,

a. Preventive Healthcare encompassing free health and medical screening camps

b. Education/Vocational skilling initiatives

c. Rural Development

d. Research in Healthcare

During the financial year the Company contributed a total amount of of ₹95.67 million to CSR activities as against the amount of ₹81.07 million calculated as per the Companies Act, 2013, being 2%of the average net profits of the Company for the preceding three financial years and constituted a team to monitor its progress. The report on CSR activities is given under Annexure A to the Directors Report.

## 5. Risk Management Committee

Business Risk Evaluation and Management is an ongoing process within the Organization.

The Company has a robust risk management framework to identify, monitor and minimize risks. The objectives and scope of the Risk Management Committee broadly comprises

- Oversight of risk management performed by the executive management;
- Reviewing the Business Risk Management (BRM) policy and framework in line with legal requirements and SEBI guidelines
- Reviewing risks and initiating mitigating actions including scrutinizing cyber security and risk ownership as per a pre-defined cycle
- Defining a framework for identification, assessment, monitoring, mitigation and reporting of risks.

Within its overall scope as aforesaid, the Committee shall review risks trends, exposure, potential impact analysis and mitigation plans.

The composition of the Risk Management Committee as at March 31, 2020 and the details of Members' participation at the Meetings of the Committee are as under :

| Sl.No. | Name of the Member | Designation | Number of Meetings held | Number of Meetings attended |
|---|---|---|---|---|
| 1 | Smt. Suneeta Reddy | Chairperson | 2 | 2 |
| 2 | Smt. Preetha Reddy | Member | 2 | 2 |
| 3 | Shri. Vinayak Chatterjee | Member | 2 | 2 |
| 4 | Dr. K. Hariprasad | Member | 2 | 2 |
| 5 | Dr. Satyabhama | Member | 2 | 2 |

## 6. Investment Committee

### Composition and Scope of the Investment Committee

The Investment Committee comprises of a majority of Independent Directors and consists of the following members.

1. Shri. Vinayak Chatterjee, Chairman
2. Smt. Preetha Reddy, Member
3. Smt. Suneeta Reddy, Member
4. Shri. MBN Rao, Member
5. Dr. Murali Doraiswamy, Member

The scope of the Investment Committee is to review and recommend investments in new activities planned by the Company.

During the year, the Investment Committee met on 19th June 2019 and approved the sale of the entire 9.96% equity stake held by the Company in Apollo Munich Health Insurance Company Limited for a total consideration of around ₹3 billion, subject to indemnity related adjustments, to HDFC Limited and for the execution of Definitive Agreements.

## 7. Share Transfer Committee

### Composition and Scope of the Investment Committee

The Share Transfer Committee comprises of the following members.

1. Smt. V. Kavitha Dutt, Chairperson
2. Smt. Preetha Reddy and
3. Smt. Suneeta Reddy

The Share Transfer Committee, constituted by the Board has been delegated powers to administer the following:-

- To effect transfer of shares
- To effect transmission of shares
- To issue duplicate share certificates as and when required; and
- To confirm demat / remat requests

The Committee, attends to share transfers and other formalities once in a fortnight.

## 4. General Body Meetings

**Details of the location, date and time of the General Meetings held during the preceding three years are given below:**

| Year | Date | Venue | Time | Special Resolutions Passed |
|---|---|---|---|---|
| 2016-2017 | 20th September 2017 | The Music Academy, Chennai | 10.15 a.m | a. Appointment of Dr.Prathap C Reddy as a whole-time Director designated as Executive Chairman<br>b. Offer/Invitation to subscribe to NCDs on a private placement basis |
| 2017-2018 | 27th September 2018 | The Music Academy, Chennai | 10.15 a.m | a. Revision in the borrowing limits of the Company upto a sum of ₹38,500 million.<br>b. Mortgaging the assets of the Company in favour of Financial Institutions, Banks and other lenders for securing their loans up to a sum of ₹38,500 million.<br>c. Offer/Invitation to subscribe to NCDs on a private placement basis |

| Year | Date | Venue | Time | Special Resolutions Passed |
|---|---|---|---|---|
| 2018-2019 | 27th September 2019 | The Music Academy, Chennai | 10.15 a.m | a. Appointment of Shri. MBN Rao as an Independent Director of the Company.<br>b. Re-appointment of Shri.Vinayak Chatterjee as an Independent Director of the Company for a second term of five consecutive years.<br>c. Consent for continuation of payment of remuneration to Dr. Prathap C Reddy, Executive Chairman, Smt.Preetha Reddy, Executive Vice Chairperson, Smt. Suneeta Reddy, Managing Director Smt.Shobana Kamineni, Executive Vice Chairperson and Smt.Sangita Reddy, Joint Managing Director, in line with the limits prescribed under SEBI Listing Regulations.<br>d. Alteration of Memorandum of Association of the Company in line with Companies Act, 2013<br>e. Adoption of new set of Articles of Association of the Company in line with Companies Act, 2013<br>f. Offer/Invitation to subscribe to NCDs on a private placement basis. |
| 2018-2019 | 21st October 2019 (Meeting convened as per the directions of NCLT, Chennai Bench) | The Music Academy, Chennai | 11.00 a.m. | Approval of the Scheme of Arrangement by way of transfer of the front end portion of the Standalone Pharmacy business segment of the Company into a Separate company ie., Apollo Pharmacies Limited (APL) by way of slump sale and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and applicable SEBI Regulations |

### Postal Ballot

During the year, members of the Company had approved the proposal for entering into a long term supply agreement with Apollo Pharmacies Ltd, a related party under the Companies Act, 2013 and the SEBI Listing Regulations for supply of Pharmaceutical Products by means of a Postal Ballot process including Electronic Voting (e-voting), with the requisite majority.

The Postal Ballot Notice dated 26th December 2019 along with the Postal Ballot Form was sent in electronic form to the members whose e-mail addresses were registered with the Company / respective Depository Participants on 30th December 2019. In case of physical shareholding, copies of the Postal Ballot Notice along with Postal Ballot Form was sent in physical, by permitted mode.

The Company had published a notice in the newspaper on 31st December 2019 in Business Line and Makkal Kural in compliance with the provisions of the Companies Act, 2013 and Secretarial Standard - 2.

The voting period commenced from Saturday, 4th January 2020 at 9:00 a.m. (IST) and ended on Monday, 3rd February 2020 at 5:00 p.m. (IST). The voting rights of members were reckoned on the paid-up value of shares registered in the name of member beneficial owner (in case of electronic shareholding) as on Friday, 20th December 2019.

The Board had appointed Smt. Lakshmmi Subramanian, a Practising Company Secretary, Senior Partner, M/s. Lakshmmi Subramanian Associates, Practising Company Secretaries, as Scrutinizer to conduct the postal ballot process in a fair and transparent manner and had engaged the services of National Securities Depository Limited as the agency for the purpose of providing e-voting facility.

The resolutions were passed on Monday, February 3, 2020. Smt. Lakshmmi Subramanian, Scrutinizer, had submitted her report on the Postal Ballot to the Chairman on 5th February 2020.

## 5. Means of Communication

The unaudited quarterly/half yearly financial statements are announced within forty five days from the end of the quarter. The aforesaid financial statements are taken on record by the Board of Directors and are communicated to the Stock Exchanges where the Company's securities are listed. Once the Stock Exchanges have been intimated, these results are communicated by way of a Press Release to various news agencies/ analysts and published within 48 hours in two leading daily newspapers - one in English and one in Tamil.

The audited annual results are announced within sixty days from the end of the last quarter as stipulated under the Listing Agreement with the Stock Exchanges. In the wake of the novel corona pandemic, SEBI vide its circular dated 17th April 2020 has granted relaxations to listed companies for submission of their fourth quarter and annual financial results for the fiscal year 2019-2020 by an additional 45 days and 30 days respectively. Accordingly, for the financial year ended 31st March 2020, the audited annual results were approved by the Board and announced on 25th June 2020. The audited annual results are taken on record by the Board of Directors and are communicated to the Stock Exchanges where these results are communicated by way of a Press Release to various news agencies/analysts and are also published within 48 hours in two leading daily newspapers - one in English and one in Tamil. The audited financial results form a part of the Annual Report which is sent to the Shareholders prior to the Annual General Meeting.

The quarterly, half-yearly and annual results of the Company are published in leading newspapers in India which include the Economic Times, Business Standard, The Hindu Business Line and Makkal Kural. The results are also posted on the Company's website "www.apollohospitals.com". Press Releases made by the Company from time to time are also posted on the Company's website. Presentations made to the institutional investors and analysts after the declaration of the quarterly, half-yearly and annual results are also posted on the Company's website.

The Company also informs by way of intimation to the Stock Exchanges all price sensitive information or such other matters which in its opinion are material and of relevance to the shareholders.

**Reminder to Investors:** Reminders for unclaimed shares/dividend/interest are sent to the relevant stakeholders as per records every year.

**NSE Electronic Application Processing System (NEAPS): BSE Corporate Compliance & Listing Centre:** The NEAPS/ BSE's listing centre is a web-based application, designed for corporates. All periodic compliance related filings and other material information is filed electronically on the designated portals.

**SEBI Complaints Redress System (SCORES) : I**nvestor Complaints are processed in a centralised web based complaints redress system. The salient feature of this system are a centralised database of all complaints, online upload of Action Taken Reports (ATRS) by the concerned companies and online viewing by investors of action taken on the complaint and its current status.

## 6. Other Disclosures

### a) Related Party Transactions

The Company appointed PwC (PricewaterhouseCoopers, India) to undertake a detailed review of its material related party transactions . The transactions comprise of the purchase of pharmaceutical products by AHEL, supply of pharmaceutical products and receipt of various services such as food & beverage services, manpower supply services, housekeeping services, etc. PwC relied on data provided by AHEL. The scope was limited to a review from an arm's length price perspective.

The transactions were undertaken in conjunction with the related party transaction policy approved by the Board and the results of the same were presented for analysis by PwC. PwC undertook a comparison of AHEL data with comparable price and observed that transactions are at arm's length.

Further, PwC also verified the arrangement of purchase of pharmaceutical products from the network suppliers:

- Provision of incremental discounts to AHEL;
- Scheme benefits and price reductions offered by manufacturers are passed on to AHEL;
- Delivery on priority basis to AHEL thereby reducing AHEL's inventory holding cost;
- Logistics support - Special infrastructure backed delivery centers for AHEL; and
- Streamlined buying structure and integration of computer systems between AHEL and network suppliers.

The details of transactions are disclosed in the notes forming part of the Accounts as required under Indian Accounting Standard (IND AS) 24 notified by the Ministry of Corporate Affairs. All details relating to financial and commercial transactions, where directors may have a potential interest are provided to the Board and the interested Directors neither participate in the discussions, nor do they vote on such matters. The Audit Committee of the Company also reviews related party transactions periodically.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website www.apollohospitals.com.

## b) Vigil Mechanism / Whistle Blower Policy

The Apollo Hospitals Group believes in the conduct of affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour and is committed to developing a culture where it is safe for all employees to raise concerns about any unacceptable practice or any event of misconduct. The organization provides a platform for directors and employees to disclose information internally, which he/she believes involves serious malpractice, impropriety, abuse or wrong doing within the Company without fear of reprisal or victimization. Further, assurance is also provided to the directors and employees that prompt action will be taken to investigate complaints made in good faith.

The Ethics helpline can be contacted to report any suspected or confirmed incident of fraud/misconduct to:

The Chairman, Group Compliance Committee
Apollo Hospitals Enterprise Limited, Mezzanine Floor, Ali Towers,
55, Greams Road, Chennai – 600 006 Tel : 91-44-2829 6716, Email:gcc@apollohospitals.com

## c) Subsidiaries

Your Company does not have any Material non-listed Subsidiary Company whose turnover or networth exceeded 10% of the consolidated turnover or networth respectively of the Company and its subsidiaries in the immediately preceding accounting year.

The Company has formulated a policy for determining Material Subsidiaries and the same has been posted on the website www.apollohospitals.com.

## d) Acceptance of recommendations made by the Committees

During the financial year 2019-2020, the Board has accepted all the recommendations of its Committees.

## e) Accounting Treatment

The Financial Statement of the company for FY 2019-2020 have been prepared in accordance with the applicable accounting principles in India and the Indian accounting standards (Ind As) prescribed under section 133 of the Companies Act, 2013 read with the rules made thereunder.

## f) Internal Controls

The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory/ regulatory compliances. The Company has a strong monitoring and reporting process resulting in financial discipline and accountability.

## g) Risk Management

Business Risk Evaluation and management of such risks is an ongoing process within the organization.

The Board has constituted a Risk Management Committee headed by the Managing Director which reviews the probability of risk events that adversely affect the operations and profitability of the Company and suggests suitable measures to mitigate such risks.

A Risk Management Framework is already in place and the Executive Management reports to the Board periodically on the assessment and minimization of risks

## h) Proceeds of Public, Rights and Preferential Issues

During the year, the Company had not issued or allotted any equity shares.

## i) Management

The Management Discussion and Analysis Report is appended to this report.

## j) Certificate from Practicing Company Secretary

A Certificate has been received from Mrs. Lakshmmi Subramanian, Senior Partner of M/s. Lakshmmi Subramanian & Associates, Practising Company Secretary that none of the Directors on the Board have been debarred or disqualified from being appointed or re-appointed as directors for the year ended 31st March 2020 by SEBI/Ministry of Corporate Affairs or any such statutory body.

## k) Shareholders

### 1) Disclosures regarding appointment or re-appointment of Directors

As per the Companies Act, 2013, atleast two thirds of the Board should consist of retiring Directors, of which atleast one third are required to retire every year.

Except the Chairman, Managing Director and Independent Directors, other Directors are liable to retire by rotation as per the provisions of the Companies Act, 2013.

During the year, Smt. Sangita Reddy will retire and is eligible for re-appointment at the ensuing Annual General Meeting.

The detailed profiles of the Directors are provided as part of the Notice of the Annual General Meeting.

### 2) Investors' Grievances and Share Transfer

As mentioned earlier, the Company has a Board-level Stakeholders Relationship Committee to examine and redress shareholders and investors' complaints. The status on complaints and share transfers is reported to the Committee. The details of shares transferred and nature of complaints is provided in this Report.

For matters regarding shares transferred in physical form, share certificates, dividends, change of address etc., shareholders should send in their communications to Integrated Registry Management Services Private Limited, our Registrar and Share Transfer Agent. Their address is given in the section on Shareholders Information.

## l) Total Fees paid to Statutory Auditors

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part is given below:

(₹in million)

| Type of Service | FY 2019-2020 | FY 2018-19 |
|---|---|---|
| Audit Fees | 33.55 | 30.08 |
| For other services | 4.75 | 3.50 |
| Reimbursement of expenses | 1.68 | 1.72 |
| **Total** | **39.98** | **35.31** |

## m) Disclosures under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

| Type of Service | FY 2019-2020 |
|---|---|
| Number of complaints filed during the financial year 2019-2020 | 4 |
| Number of complaints disposed off during the financial year 2019-2020 | 4 |
| Number of complaints pending as on end of the financial year 2019-2020 | - |

## n) Details of Non-Compliances

There are no non-compliances by the Company and no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

## o) Compliance with Corporate Governance Norms

(a) **Mandatory Requirements**

The Company has complied with all the mandatory requirements of Corporate Governance norms as enumerated in the Listing Regulations. The requirements of Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations to the extent applicable to the Company have been complied with as disclosed in this report.

(b) **Discretionary Requirements**

The Company has duly fulfilled the following discretionary requirements as prescribed in Schedule II Part E of the SEBI Listing Regulations.

1. **The Board**

   There is no Non-Executive Chairman of the Company.

2. **Shareholder Rights**

   Details are given under the heading 'Communication to Shareholders'.

3. **Modified opinion(s) in Audit Report**

   During the year under review, there was no audit qualification in the Company's financial statements.

4. **Separate post of Chairman and CEO**

   The Company has appointed separate persons for the offices of Chairman and Managing Director

5. **Reporting of the Internal Auditor**

   The Company has appointed Internal Auditors who report directly to the Audit Committee.

## 7. CEO/CFO Certification

The Managing Director and the Chief Financial Officer have issued a certificate pursuant to Regulation 17 of the Listing Regulations certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate from Smt. Suneeta Reddy, Managing Director and Shri. Krishnan Akhileswaran, Chief Financial Officer was placed before the Board of Directors at its meeting held on 25th June 2020.

## 8. Certificate on Corporate Governance

The certificate issued by the Practicing Company Secretary on compliance of Corporate Governance norms is annexed to this Report.

## 9. General Shareholders' Information

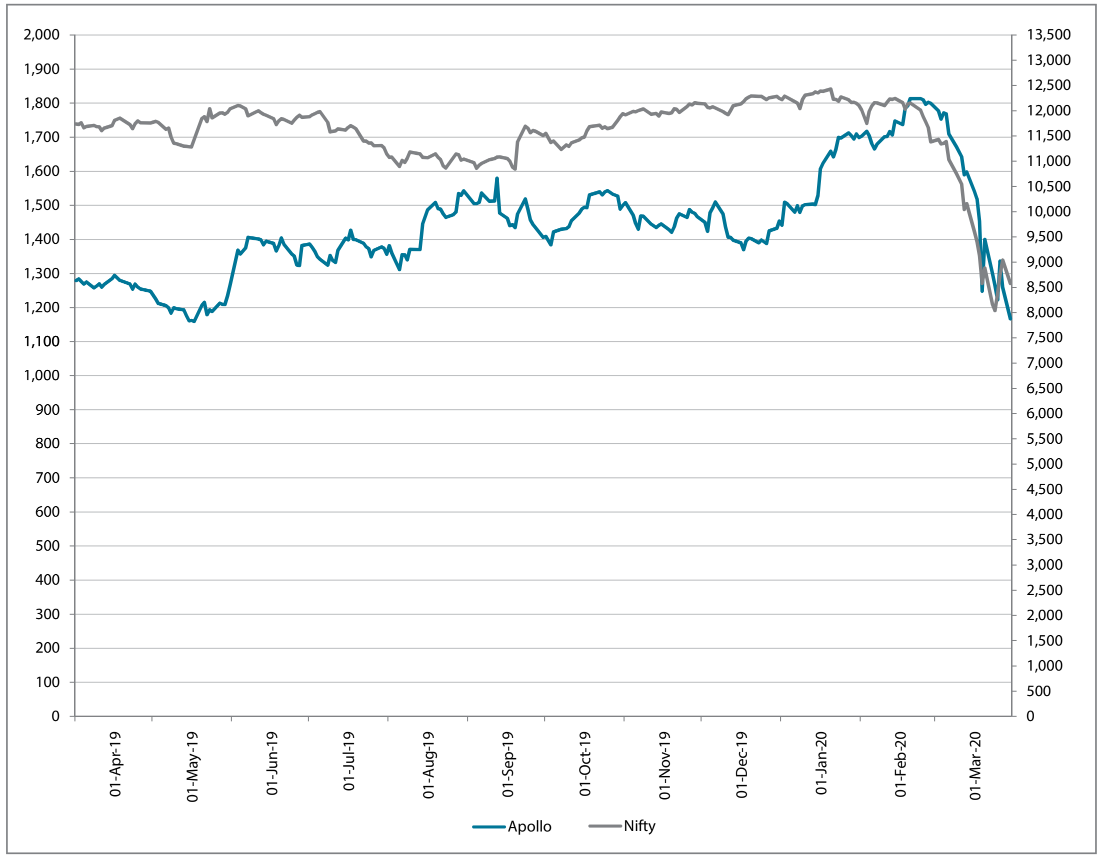
| | | |
|---|---|---|
| (i) | **AGM date, time and venue** | 25th September 2020 at 10.15 a.m.<br>The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM. |
| (ii) | **Financial Year** | 1st April to 31st March |
| (iii) | **Dividend Payment** | The Interim Dividend for the financial year ended 31st March 2020 at the rate of ₹3.25 per share was paid to the shareholders on 5th March 2020. |
| | | The final dividend of ₹2.75 per share if approved, shall be paid/credited on or before 5th October, 2020. |
| (iv) | **Listing of** | |
| | (1) Equity Shares | (i) BSE Ltd (BSE)<br>PhirozeJeejeebhoy Towers,<br>Dalal Street, Mumbai – 400 001<br>Tel :91-22-2272 1234, 1233, Fax : 91-22-2272 3353/3355<br>Website : www.bseindia.com |
| | | (ii) National Stock Exchange of India Ltd (NSE)<br>Exchange Plaza, Bandra-Kurla Complex, Bandra (E) Mumbai – 400 051<br>Tel : 91-22-2659 8100 – 8114, Fax : 91-22-26598237/38<br>Website : www.nseindia.com |
| | (2) GDRs | EuroMTF of Luxembourg Stock Exchange, BP<br>165 L-2011 Luxembourg<br>Traded at : Nasdaq – Portal Market |

| | | |
|---|---|---|
| | (3) Non-Convertible Debentures | Wholesale Debt Market Segment of<br>National Stock Exchange of India Ltd (NSE)<br>Exchange Plaza, Bandra-Kurla Complex, Bandra (E) Mumbai – 400 051<br>Tel : 91-22-2659 8100 – 8114, Fax : 91-22-26598237/38<br>Website : www.nseindia.com |
| | (4) Listing Fees | Paid for all the above stock exchanges for 2019-2020 and 2020-2021 |
| **(v)** | **Address of the Registered Office** | No. 19 Bishop Gardens,<br>Raja Annamalaipuram,<br>Chennai – 600 028 |
| **(vi)** | **a) Stock Exchange Security Code** | |
| | (1) Equity Shares | |
| | (i) BSE Limited, Mumbai | 508869 |
| | (ii) National Stock Exchange of India Limited, Mumbai | APOLLOHOSP |
| | (2) GDRs | |
| | (i) Luxembourg Stock Exchange | US0376082055 |
| | (ii) Nasdaq – Portal Market | AHELYP05 |
| | (3) Non Convertible Debentures | |
| | National Stock Exchange of India Limited, Mumbai | APOL26, APOL22 |
| | **b) Corporate Identity Number (CIN) of the Company** | L85110TN1979PLC008035 |
| | **c) Demat ISIN Numbers in NSDL & CDSL for Equity Shares** | INE437A01024 |
| | **d) ISIN Numbers of GDRs** | Reg. S GDRs - US0376082055<br>Rule 144a GDRs – US0376081065 |
| | **e) ISIN Numbers of Debentures** | INE437A07112 & INE437A07120 |
| | **f) Overseas Depositary for GDRs** | The Bank of New York Mellon<br>240, Greenwich Street, New York<br>NY 10286, USA |
| | **g) Domestic Custodian for GDRs** | ICICI Bank Limited<br>Securities Markets Services<br>1st Floor, Empire Complex,<br>414, Senapati Bapat Marg<br>Lower Parel, Mumbai – 400 013<br>Tel. +91-22-6667 2026<br>Fax +91-22-6667 2779/2740 |
| | **h) Trustee for Debenture Holders** | Axis Trustee Services Limited<br>2nd floor, Axis Bank Building<br>Bombay Dyeing, Pandurang Budhkar Marg<br>Worli, Mumbai – 400025<br>Tel. +91-22- 24255212 |

**(vii) Monthly High and Low quotations along with the volume of shares traded in NSE & BSE during the year 2019-2020**

| Month | NSE | | | BSE | | |
|---|---|---|---|---|---|---|
| | High (₹) | Low (₹) | No. of Shares | High (₹) | Low (₹) | No. of Shares |
| Apr-2019 | 1,294.90 | 1,205.10 | 8,064,832 | 1,294.00 | 1,208.25 | 647,122 |
| May-2019 | 1,266.90 | 1,112.15 | 9,342,119 | 1,266.20 | 1,113.70 | 1,223,520 |
| Jun-2019 | 1,406.00 | 1,243.00 | 18,940,925 | 1,411.90 | 1,245.00 | 1,221,354 |
| Jul-2019 | 1,427.00 | 1,290.55 | 12,637,012 | 1,427.05 | 1,291.45 | 886,593 |
| Aug-2019 | 1,542.45 | 1,275.00 | 18,770,789 | 1,541.30 | 1,275.30 | 1,130,809 |
| Sep-2019 | 1,579.70 | 1,360.20 | 13,524,153 | 1,574.95 | 1,362.20 | 992,528 |
| Oct-2019 | 1,543.30 | 1,348.55 | 11,477,351 | 1,547.00 | 1,349.30 | 798,689 |
| Nov-2019 | 1,508.00 | 1,379.15 | 14,025,815 | 1,507.95 | 1,380.00 | 1,150,355 |
| Dec-2019 | 1,510.00 | 1,341.35 | 17,820,984 | 1,510.40 | 1,342.00 | 1,304,254 |
| Jan-2020 | 1,713.00 | 1,422.20 | 15,870,391 | 1,712.20 | 1,423.00 | 896,729 |
| Feb-2020 | 1,813.55 | 1,616.00 | 17,574,179 | 1,814.00 | 1,621.45 | 767,469 |
| Mar-2020 | 1,777.90 | 1,047.05 | 28,306,232 | 1,775.70 | 1,047.45 | 1,704,644 |

**(viii) Apollo Price Vs Nifty**



**(ix) Registrar & Share Transfer Agent**

Integrated Registry Management Services Private Limited
"Kences Towers", II Floor, No.1 Ramakrishna Street, North Usman Road T. Nagar, Chennai – 600 017
Tel. No.: 044 – 2814 0801, 2814 0803, Fax No.: 044 – 2814 2479
Email : sureshbabu@integratedindia.in

**(x)1) Share Transfer System**

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.

Shareholders who had lodged their request for transfer prior to March 31, 2019 and, have received the same under objection can relodge the transfer request after rectification of the documents. Request for transmission of shares and dematerialization of shares will continue to be accepted.

The Company obtains from a Company Secretary in Practice a half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI (LODR) Regulations, 2015 and files a copy of the certificate with the Stock Exchanges.

**2) Change of Address, Bank Details, Nomination etc.**

All the members are requested to notify immediately any changes in their address, email id, bank mandate and nomination details to the Company's Registrar and Share Transfer Agent, Integrated Registry Management Services Private Ltd. Members holding shares in electronic segment are requested to notify the change of address, email id, bank details, nomination etc to the depository participants (DP) with whom they maintain client accounts for effecting necessary corrections. Any intimation made to the Registrar without effecting the necessary correction with the DP cannot be updated. It is therefore necessary on the part of the shareholders to inform changes to their DPs with whom they have opened accounts.

**3) Unclaimed Dividend / Shares**

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), dividends, if not claimed for a consecutive period of 7 years from the date of transfer to the Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ('IEPF').

Further, shares in respect of such dividends which have not been claimed for a period of 7 consecutive years are also liable to be transferred to the demat account of the IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of a Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends/shares to the IEPF Authority. Notices in this regard are also published in the newspapers.

In light of the aforesaid provisions, the Company has during the year, transferred to IEPF the unclaimed dividends, outstanding for 7 consecutive years, of the Company. Further, shares of the Company, in respect of which dividend has not been claimed for 7 consecutive years or more, have also been transferred to the demat account of the IEPF Authority.

The details of unclaimed dividends transferred to IEPF during the year 2019-2020 are as follows:

| | |
|---|---|
| Amount of unclaimed dividend transferred | ₹3.34 million |

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the Company's website https://www.apollohospitals.com/investor.relations

**4) Distribution of Shareholdings as on 31st March 2020**

| No. of Equity Shares | | Shares | | | | Holders | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Physical | | Electronic | | Physical | | Electronic | |
| | | Nos. | % | Nos. | % | Nos. | % | Nos. | % |
| 1 | 500 | 544,501 | 0.39 | 2,738,745 | 1.97 | 3,560 | 5.90 | 53,645 | 88.94 |
| 501 | 1,000 | 233,590 | 0.17 | 821,954 | 0.59 | 308 | 0.51 | 1,092 | 1.81 |
| 1,001 | 2,000 | 259,244 | 0.19 | 719,675 | 0.52 | 155 | 0.26 | 475 | 0.79 |
| 2,001 | 3,000 | 183,856 | 0.13 | 388,808 | 0.28 | 68 | 0.11 | 154 | 0.26 |
| 3,001 | 4,000 | 192,018 | 0.14 | 295,548 | 0.21 | 55 | 0.09 | 83 | 0.14 |
| 4,001 | 5,000 | 51,254 | 0.04 | 213,188 | 0.15 | 11 | 0.02 | 46 | 0.08 |
| 5,001 | 10,000 | 419,429 | 0.30 | 1,042,966 | 0.75 | 51 | 0.08 | 136 | 0.23 |
| 10,001 | above | 318,260 | 0.23 | 130,702,123 | 93.95 | 12 | 0.02 | 459 | 0.76 |
| **Total** | | **2,202,152** | **1.58** | **136,923,007** | **98.42** | **4,220** | **7.00** | **56,090** | **93.00** |
| **Grand Total** | | **139,125,159** | | | | **60,310** | | | |

**5) Categories of shareholders as on 31st March, 2020**

| Category code | Category of Shareholder | No. of Shareholders | Total number of shares | % to total no. of shares |
|---|---|---|---|---|
| **(A)** | **Shareholding of Promoter and Promoter Group** | | | |
| **1** | **Indian** | | | |
| (a) | Individuals/ Hindu Undivided Family | 20 | 15,572,785 | 11.19 |
| (b) | Bodies Corporate | 3 | 27,296,028 | 19.62 |
| | **Sub Total (A)(1)** | **23** | **42,868,813** | **30.81** |
| | **Total Shareholding of Promoter and Promoter Group** | **23** | **42,868,813** | **30.81** |
| **(B)** | **Public shareholding** | | | |
| **1** | **Institutions** | | | |
| (a) | Mutual Funds/ UTI | 93 | 12,374,634 | 8.89 |
| (b) | Alternate Investment Funds | 1 | 8,500 | 0.01 |
| (c) | Financial Institutions / Banks | 20 | 5,494,153 | 3.94 |
| (d) | Central Government/ State Government(s) | 1 | 323,708 | 0.23 |
| (e) | Insurance Companies | 24 | 2,694,190 | 1.94 |
| (f) | Foreign Institutional Investors | 395 | 65,273,702 | 46.92 |
| | **Sub-Total (B)(1)** | **534** | **86,168,887** | **61.93** |
| **2** | **Non-institutions** | | | |
| (a) | Individuals | | | |
| | i. Individual shareholders holding nominal share capital up to ₹1 lakh | 55,884 | 6,227,103 | 4.48 |
| | ii. Individual shareholders holding nominal share capital in excess of ₹1 lakh. | 12 | 743,355 | 0.53 |

| Category code | Category of Shareholder | No. of Shareholders | Total number of shares | % to total no. of shares |
|---|---|---|---|---|
| (b) | Any Others | | | |
| (b-i) | Bodies Corporate | 631 | 466,471 | 0.34 |
| (b-ii) | Clearing Member | 278 | 544,078 | 0.39 |
| (b-iii) | Employees | 2 | 125 | 0.00 |
| (b-iv) | Foreign Portfolio Investors | 1 | 8,800 | 0.01 |
| (b-v) | Hindu Undivided Families | 996 | 73,317 | 0.05 |
| (b-vi) | I E P F | 1 | 391,034 | 0.28 |
| (b-vii) | L L P | 25 | 6,482 | - |
| (b-viii) | Non Resident Indians | 1,885 | 1,229,771 | 0.88 |
| (b-ix) | Overseas Corporate Bodies | 1 | 5,099 | - |
| (b-x) | Trusts | 35 | 177,049 | 0.13 |
| (b-xi) | Unclaimed or Suspense Account | 1 | 173,684 | 0.12 |
| | **Sub-Total (B)(2)** | **59,752** | **10,046,368** | **7.23** |
| **(B)** | **Total Public Shareholding (B)= (B)(1)+(B)(2)** | **60,286** | **96,215,255** | **69.16** |
| | **Total (A)+(B)** | **60,309** | **139,084,068** | **99.97** |
| (C) | Shares held by Custodians and against which Depository Receipts have been issued | | | |
| (1) | Promoter and Promoter Group | Nil | Nil | Nil |
| (2) | Public | 1 | 41,091 | 0.03 |
| | **Total Public Shareholding (C)= (C)(1)+(C)(2)** | **1** | **41,091** | **0.03** |
| | **Grand Total (A)+(B)+(C)** | **60,310** | **139,125,159** | **100.00** |

**6) Top Ten Shareholders (other than Promoters) as on 31st March 2020.**

| Sr. No. | Name of the Shareholder | 31 March 2020 | |
|---|---|---|---|
| | | No. of Shares | % |
| 1 | Life Insurance Corporation of India | 5,437,262 | 3.91 |
| 2 | Schroder International Selection Fund Asian Opportunities | 3,928,809 | 2.82 |
| 3 | Aditya Birla Sun Life Trustee Private Limited | 3,679,948 | 2.65 |
| 4 | Copthall Mauritius Investment Limited | 2,827,984 | 2.03 |
| 5 | Munchener Ruckversicherungsgesellschaft Aktiengesellschaft In Munchen | 2,397,380 | 1.72 |
| 6 | Veritas Funds PLC on behalf of Veritas Asian Fund | 2,371,469 | 1.71 |
| 7 | Touchstone Strategic Trust – Touchstone Sands Capital Emerging Markets Growth Fund | 2,323,926 | 1.67 |
| 8 | ITPL – Invesco India Business Leaders Fund | 2,020,868 | 1.45 |
| 9 | HDFC Life Insurance Company Limited | 1,787,100 | 1.29 |
| 10 | Kotak Funds – India Midcap Fund | 1,727,388 | 1.24 |

**GDRs :**

**The details of high / low market prices of the GDRs at the Luxembourg Stock Exchange and Rule 144 A GDRs at Portal Market of NASDAQ during the financial year 2019-2020 are as under:**

| Month | Reg S ($) | | | 144 A ($) | | |
|---|---|---|---|---|---|---|
| | High | Low | Closing | High | Low | Closing |
| Apr-2019 | 18.41 | 17.49 | 17.49 | 18.40 | 17.50 | 17.50 |
| May-2019 | 17.78 | 16.21 | 17.78 | 17.70 | 16.20 | 17.70 |
| Jun-2019 | 20.13 | 18.90 | 19.69 | 20.20 | 18.90 | 19.80 |
| Jul-2019 | 20.23 | 18.98 | 19.65 | 20.40 | 19.00 | 19.60 |
| Aug-2019 | 21.20 | 18.41 | 21.12 | 21.20 | 18.40 | 21.00 |
| Sep-2019 | 20.92 | 19.69 | 19.69 | 21.00 | 19.70 | 19.70 |
| Oct-2019 | 21.64 | 19.27 | 20.93 | 21.60 | 19.20 | 20.80 |
| Nov-2019 | 20.63 | 19.26 | 20.09 | 20.60 | 19.40 | 20.00 |
| Dec-2019 | 20.81 | 19.10 | 20.20 | 20.80 | 19.20 | 20.20 |
| Jan-2020 | 23.74 | 20.33 | 23.27 | 23.80 | 20.40 | 23.40 |
| Feb-2020 | 25.13 | 23.11 | 24.05 | 25.20 | 23.20 | 23.80 |
| Mar-2020 | 23.97 | 14.52 | 15.06 | 24.00 | 14.60 | 15.10 |

## (xii) 1) Dematerialization of Shares

The Company's shares are compulsorily traded in dematerialized form on NSE and BSE. Equity shares of the Company representing 99.42 percent of the Company's equity share capital are dematerialized as on March 31, 2020.

### 2) Reconciliation of Share Capital Audit Report

As stipulated by the Securities and Exchange Board of India, a qualified Practising Company Secretary carries out an Audit to reconcile the total admitted capital with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) with the total listed and paid up capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges and is also placed before the Board of Directors. The audit, interalia, confirms that the total listed and paid up capital of the Company is in agreement with the aggregate of the total number of shares in dematerialized form held with NSDL and CDSL and total number of shares in physical form.

## (xii) Outstanding GDRs or Warrants or any convertible instrument, conversion dates and likely impact on equity

Pursuant to the resolution passed by the members in an Extraordinary General Meeting held on 24th May 2005, the Company had issued 9,000,000 Global Depositary Receipts (GDRs) and the details of GDRs issued and converted and outstanding (after adjusting the split of face value of ₹5/- per share) as on 31st March 2020 are given below:

| | |
|---|---|
| No. of GDRs as on 31st March 2019 | 130,707 |
| Add : No. of GDRs Issued during the year | 32,224 |
| Less : No. of GDRs converted into underlying equity shares during the year | 121,840 |
| Outstanding GDRs as on 31st March 2020 | 41,091 |

There is no change in the issued equity on conversion of GDRs into equity shares

## (xiii)Equity Shares in the unclaimed suspense account

In accordance with the requirement of Regulation 34(3) of and Schedule V Part F of the SEBI Listing Regulations, the Company reports the following details in respect of equity shares lying in the suspense account.

The list of unclaimed shares is being posted in the Company's website under the column "Investor Relations"

The voting rights on the shares outstanding in the suspense account as on 31st March 2020 shall remain frozen till the rightful owner of such shares claims the shares.

| | |
|---|---|
| Aggregate Number of Shareholders relating to the shares lying in the unclaimed suspense account | 270 |
| Aggregate Number of the outstanding equity shares lying in the unclaimed suspense account | 196,884 |
| Number of shareholders who approached the Company for transfer of shares from the unclaimed suspense account during the financial year 2019-2020 | 10 |
| Number of shares transferred from the unclaimed suspense account during the financial year 2019-2020 | 23,200 |
| Aggregate Number of Shareholders relating to the shares lying in the unclaimed suspense account at the end of the financial year 2019-2020 | 260 |
| Aggregate Number of the outstanding equity shares lying in the unclaimed suspense account at the end of the financial year 2019-2020 | 173,684 |

## (xiv) Investors Correspondence

a. **For queries relating to shares**
Shri. Suresh Babu, Sr. Vice President,
Integrated Registry Management Services Private Limited, Kences Towers", II Floor,No.1 Ramakrishna Street,
North Usman Road, T. Nagar, Chennai – 600 017, Tel. No.: 044 – 2814 0801, 2814 0803,
Fax No.: 044 – 2814 2479, E-mail : sureshbabu@integratedindia.in

b. **For queries relating to dividend**
Shri. L. Lakshminarayana Reddy, Sr. General Manager -Secretarial,
Apollo Hospitals Enterprise Limited, Ali Towers, III Floor, No. 55, Greams Road, Chennai -600 006.
Tel. No. : 044 -2829 0956, 2829 3896, Fax No.: 044 -2829 0956,
E-mail:investor.relations@apollohospitals.com, lakshminarayana_r@apollohospitals.com

c. **Designated Exclusive email id**

The Company has designated the following email-id exclusively for investor grievances / services.
investor.relations@apollohospitals.com

## (xv) Credit Ratings

| Name of the Agency | Type of Instrument | Ratings |
|---|---|---|
| CRISIL | Fixed Deposit | FAA+/Stable |
| | Non Convertible Debentures | CRISIL AA/Stable |
| | Fund-Based Bank Facilities | CRISIL AA/Stable/CRISIL A1 |

During the financial year 2019-2020, there were no changes in the ratings.

## (xvi) Apollo Hospitals Group

| | |
|---|---|
| Chennai | No. 21 & 24 Greams Lane, Off. Greams Road, Chennai – 600 006<br>Tel : 044 2829 3333, 28290200, 3313 3333 |
| | 320 Anna Salai, Nandanam, Chennai – 600 035<br>Tel : 044 2433 1741, 2433 6119, 4229 1111 |
| | No. 646 T.H. Road, Tondiarpet, Chennai – 600 081<br>Tel : 044 2591 3333, 2591 5858 |
| | Apollo First Med Hospital, No.159 E.V.R. Periyar Salai, Chennai – 600 010.<br>Tel : 044 2821 1111, 2821 2222, 3936 6000 |
| | Apollo Children Hospital, 15-A Shafee Mohammed Road, Chennai – 600 006<br>Tel : 044 2829 8282, 2829 6262 |
| | Apollo Women Hospital, Shafee Mohammed Road, Chennai – 600 006<br>Tel :044 2829 6262 |
| | New No. 6, Old No. 24, Cenotaph Road, Chennai – 600 018<br>Tel : 044 2433 6119, 6115 1111 |
| | No.64, Vanagaram to Ambattur Main Road, Chennai-600 095<br>Tel :044-2653 7777, 3020 7777 |
| | 2/319 Rajiv Gandhi Salai (OMR), Karapakkam, Chennai – 600 097<br>Tel : 044-2450 5700, 3070 1111 |
| | Apollo Proton Cancer Centre, 4/661, Dr Vikram Sarabhai Instronic Estate 7th Street, Dr Vasi Estate Phase II, Tharamani, Chennai - 600 096. Tel: 91 96 1588 1588 |
| | No.5/639, Old Mahabalipuram Road, Kandanchavadi, Chennai – 600 096<br>Tel : 044-2496 1111, 3322 1111 |
| Madurai | Lake View Road, K.K.Nagar, Madurai–625 020<br>Tel : 0452 – 2580 199/2580 892/ 893 |
| | Apollo First Med Hospital, No.484, B-West First Street, Near District Court, KK Nagar, Madurai – 625 020. Tel : 0452 2526810, 2520153 |
| Karur | Apollo Hospital, No. 163, Allwyn Nagar, Kovai Road, Karur – 639 002.<br>Tel. : 04324 – 241900 |
| Karaikudi | Managiri Sukkanenthal Village, Thalakkavur Panchayat, Kallal Panchayat Union, Karaikudi – 630 001 Tel.045-65223700 |
| Tiruchirappalli | Varaganeri Village, Chennai Madurai Bypass Road, Tiruchirappalli,<br>Tel: 0431 3307777, 2207777 |
| Aragonda | Thavanampallee Mandal, Chittoor District, Andhra Pradesh – 517 129<br>Tel : 08573-283 220, 221, 222, 231 |
| Hyderabad | #8-2-293/82-J-III/DH/900, Phase III - Jubilee Hills, Hyderabad – 500 033<br>Tel : 040-2360 7777 |

| | |
|---|---|
| | H.No. 3-5-836,837 & 838 Old MLA Quarters, Hyderguda, Hyderabad – 500 029<br>Tel.: 040-2323 1380, 2338 8338 |
| | Apollo Hospitals – DRDO, # 18-14, DMRL 'X' Roads, Kanchanbagh, Hyderabad – 500 058<br>Tel. No. 040 – 2434 2222 / 2211 / 3333 |
| | PET-CT Scan Centre, Apollo Hospitals Complex, Jubilee Hills, Hyderabad – 500 033<br>Tel.No. : 040-2360 7777 |
| | H-No. 9-1-87/1, Polisetty Towers, St. Johns Road, Secunderabad – 500 003<br>Tel. No. 040-2771 8888 |
| Nellore | H. No. 16-111-1133, Muthkur Road, Pinakini Nagar, Nellore – 524 004<br>Tel.0861 2301066, 2321077, 3337333 |
| Karim Nagar | Apollo Reach Hospital, H.No.G.P.No.4-72, Subhash Nagar,<br>Theegalgutta Pally, G.P.Arepally Rev. Village, Karim Nagar – 505 001<br>Tel. No.0878 220 0000 |
| Visakhapatnam | No.10-50-80 Waltair Main Road Visakhapatnam – 530 002<br>Tel.No.0891-272 7272 |
| | APIIC Health City, Near Hanumanthvaka Junction, Visakhapatnam - 530 040<br>Tel. No. 0891 - 2867777 |
| Kakinada | H-No. 13-1-3 Surya Rao Peta, Main Road, Kakinada – 533 001<br>Tel.No. 0884 – 2345 700/800/900 |
| Mysore | Apollo BGS Hospitals, Adichunchanagiri Road, Kuvempu Nagar, Mysore – 570 023<br>Tel. No. 0821 – 256 6666, 256 8888 |
| Bilaspur | Lingiyadi Village, Bilaspur – 495 001, Chattisgarh<br>Tel : 07752–248300 |
| Bhubaneswar | #251, Sainik School, Unit 15, Bhubaneswar – 751 003<br>Tel.0674 6661016/1066/0413 |
| Nashik | Swamy Narayan Nagar, Off Mumbai Agra Highway, Near Lunge Mangal Karyalaya, Panchavati,<br>Nashik – 422 003, Tel : 0253-2510350/2510450 |
| Navi Mumbai | Plot # 13, Sector 23, Parsik Hill Road, Off Uran Road, CBD Belapur, Navi Mumbai, 400 614<br>Tel : 022-3350 3350 |
| Indore | Scheme No. 74C, Sector D, Vijay Nagar, Indore - 452 010, Madhya Pradhesh<br>Tel. No. 0731 - 2445566 |
| Bangalore | 154/11 Bannerghatta Road, Opp. IIM, Bangalore – 560 076<br>Tel. No. 080-4030 4050 #1533, |
| | 9th Main Road 3rd Block, Jayanagar, Bangalore – 560 011<br>Tel. No. 080-4020 2222 |
| | New No. 1, old No. 28 Platform Road, Seshadripuram, Bangalore – 560 020<br>Tel. No. 080-4668 9999/8888 |
| Lavasa | 7th Dasve Circle, Darve Village Post, Mulshi Lalukka, Pune - 412 112<br>Tel No. 020 - 6677 1111 |



| | |
|---|---|
| Assam | Lotus Towers, 175 GS Road, Guwahati – 781 005<br>Tel. No. 0361-2347700 |
| Ahmedabad | Plot No.1A, GIDC Estate, Bhat Village, Gandhi Nagar, Gujarat – 382 428<br>Tel : 079-6670 1800 |
| Kolkata | No.58, Canal Circular Road, Kolkata-700 054<br>Tel : 033-2320 3040 |
| Lucknow | Apollomedics Super Speciality Hospital, Sector B, LDA Colony, Kanpur Road, Lucknow, Uttar Pradesh<br>Tel :0522 6788 888 |
| New Delhi | Sarita Vihar, Delhi Mathura Road, New Delhi – 110 044<br>Tel. No. 011-2692 5858 |
| Other Health Centres | Woodhead Tower, No. 12 CP Ramaswamy Road, Alwarpet, Chennai – 600 018<br>Tel. No. 044-24672200/24988866 |
| Apollo Personalised Health Check Centre | No. 20 Wallace Garden, 1st Street, Thousand Lights, Chennai - 600 006<br>Tel. No. 044-28291066 |
| Apollo Heart Centre | # 156, Greams Road, Chennai – 600 006. Tel : 044 28296903 |
| Apollo Medical Centre | Plot No. C-150, 6th Cross, Thillai Nagar, Trichy – 620 018<br>Tel. No.0431-2740864 |
| Apollo Emergency Centre | Rajiv Gandhi International Airport, Samshabad Hospital<br>Tel.: 040-2400 8346 |
| Apollo Gleneagles Clinic | 48/1F, Leela Roy Sarani, Ghariahat, Kolkata – 700 019<br>Tel : 033 24618028, 8079 |
| City Center | Tulsibaug Society, Opp. Doctor House, Ellisbridge Ahmedabad – 380 006<br>Tel. No. 079 6630 5800 |
| Apollo Clinic | KR 28, VIP Road, Port Blair, Andaman 744 101, Tel : 03192 235669 |

# Declaration under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding adherence to the Code of Conduct

I, Suneeta Reddy, Managing Director of the Company, hereby declare that the Board of Directors have laid down a Code of Conduct for its Board Members and Senior Management Personnel of the Company and they have affirmed compliance with the said code of conduct.

For **APOLLO HOSPITALS ENTERPRISE LIMITED**

Place : Chennai
Date : June 25, 2020

**Suneeta Reddy**
Managing Director

# PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of Apollo Hospitals Enterprise Limited

a The Certificate issued in accordance with the terms of our engagement letter dated 14th February,2020

b. We have examined the compliance of conditions of Corporate Governance by Apollo Hospitals Enterprise Limited (The Company'), for the year ended 31st March 2020, as stipulated in the Regulations 17-27, clauses (b) to (i) of Regulation 46(2) and paragraphs C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended, pursuant to the Listing Agreement of the Company with the Stock Exchanges.

**Management Responsibility**

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the SEBI Listing Regulations.

**Auditor's Responsibility**

Our examination is limited to review of 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.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

We further state that 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.

For LAKSHMMI SUBRAMANIAN & ASSOCIATES

**LAKSHMMI SUBRAMANIAN**
SENIOR PARTNER
FCS NO. 1087

CP NO. 3534

**UDIN : F003534B000345612**

Place : Chennai
Date : June 16, 2020



# MANAGEMENT DISCUSSION & ANALYSIS

## Industry Structure & Developments

WHEN A NATION'S POPULATION IS HEALTHY, THEY MAKE AN IMPORTANT CONTRIBUTION TO THE ECONOMIC PROGRESS OF THE COUNTRY, AS THEY LIVE LONGER AND ARE MORE PRODUCTIVE.

Good health is the foundation on which a person's happiness and well-being rest. When a nation's population is healthy, it automatically means that the people make an important contribution to the economic progress of the country, as they live longer and are more productive. Studies have revealed the significant interlinkages between the economic performance of a country and the health of its population, making investment in health not just desirable, but a priority for societies. It is important that every citizen has access to basic healthcare facilities, an important factor that will influence a better quality of life for the populace. A comparison of the basic health indicators between developed and developing countries clearly show that developed nations lead the way in healthcare provision and utilization in terms of all resources i.e., money, infrastructure, people, education, and products. Developing nations, which have not been able to invest similarly in healthcare infrastructure, are characterized by lower human development.

Today, the primary challenge for developing countries like India, is the improvement of healthcare access across sectors, in terms of both reach and affordability, and the pursuit of universal healthcare to ensure that healthcare needs of the vulnerable and under-privileged sections of the society are addressed. Additionally, coping with modern diseases, public health engineering, disease surveillance and rising healthcare costs present significant challenges for the healthcare industry.

*"Harnessing the power of digital technologies is essential for achieving universal health coverage. Ultimately, digital technologies are not ends in themselves; they are vital tools to promote health, keep the world safe, and serve the vulnerable."*

**—Dr. Tedros Adhanom Ghebreyesus, WHO Director-General**

The recent COVID-19 pandemic has caused immense disruption, bringing to the fore, the importance of good health from an economic standpoint and the pressing need to devote resources for the prevention of future epidemics while managing such crises without excessive economic disruption. It is believed therefore, that once the crisis dissipates, there will be a perceptible paradigm shift worldwide towards providing sustainable and equitable pre-eminent healthcare for all. For this to be successful, it is imperative that all stakeholders including healthcare providers, Governments, investors and consumers come together to understand, analyze and implement required changes across the ecosystem.

Globally, the healthcare industry is transforming rapidly. Several new health technologies such as wearable tech, telemedicine, genomics, virtual reality (VR), robotics and artificial intelligence (AI) although still nascent, are expected to change the very landscape of this industry. To meet the demands of the future, much of these technologies should be capable of adequate scale.

It is safe to expect that the future of health will focus on well-being and prevention rather than treatment. Innovations are already breaking barriers in the way diagnosis and treatments are being provided. Technology will also help to democratize healthcare by lowering costs and breaking geographic hurdles. The increasing pace of technological innovation in healthcare will soon offer a plethora of opportunities for healthcare service providers across the globe.

## General Overview on India's Healthcare Services Landscape

*"India has adopted a multi-sectoral approach towards the health sector. The country is focusing on four main pillars of universal health. These are preventive health, affordable healthcare, supply-side interventions and mission mode intervention."*

**—Mr. Narendra Modi, Prime Minister, India**

The healthcare sector in India is one of the country's largest economic sectors, with regard to both employment and revenue. The various demographic changes such as the increase in demand for modern healthcare facilities, rise in awareness about diseases, growing health consciousness among people, increase in per capita income, changing lifestyles, transition in disease profile, etc. have all contributed significantly to the growth of the healthcare service industry in India. With the Government rolling out the biggest publicly funded healthcare plan in the world, many more doors of opportunity in the sector are now open.

Today, India is able to offer best-in-class healthcare services at a fraction of the cost in other major countries around the globe. The availability and advancement of healthcare facilities have contributed to the betterment of the healthcare sector in India. Reduction in the cost of life-saving drugs and medical devices, versatile pharmaceutical services, world-class specialty hospitals in Tier 1 and Tier 2 cities and a large pool of well-trained medical professionals are additional factors that have supported this growth.

Rural Areas

**50.7%**

Treatment in Private Doctor Clinic

Urban Areas

**50.0%**

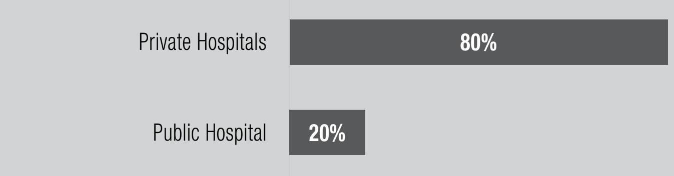
Treatment in Private Doctor Clinic

However, a substantial gap exists in the supply of healthcare services as compared to the demand. India's limited healthcare infrastructure has historically been inadequate to meet the demands of a large and diverse population; public healthcare facilities are even now unable to adequately scale to effectively serve the needs of a growing population or reach the interiors of the country.

This unmet opportunity combined with strong fundamentals has largely led to the private sector taking center stage in India's healthcare landscape. Private healthcare institutions provide world class facilities, employ highly skilled and globally recognized professionals, skillfully leverage advanced technology in treatments, and maintain high standards of quality.

Private sector players have been able to obtain a major share of nearly 80% of the country's total healthcare market. They also account for almost 74% of the country's total healthcare expenditure. Their share in hospitals alone is estimated at 74% while their share of hospital beds is estimated at 40%.

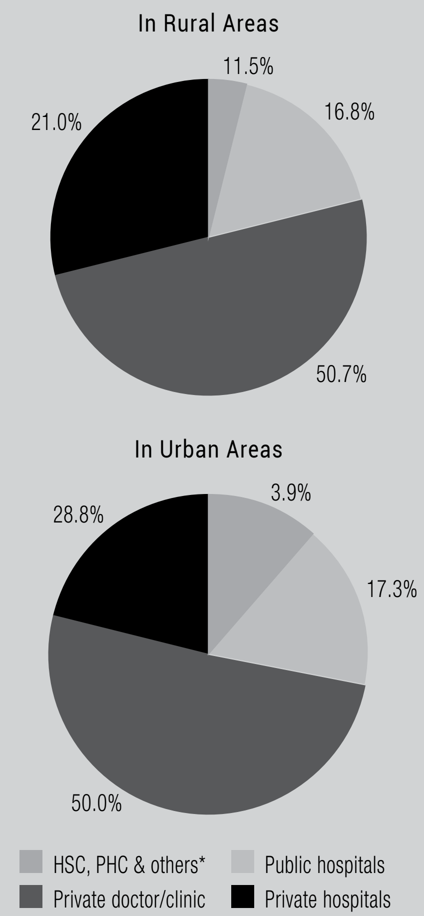
### Share in the Total Healthcare Market




Source: A report on 'Indian Hospital Services Market Outlook' by consultancy RNCOS, Grant Thornton, LSI Financial Services, OECD

From the following chart, it is clear that both rural and urban India prefer private sector care for the treatment of illness and disease. Of the different levels of care mentioned here, private doctor/clinic is the single biggest point of contact for treatment of ailments for rural areas (50.7%) and urban areas (50%). This is followed by treatment at private hospitals, public hospitals and Health Sub Centres (HSC), Primary Health Centres (PHC) & others.

Percentage of Ailments by Different Levels of Care




Source: MoSPI, NSS 71st Round (January-June 2014)

Note: Public sector includes HSC, PHC & others* and public hospitals. Private sector includes private doctor/clinic and hospitals.

* Others include Auxillary Nurse Midwives (ANM), Accredited Social Health Activists (ASHA), Anganwadi Workers (AWW), Dispensaries, Continuing Healthcare (CHC), and Mobile Medical Units (MMU)

THE SIGNIFICANT GAP BETWEEN ‘REQUIRED’ AND ‘ACTUAL’ HEALTHCARE INFRASTRUCTURE HAS DRIVEN CONSIDERABLE INVESTMENT INTO ASSETS LIKE HOSPITALS AND OTHER CARE FACILITIES OVER THE YEARS

Today, the healthcare sector in India offers a potent mix of opportunities and challenges. The significant gap between ‘required’ and ‘actual’ healthcare infrastructure has driven considerable investment into assets like hospitals and other healthcare facilities over the years. It has become a preferred sector for strategic and financial investments.





## Government Initiatives are Supporting Growth of Healthcare Sector

INDIA’S HEALTHCARE SECTOR IS STRONGLY SUPPORTED BY THE INDIAN GOVERNMENT WITH AN AIM TO DEVELOP IT AS A GLOBAL HEALTHCARE HUB

It is important to mention that the Country’s healthcare sector is strongly supported by the Indian Government which has been undertaking commendable work to develop India as a global healthcare hub. Over the years, several initiatives to drive the growth of the healthcare sector in the country have been yielding positive results. These initiatives have gone a long way in not only improving overall healthcare access for the general population but have also enhanced the quality of healthcare in the country.

### Policies and Schemes

**Ayushman Bharat**

Aims at making path-breaking interventions to address health holistically. As of November 2019, about 6.37 million people have received free treatment under this scheme.

**National Health Policy (NHP) Scheme**

Formed with the aim to deliver quality healthcare services to all at affordable costs is the world’s largest Government-funded healthcare programme

**National Resource Centre for EHR Standards (NRCeS)**

Ministry of Health & Family Welfare (MoHFW) established a Centre of Excellence named as National Resource Centre for EHR Standards (NRCeS) at C-DAC, Pune to accelerate and promote adoption of Electronic Health Record (EHR) standards in India

**Mission Indradhanush**

Aims to improve coverage of immunisation in the country and reach every child under two years of age and all the pregnant women who have not been part of the routine immunisation programme

**Pradhan Mantri Swasthya Suraksha Yojana (PMSSY)**

Aims at correcting regional imbalances in the availability of affordable / reliable tertiary healthcare services and also to augment facilities for quality medical education in the country

**Pradhan Mantri Surakshit Matritva Abhiyan (PMSMA)**

Pradhan Mantri Surakshit Matritva Abhiyan (PMSMA), a programme launched in 2016 to ensure comprehensive and quality antenatal check-ups to pregnant women across India, has crossed the 10 million mark

## Market Size of Indian Healthcare Sector

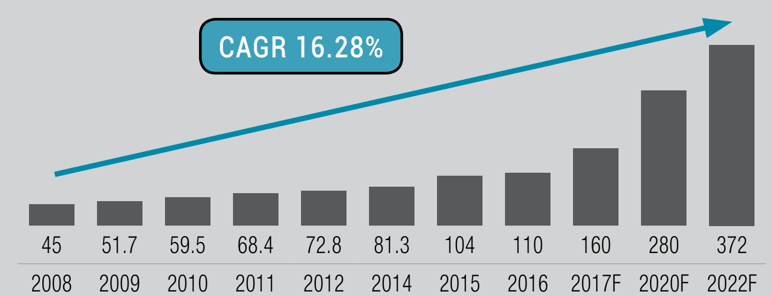
The Indian healthcare sector is growing at a remarkable pace thanks to growing coverage, services and increasing expenditure by the public and private sectors. As per a report from the Ministry of Commerce and Industry, the Indian healthcare sector, which stood at a size of USD 110 billion in 2016, is expected to reach a size of over USD 372 billion by 2022, registering a CAGR of 22%. The hospital industry in India is expected to grow at a CAGR of 16-17% to reach a size of USD 132.84 billion by FY22 from USD 61.79 billion in FY17. The Country ranks 145 among 195 countries in terms of quality of healthcare and accessibility. India's healthcare access and quality (HAQ) index increased from 24.7 in 1990 to 41.2 in 2016.

INDIAN HEALTHCARE INDUSTRY STANDS OUT ON THE GLOBAL STAGE AS AN EFFICIENT AND COST-EFFECTIVE HEALTHCARE DELIVERY SYSTEM WITH ITS NETWORK OF EXPERT DOCTORS AND SPECIALISTS, WELL-EQUIPPED DIAGNOSTICS, AND NURSING SERVICES

The healthcare sector in India is marked by superior skills, knowledge, and professionalism. It stands out on the global stage as an efficient and cost-effective healthcare delivery system with its network of expert doctors and specialists, well-equipped diagnostics, and nursing services. Within the country, there is immense scope for enhancing healthcare services penetration and ample opportunity for the development of the healthcare industry as a whole.

Conducive policies for encouraging FDI, tax benefits, and favourable Government policies coupled with promising growth prospects are helping the industry attract private equity, venture capital and foreign players. Today, Indian companies are entering into alliances with domestic and foreign companies to drive growth and gain new markets. Going forward, fundamental factors such as rising income levels, ageing population, growing health awareness and changing attitude towards preventive healthcare, are expected to provide impetus and boost healthcare services demand.

Healthcare Sector Growth Trend (USD billion)



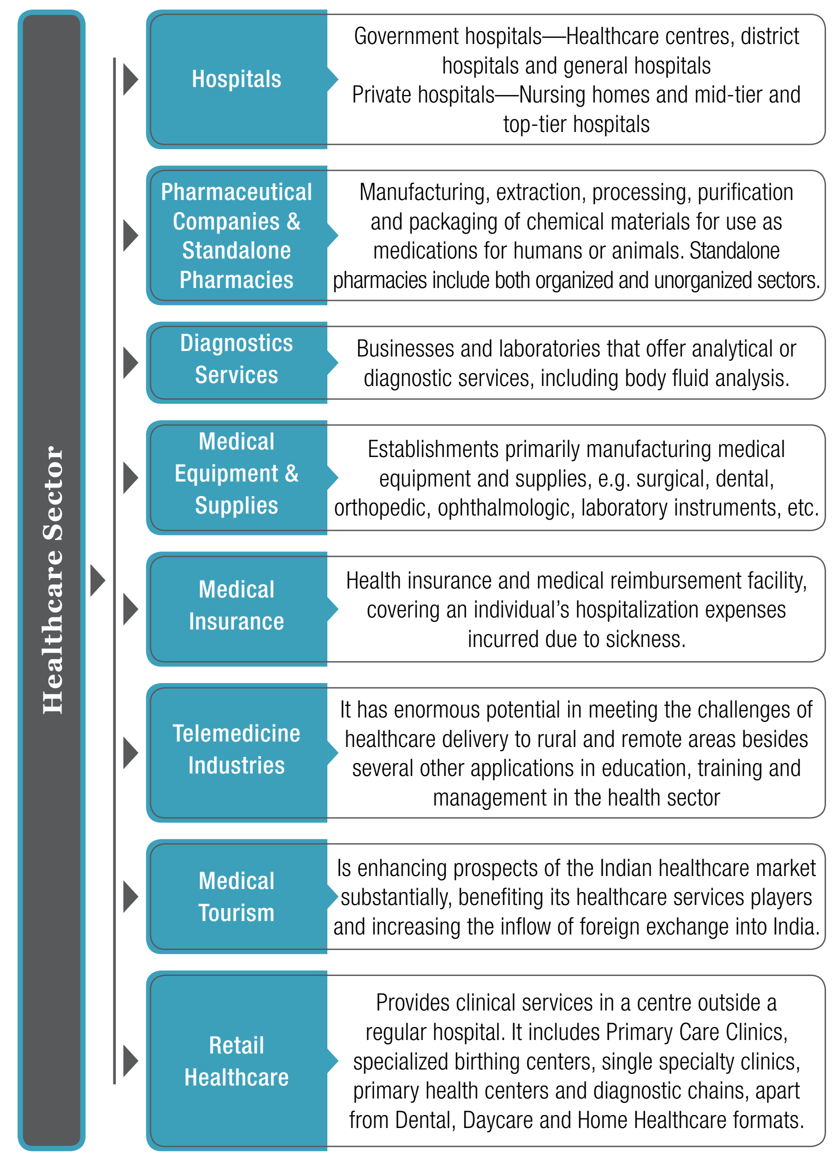

Source: Frost & Sullivan, LSI Financial Services, Deloitte, TechSci Research

BY 2020, INDIA IS EXPECTED TO RANK AMONGST THE TOP 3 HEALTHCARE MARKETS IN TERMS OF INCREMENTAL GROWTH

**100,000**
JOBS ARE EXPECTED TO BE CREATED FROM AYUSHMAN BHARAT, THE NATIONAL PROTECTION SCHEME

In FY17, the healthcare sector in India stood as the fourth largest employer, employing a total of 319,780 people. By 2020, the sector is expected to generate 40 million jobs in India. By 2020 the country is also expected to rank amongst the top 3 healthcare markets in terms of incremental growth [Source: www.livemint.com and IBEF Report]. An additional 100,000 jobs are expected to be generated through the implementation of Ayushman Bharat, the National Health Scheme and other initiatives of the Government.

The Healthcare sector in India broadly includes Hospitals, Pharmaceutical Companies & Standalone Pharmacies, Diagnostic Services, Medical Equipment and Supplies, Medical Insurance, Telemedicine Companies, Medical Tourism and Retail Healthcare.




Source: Hospital Market - India by Research on India, Aranca Research

## Structure of Healthcare Delivery in India

The Healthcare sector is divided into three major categories: primary, secondary and tertiary.

| | | |
|---|---|---|
| **Primary Care** | Provide basic healthcare facilities | **Sub Centres and Primary Healthcare Centres** |
| **Secondary Care** | Hospitals equipped with modern diagnostic facilities and treatment options | **Community Healthcare Centres Sub Divisional Hospitals and District Hospitals, Mobile Medical Unit** |
| **Tertiary Care** | Hospitals with advanced diagnostic facilities and treatment options | **Medical Collages, ESI Hospitals, Urban Health Posts and PSU Hospitals** |

Source: Dun and Bradstreet - "Sector risk outlook - Hospitals" October 2014, via Thomson Research, accessed January 2015; "Rural Health Statistics in India ", Statistics Division Ministry of Health and Family Welfare Government of India, 30 April 2013

### Primary Healthcare

The primary sector which mainly operates at the grass-root level has minimal involvement of private players. This is the first point of contact between the populace and the healthcare service providers. This infrastructure offers basic medical and health prevention services through a network of Sub Centers and Primary Health Centers in rural areas; in urban areas it is provided through Urban Primary Health Centers, Health Posts, and Family Welfare Centers.

### Secondary Healthcare

Secondary Healthcare refers to a second tier of healthcare systems, in which patients from primary health care are referred to specialists in bigger hospitals for treatment. In India, the health centers for secondary health care include District Hospitals and Community Health Centre at block level.

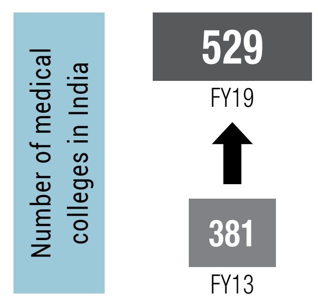
This infrastructure provides inpatient as well as outpatient medical services, including simple surgical procedures. The various medical specialties offered under secondary healthcare include internal medicine, Ob-gynaec, pediatrics and limited services in specialties like urology and cardiology, among others.

### Tertiary Healthcare

Tertiary Healthcare refers to a third level of healthcare system, in which specialized consultative care is provided usually on referral from primary and secondary medical care. Specialized Intensive Care Units, advanced diagnostic support services and specialized medical personnel are the key features of tertiary health care. In addition to tertiary hospitals that offer services for single specialty, there are multi-specialty tertiary hospitals that offer a number of services in the same hospital. In India, under the public health system, tertiary care service is also provided by medical colleges and advanced medical research institutes.

## Scope to Increase India's Per Capita Healthcare Expenditure

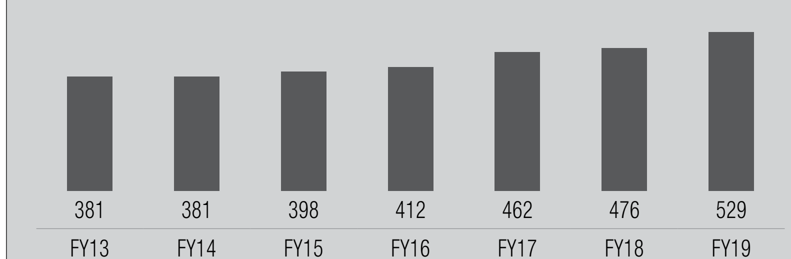
THE GOVERNMENT OF INDIA IS PLANNING TO INCREASE PUBLIC HEALTH SPENDING TO **2.5%** OF THE COUNTRY'S GDP BY 2025



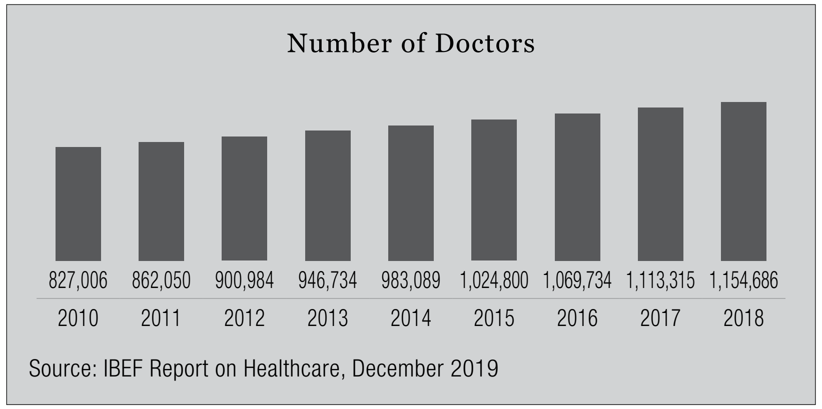

The recent Covid-19 pandemic crisis has served as a stark reminder of the importance of investing in augmentation of healthcare infrastructure. The continued variance of healthcare spends between urban and rural areas has resulted in a sharp disparity in the availability of healthcare facilities across the country, although the Government of India is planning to increase public health spending to 2.5% of the Country's GDP by 2025.

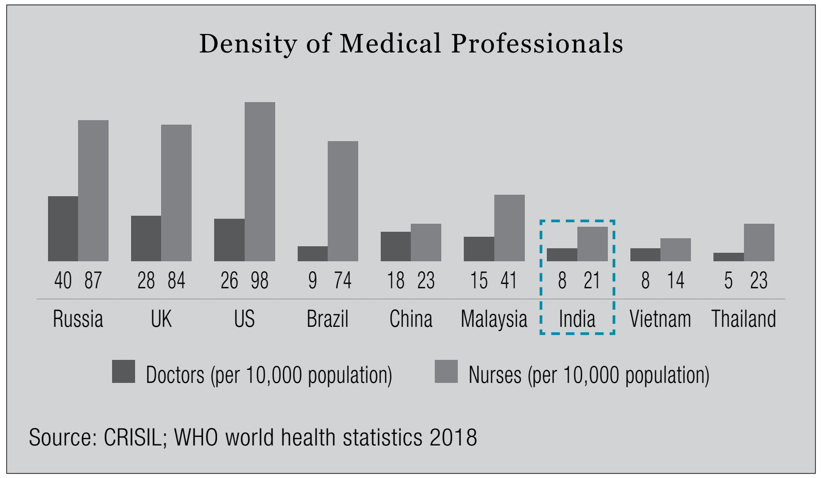
Over the last two decades, India has taken considerable steps to grow its medical education infrastructure. The number of medical colleges in the country has increased to 529 in FY19 from 381 in FY13. The number of doctors possessing recognized medical, qualifications (under I.M.C Act) registered with state medical councils/medical council of India increased to 1,154,686 in 2018 from 827,006 in 2010.

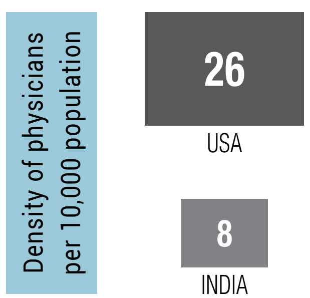
Number of Medical Colleges

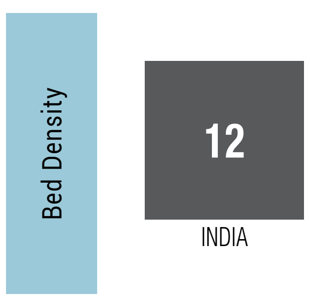



Source: IBEF Report on Healthcare, December 2019



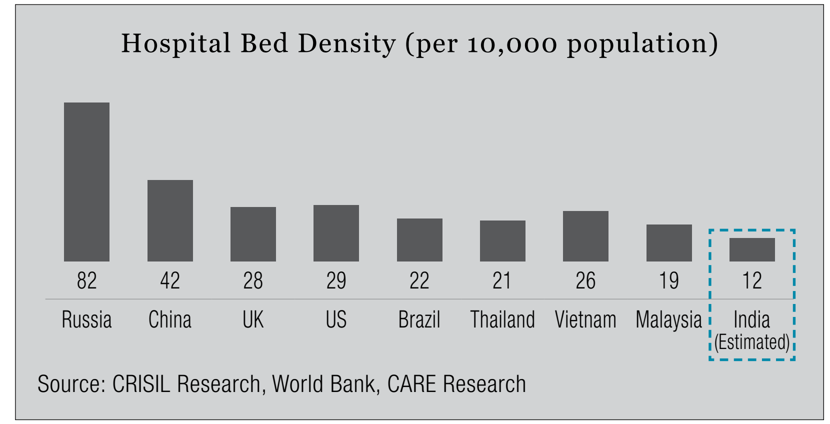



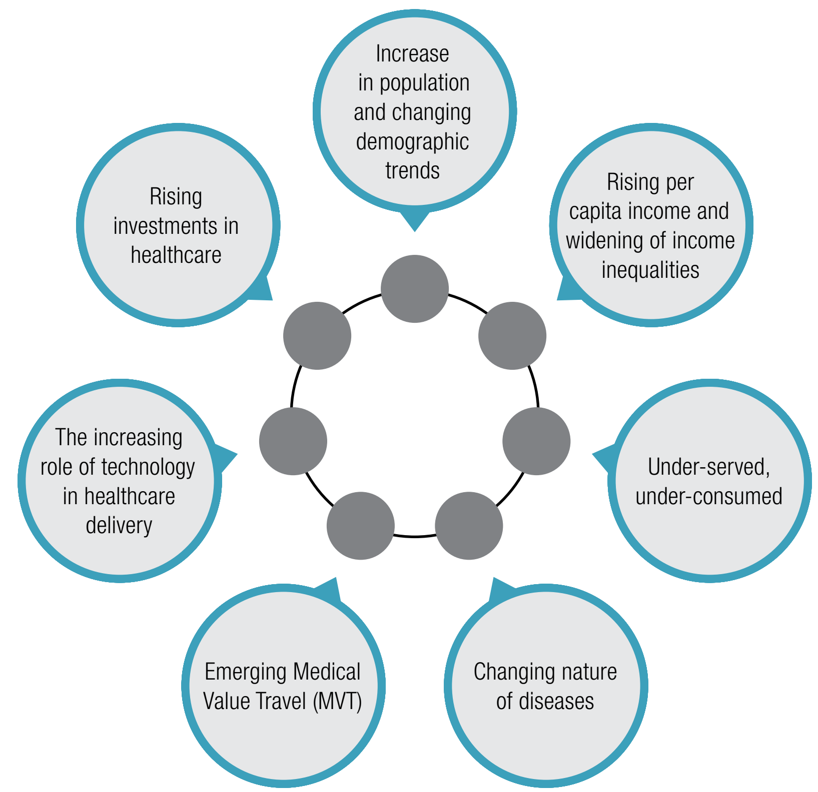

Even though the country is witnessing rapid expansion in the healthcare sector, the shortage of medical workforce remains a reality and a challenge. As per World Health Statistics primary data 2007-2018, the density of physicians per 10,000 population for India stands at 8 which is very low compared to the number for USA that stands at 26. As per the National Health Policy 2018, India has a density of 30.2 skilled health professionals (physicians/nurses/midwives) per 10,000 population while the Sustainable Development Goal (SDG) target is a density of 44.5 per 10,000 population. To achieve the ratio reported by the USA with respect to the density of physicians, India will require an additional 2.4 million physicians approximately.

Additionally, hospital bed density in India is merely 12 per 10,000 persons-significantly lower than the WHO guideline of 30 beds per 10,000 population. These statistics indicate the alarming healthcare infrastructure gap in the country and the tremendous growth potential of the Indian healthcare sector to enable the country move towards the global mean.




## Key Characteristics

Strong fundamentals inherent to the sector are expected to accelerate further growth inhealthcare demand in India. This industry in India is broadly characterized by the following:



## Increase in Population and Changing Demographic Trends

India's 1.3 billion population base offers a sizable market and pertinent growth opportunities for health care services in the country. Empowered with unique demographic advantages, India is racing to rank among the world's most developed economies in the next decade.

**54.6%**
**OF INDIA'S POPULATION FALLS IN THE AGE GROUP OF**
**20 TO 59**

As per the National Health Profile 2018, 54.6% of India's population falls in the age group of 20 to 59 years. This productive demographic group is expected to turn to modern and efficient healthcare services for treatments rather than rely on ill-equipped facilities.

While the population of India is considerably young, there is a parallel growing elderly population that is more than 60 years of age. In fact, the sheer number of elders in India exceeds the total population of several nations. The rise in the number of the elderly combined with rising life expectancy, is another proponent for quality healthcare.

Socio-demographic factors in the country, therefore, are expected to boost healthcare services demand in the future.

## Rising Per Capita Income and Widening of Income Inequalities

**RISING PER CAPITA INCOME AND THE ECONOMIC STABILITY OF THE EXPANDING MIDDLE CLASS POPULATION, IS BOUND TO INCREASE THE DEMAND FOR SERVICES**

India has witnessed tremendous economic growth over the last 3 decades. The country has been able to register robust GDP growth and has been consistently featured amongst the fastest growing economies in the world. Rising per capita income and the economic stability of the expanding middle class population, is bound to increase the demand for services. Improved affordability is a gateway for superior healthcare facilities.

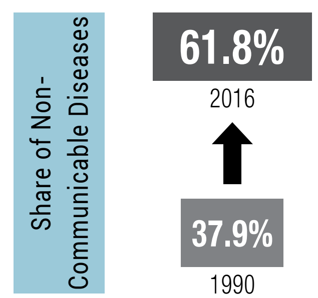
However, even as India continues to develop, income inequality in the country is widening. Low per capita income, low expenditure on healthcare, and a low number of doctors coupled with poor insurance penetration in rural areas are reasons for the disparity in healthcare offerings between urban and rural areas. This inequality is evident even within the same urban city. People in the various income slab categories fall into unique baskets typified by varying healthcare needs. Each of these presents a market in terms of the addressable value proposition.

## Under-Served, Under-Consumed

India's healthcare space is under-served chiefly because of the absence of credible infrastructure, a situation spawned by decades of under investment in the health sector. In addition, the domestic healthcare delivery infrastructure of the country is largely skewed towards the organized private sector, and primarily is confined to state capitals or tier-1 cities.

The country continues to remain far behind the global curve in providing good quality healthcare access across its population. Making healthcare affordable and accessible to all citizens of the country continues to be one of the Government's key focus areas. Even in terms of metrics, be it the per capita number of beds or doctors, India lags developed as well as developing peers. In terms of infrastructure, India has 12 hospital beds as compared to the USA which has 29 beds to serve per 10,000 population. India requires an additional 2 million beds to be at par with the global median. While India's healthcare service infrastructure is under served, low affordability has also resulted in these services being under-consumed.

## Changing Nature of Diseases




India has witnessed an extensive change in the overall disease profile of its population. The share of communicable, maternal, neonatal, and nutritional diseases for death decreased to 27.5% in 2016 from 53.6% in 1990 and that of non-communicable diseases increased to 61.8% in 2016 from 37.9% in 1990. This shift in the disease profile has led to an additional need for healthcare services in the country. Non-communicable diseases tend to be of long duration, increasing the need for sustained healthcare services.

| Transition in disease profile | 1990 | 2016 |
|---|---|---|
| Share of communicable, maternal, neonatal & nutritional diseases | 53.60% | 27.50% |
| Share of non-communicable diseases | 37.90% | 61.80% |
| Share of injuries | 8.50% | 10.70% |

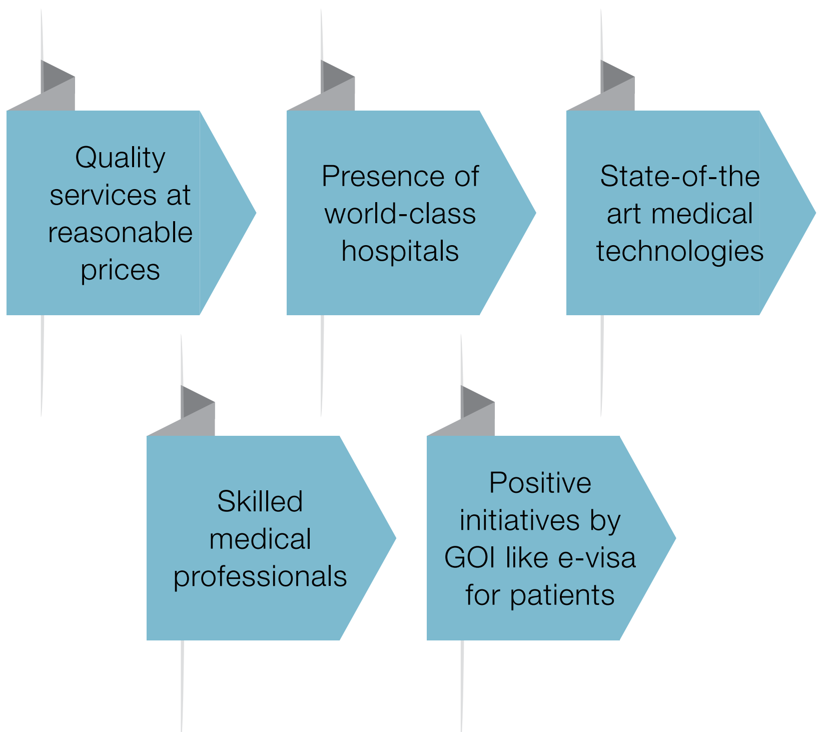
Source: Health of the Nation's States 2017 – Indian Council of Medical Research

Due to increased urbanization, the incidence of lifestyle diseases is anticipated to increase faster than any other segment. Within the lifestyle space, cancer is one of the fastest growing ailments. The prevalence of cancer in India is projected to increase from an estimated 3.9 million cases in 2015 to an estimated 7.1 million cases by 2020, according to an Ernst & Young report.

## Emerging Medical Value Travel (MVT)

OVER THE YEARS, INDIA HAS GROWN TO BECOME THE PREFERRED DESTINATION FOR MEDICAL VALUE TRAVEL BECAUSE IT SCORES HIGH OVER A RANGE OF FACTORS THAT DETERMINE THE OVERALL QUALITY OF CARE

The Indian healthcare industry has been doing exceptionally well in addressing the multi-billion dollar medical value travel opportunity. Over the years, India has grown to become the preferred destination for medical value travel because it scores high over a range of factors that determine the overall quality of care. From quality of therapy, to the range of procedural and treatment options, infrastructure and skilled manpower, unmatched care and compassion, to minimal waiting time involved for any medical procedure, and availability of generic drugs, the list of benefits for medical travelers are many.




HEALTHCARE COSTS IN INDIA ARE EXTREMELY COMPETITIVE COMPARED TO THOSE IN DEVELOPED COUNTRIES AND OTHER ASIAN COUNTRIES, ESPECIALLY FOR SURGERIES LIKE CARDIAC BYPASS, KIDNEY AND LIVER TRANSPLANT, HIP REPLACEMENT, DENTAL SERVICES, COSMETIC SURGERY AND BARIATRIC SURGERY

Healthcare costs in India are extremely competitive compared to those in developed countries and other Asian countries. This is especially for expensive and delicate surgeries like cardiac bypass, solid organ transplants, joint replacements, dental services, cosmetic surgery and bariatric surgery. The cost of travel and accommodation is also low as compared to developed nations. India also attracts medical tourists from other developing nations due to the lack of advanced medical facilities in many of these countries.

Government estimates suggest that the size of the medical tourism market would grow substantially by the next fiscal from a size of 3 billion USD in 2015.

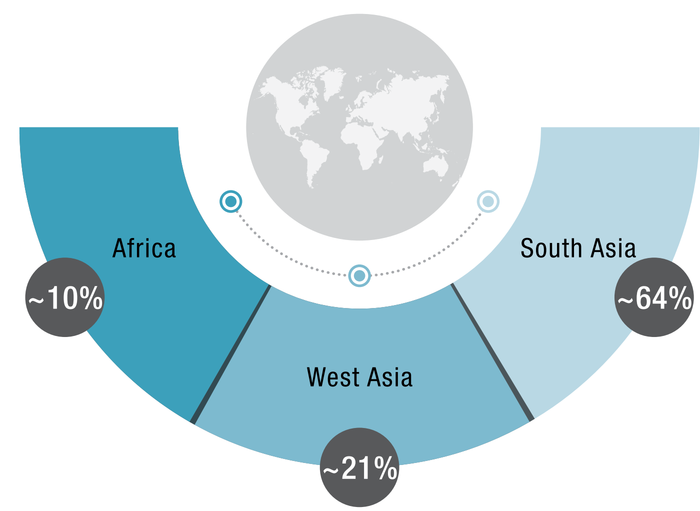
### Country-wise Cost of Ailments

| Treatment | USA US$ | Korea US$ | Singapore US$ | Thailand US$ | India US$ |
|---|---|---|---|---|---|
| Hip Replacement | 50,000 | 14,120 | 12,000 | 7,879 | 7,000 |
| Knee Replacement | 50,000 | 19,800 | 13,000 | 12,297 | 6,200 |
| Heart Bypass | 144,000 | 28,900 | 18,500 | 15,121 | 5,200 |
| Angioplasty | 57,000 | 15,200 | 13,000 | 3,788 | 3,300 |
| Heart Valve Replacement | 170,000 | 43,500 | 12,500 | 21,212 | 5,500 |
| Dental Implant | 2,800 | 4,200 | 1,500 | 3,636 | 1,000 |

Source: CRISIL Research

The Indian Government has been facilitating easy entry for International patients into the country by providing special medical visas. It has introduced multiple policies such as the introduction of e-Medical visa, multiple entry visas and longer stays as required for treatment. Additionally, the Indian Government has been actively mandating accreditations to wellness centers and Medical Value Travel (MVT) facilitators. These initiatives have gone a long way is enhancing India's image as a preferred destination for medical tourists.

### Indian medical tourism originating countries




Source: CY17 CRISIL; Ministry of tourism

## The Increasing Role of Technology in Healthcare Delivery

TECHNOLOGICAL UBIQUITY AND ADOPTION OF EMERGING TECHNOLOGIES AND TOOLS BY HEALTHCARE STAKEHOLDERS HOLD THE POTENTIAL TO IMPROVE QUALITY, AFFORDABILITY AND ACCESSIBILITY OF HEALTH CARE SOLUTIONS, THUS RESHAPING HEALTHCARE DELIVERY ACROSS THE PATIENT PATHWAY

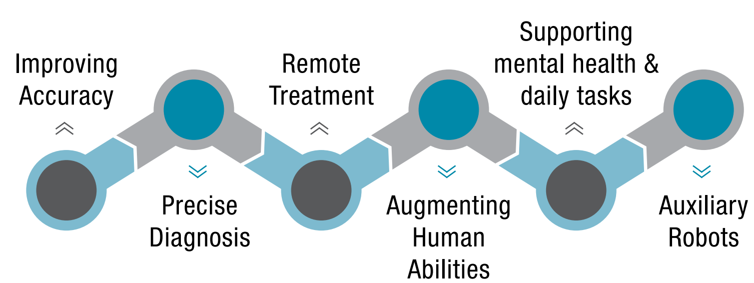
Technological ubiquity and adoption of emerging technologies and tools by healthcare stakeholders hold the potential to improve quality, affordability and accessibility of health care solutions, thus reshaping healthcare delivery across the patient pathway.

In India, most recognized hospitals have been investing in supportive technology and operative techniques. The timely adoption of certain advanced technologies has enabled availability and advancements in robotic surgeries, radiation surgery or radiotherapies with cyber knife options, intensity modulated radiation therapy, image guided radiation therapy, transplant support systems, advanced neuro and spinal options in the country.

New health technologies such as wearable tech, telemedicine, genomics, virtual reality (VR), robotics and artificial intelligence (AI) are changing the landscape of the Indian healthcare system. Like many other markets, India too is at the cusp of a 'digital health' revolution as a vast number of healthcare companies have started adopting digital technologies in areas such as patient engagement, physician engagement, field force effectiveness, R&D efficiency and supply chain management. As the pace of digital innovation in healthcare accelerates, so will the opportunities for those healthcare service delivery institutions across India which are willing to embrace the digital health space over the coming years. Post COVID, it is likely that technology adoption will happen at an accelerated pace.

NEW HEALTH TECHNOLOGIES SUCH AS WEARABLE TECH, TELEMEDICINE, GENOMICS, VIRTUAL REALITY, ROBOTICS AND ARTIFICIAL INTELLIGENCE ARE CHANGING THE LANDSCAPE OF THE INDIAN HEALTHCARE SYSTEM

### 6 Ways AI and robotics are improving healthcare



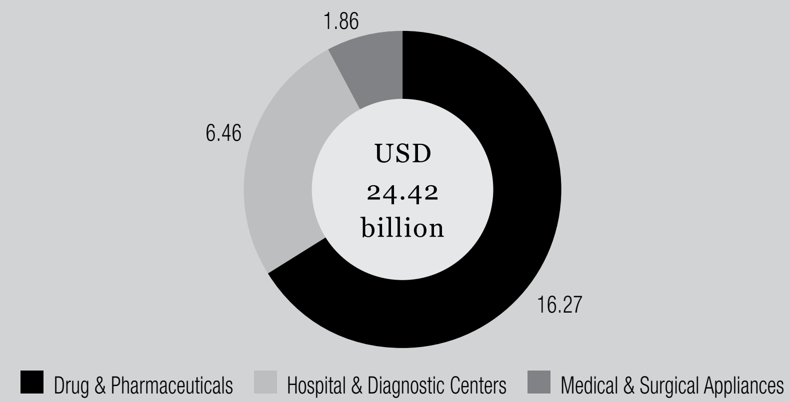

Source: Robotics Business Review 2019

## Rising Investments in Healthcare

Infusion of long-term capital in the healthcare space goes a long way in strengthening the healthcare infrastructure of the country. Demand growth, cost advantages and policy support are some of the factors that have been playing a vital role in enticing FDI in the healthcare sector.

In the past few years, the Indian healthcare industry has attracted a lot of interest from leading global private equity players and venture capitalists. The growth in multi-specialty and single-specialty hospitals in India has largely taken place due to the strong backing of PE funding. Many multinational players have been trying to deepen their presence through partnerships and investments.

Cumulative Foreign Direct Investment (FDI) inflows from April 2000 up to September 2019 into the healthcare sector (USD $ billion)




Source: Department of Industrial Policy and Promotion

THE GOVERNMENT OF INDIA'S DECISION TO ALLOW 100% FDI IN THE HOSPITALS SECTOR LED TO A SIGNIFICANT INCREASE IN INVESTMENTS FROM OVERSEAS FUNDS INTO THE SECTOR

The Government of India's decision to allow 100% FDI in the hospitals sector led to a significant increase in investments from overseas funds into the sector. These trends indicate rising investor confidence in the Indian healthcare space and deepen the perception of India as an attractive healthcare investment destination.

## Retail Pharmacies

The Indian Retail Pharmacy sector has been witnessing healthy growth over the past few years due to an increasing consumer base and rising healthcare expenditure. Industry experts believe that the Indian pharmacy market will be a bright spot for the Healthcare sector over the next decade. The Pharmacy Retail market in India is expected to grow at a rate of 10-12% CAGR in this period. Worth ~ USD 18 bn currently, it is expected to reach a value of ₹ 50 bn by 2025. In the entire healthcare value chain, Retail Pharmacy is one of the most fragmented sub-segments. The Indian Retail Pharmacy market has been registering healthy growth largely because of rising demand for OTC drugs and private label products. There is an estimated total of 850,000 retail pharmacies (chemists) in India out of which 845,000 fall under the unorganized category. The number of branded organized pharmacy stores is less than 6,000 and constitute <5% of the total market size.

ORGANIZED RETAIL PHARMACY MARKET SIZE HAS BEEN GROWING AT AN AVERAGE OF

**22-25%**

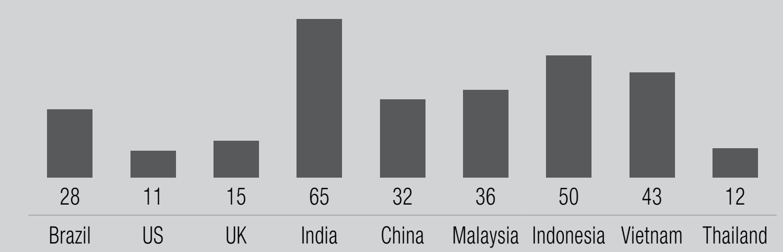
Organized Retail Pharmacy refers to trading activities undertaken by licensed retailers, which include corporate-backed hypermarkets, retail chains and privately owned large retail businesses. Key players in this sector are also venturing into the market with either wholly owned pharmacies or through franchising and are scaling up by setting up several service touch points in cities across India. They are changing the face of the pharmacy sector by bridging the service gap. The Organized Retail Pharmacy market size has been growing at an average of 22-25%. Industry reports expect it to grow between 20-22% over the coming decade. Analysts expect investments in excess of USD 1 bn over the next few years in this sector.

The online pharmacy market in India is at a very nascent stage as compared to other developed economies. With consumers using technology to bridge the service quality gap, digital pharmacies are gaining popularity in Tier I and Tier II cities, as they are banking on scale and better distribution networks. Eventually, the online mechanism is bound to spread to Tier III and Tier IV cities, which will help generate higher revenues for the sector. Additionally, these online pharmacies are also slowly gaining attention in the e-commerce industry space, with its impressive growth rate.

## Growing Health Insurance Penetration

Increased health insurance penetration will drive higher demand for healthcare services as an individual by paying healty insurance premium gets coverage for medical treatment costs, which is reimbursed if the person undergoes treatment because of illness, sickness or disease. This helps the insured in taking care of the burden of meeting healthcare related costs.

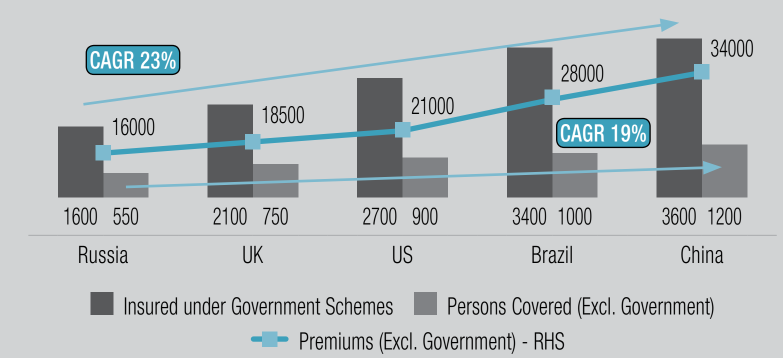
**Out-of-Pocket Healthcare Spend as Percentage of Total Healthcare Expenditure**




Source: CRISIL; WHO database; ICICI direct research

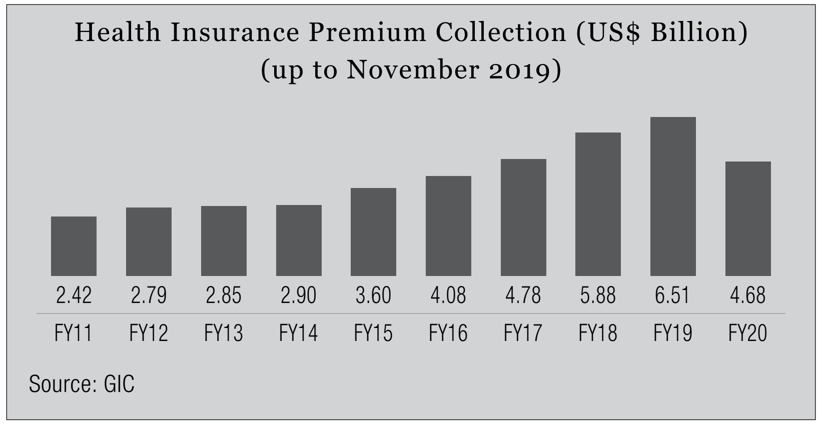
The growing incidence of disease along with low Government funding has led to an increase in the financial burden for the general public in meeting increasing healthcare costs. This coupled with high 'out-of-pocket' expenses is proving to be an impetus for increased health insurance coverage.

**Insurance Penetration in India**




Source: CRISIL; IRDAI

The above charts show that the market for health insurance is on a rise. The health insurance premium collections and the number of persons covered under health insurance have increased substantially from the levels that were prevalent in 2013-14.




Schemes providing health insurance coverage to corporate employees are further helping market penetration of insurance players.

The health insurance segment in India has tremendous potential as less than 20% of the population is covered under health insurance. In rural India, 86% of the population is not insured, and 82% of the urban population remains uninsured.

## Retail Healthcare

RETAIL HEALTHCARE MEETS THE CONSUMERS' HEALTHCARE NEEDS RIGHT WHERE THEY ARE

'Retail' in healthcare means creating opportunities for a clinical encounter in a spaceother than in a hospital setting. The philosophy of 'Retail Healthcare' is to meet the consumers' healthcare needs right where they are. Today, consumers are looking for convenience while selecting a healthcare provider. Increasingly, consumers are choosing proximity over distance, opting for reduced waiting time, same-day scheduling and extended opening hours (including weekends). Therefore, locating services in a retail setting within a neighbourhood has become very popular. Additionally, today there is growing interest among a large section of the population in maintaining good health and being medically fit. This scenario is leading to a higher demand for a seamless healthcare delivery format to treat minor illnesses within a relaxed environment rather than in a hospital.

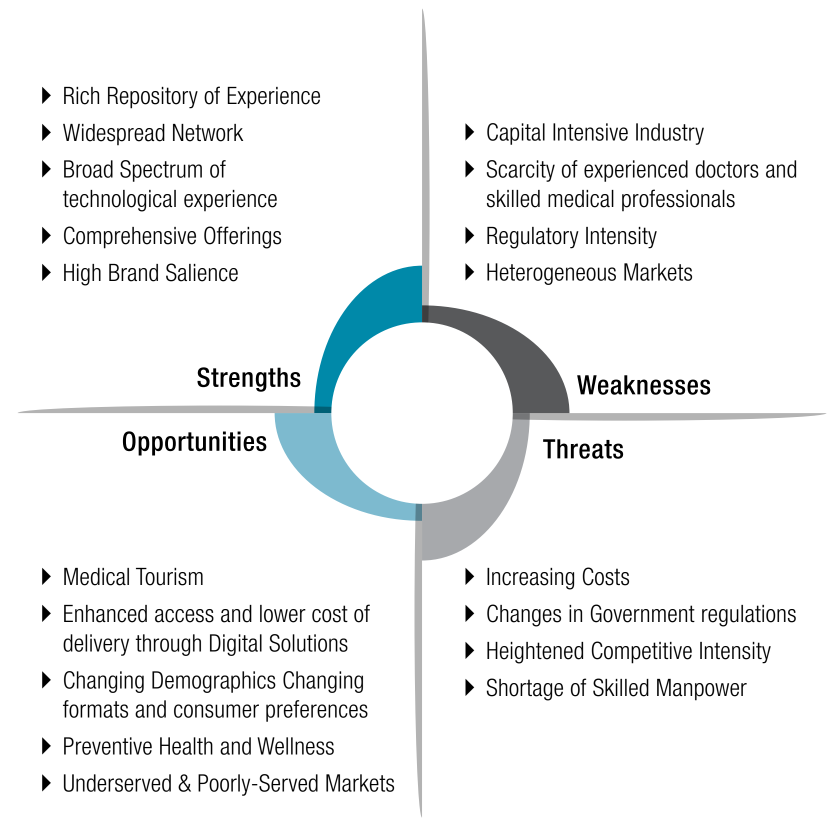
These changing consumer preferences and the increased use of technology have successfully influenced the transition to retail healthcare. Retail healthcare begins with a focus on preventive health and extends to the treatment of low complexity cases. The key aim of retail healthcare is to provide several quality services at lower costs in convenient settings.

In order to satisfy consumers' demand for convenience and flexibility, healthcare providers are designing locally relevant spaces that are tailored to specific needs. These spaces focus on vaccination, patient education, information sharing, specimen collection and reports, wound dressing and aftercare, injections and in-person and teleconsultations. The Retail Healthcare business includes Primary Care Clinics, specialized birthing centers, single specialty clinics, primary health centers and diagnostic chains, apart from Dental, Daycare and Home Healthcare formats.

Globally, Retail healthcare has grown substantially over the last decade. All the verticals under the Retail Healthcare umbrella are emerging as significant opportunities in the healthcare landscape and providing sizable untapped avenues, which will further drive penetration of Indian healthcare service providers into local communities and neighbourhoods.

Single specialty healthcare centers operating under the Retail Healthcare delivery format have already experienced growing popularity over the past few years in India. The segment now includes multiple treatment categories in areas such as fertility, maternity, ophthalmology, dental health, dialysis and diabetic care.

## SWOT Analysis



## Strengths

APOLLO HOSPITALS' STRONG BRAND IMAGE AND BEST IN CLASS WORKING ENVIRONMENT CONTINUE TO ATTRACT AND RETAIN TOP CLINICAL AND PROFESSIONAL TALENT FROM INDIA AND ABROAD

### Rich Repository of Experience

Apollo Hospitals' strong brand image and best in class working environment continue to attract and retain top clinical and professional talent from India and abroad. The doctors and supporting medical personnel at Apollo Hospitals are not only well qualified but also possess rich experience in their respective fields. The efficient clinical and non-clinical staff at Apollo Hospitals is well trained to deliver the best possible clinical outcomes to patients. Apollo Hospitals' senior management team has established a strong eco-system, which enables and motivates the staff in delivering a superior level of care.

The doctors at Apollo Hospitals have an enviable record of accomplishment whether it is in terms of performing critical surgeries or medical procedures. Their domain expertise is revered and has gained acknowledgement from patients across the globe. Many specialists across Apollo Hospitals continue to receive multiple accolades and awards at different healthcare forums due to their expertise in the field of medicine.

THE APOLLO NETWORK

**10,261**
BEDS

**3,766**
PHARMACIES

**956**
HEALTHCARE CENTERS

### Widespread Network

Over the years, Apollo Hospitals has steadily enhanced its presence into a geographically well-spread out, pan-India healthcare network. The current footprint includes 10,261 beds, 3,766 pharmacies and 956 national retail healthcare centers besides a deep online presence.

As a true pan-India service provider, Apollo Hospitals has established various touch points which facilitate smoother access to services for its patients. By providing premium and affordable medical services over the years, Apollo Hospitals enjoys many competitive advantages like enhanced customer experience, economies of scale, cost efficiencies, wider reach, access to a larger patient base and ability to leverage synergies.

The Company has also established newer delivery models and formats such as day care and short stay surgeries which has helped it to evolve and adapt to global trends and consumer needs while delivering the continuum of care value proposition.

### Broad Spectrum of technological experience

SINCE ITS INCEPTION, APOLLO HOSPITALS HAS BEEN AT THE FOREFRONT IN OUTLAYING NECESSARY CAPITAL FOR ENHANCING AND EMBRACING THE BEST AVAILABLE MEDICAL TECHNOLOGY

Since its inception, Apollo Hospitals has been at the forefront in outlaying necessary capital for enhancing and embracing the best available medical technology. This approach has gone a long way in enabling best-in-class treatment for patients and helping them recover at a faster rate.

Additionally, in order to provide patients smooth access to Apollo Hospitals services, the Company has built an integrated online platform called 'Ask Apollo', using which, patients enjoy several benefits like booking doctor appointments and scheduling online consultation for basic medical needs.

Most recently, Apollo Hospitals has launched its advanced App, Apollo 24/7, which provides the platform for seamless virtual consults with doctors, integrated medical records and prescriptions, and the ability to fill prescriptions through Apollo Pharmacy.

### Comprehensive Offerings

APOLLO HOSPITALS HAS BEEN ABLE TO PROVIDE DIFFERENTIATED SERVICES THROUGH DIFFERENT ENTITIES, WHICH TOGETHER CONSTITUTE A FULLY INTEGRATED HEALTHCARE ECOSYSTEM

Apollo Hospitals has taken considerable steps to ensure that access to quality care is not restricted to the hospital setting, but is also available outside of it or in a post hospitalization scenario. Today, Apollo Hospitals' breadth of service offerings successfully spans the entire value chain of healthcare services. Apollo Hospitals has been able to provide differentiated services through different entities, which together constitute a fully integrated healthcare ecosystem. It is important to note that each of these healthcare offerings has its own identity and asserts its own special expertise. However, at the core and in ideology, each remains essentially Brand Apollo.

### High Brand Salience

Apollo Hospitals has built and maintained a strong leadership position in the Indian healthcare industry for more than 35 years of its existence. As India's leading integrated healthcare provider, Apollo Hospitals is respected in the industry. This position is largely commensurate with its unrelenting focus on consumer needs and safety, and the resolute spirit in maintaining leadership position by embracing innovative cutting-edge technology and clinical protocols. The reputation and trust built over the years is a strong asset, and continues to help the Group attract large numbers of patients, very talented clinicians, and staff.

## Weaknesses

### Capital Intensive Nature of Industry

The Healthcare industry is highly capital intensive. The basic requirements for operating a medical facility, such as land; construction costs for specialized interiors; medical equipment; and skilled healthcare human resources comprising of doctors, nurses and paramedical staff calls for committing heavy upfront investments. This can prove to be a barrier for expansion.

In addition, the maintenance and need to undertake upgradation of medical treatment technologies also requires incurring considerable recurring expenditure. It is observed that once an enterprise is able to manage the initial capex requirement to set up a facility, the subsequent task of balancing day-to-day expenditure with competitive pricesfor healthcare services is challenging. Therefore, the basic cost of setting up and running a hospital is considerably high which escalates break-even levels and stretches viability.

### Scarcity of experienced doctors and skilled medical professionals

The healthcare services industry is workforce intensive. The quality of doctors and supporting healthcare professionals is critical to the eminence and efficiency of the business. India is a country with abundant workforce given the sheer size of its population. However, there is a huge gap in the provision of relevant education for a majority of this population and a dearth of competent training institutes for appropriate workforce skilling. Therefore, skilled workforce - doctors, nurses and paramedical staff comprising lab-technicians, radiographers and therapists - are in short supply. Skilled professionals in the healthcare industry enjoy attractive opportunities both in India and overseas. Intense competitiveness amongst healthcare providers in urban areas has led to unsustainable increases in remuneration for qualified personnel. The availability of skilled professionals is therefore a challenge for setting up and profitably running a healthcare institution in India.

### Regulatory Intensity

WITH A DIVERSE AND GROWING POPULATION, THE NEED FOR QUALITY HEALTHCARE SERVICES IS A STRONG NEED IN INDIA

Multiple licenses and approvals required to set up a hospital is another barrier for private players to expand their operations. Today, apart from licensing and approvals, the Government is also regulating the prices of drugs and consumables. It has to be understood that the value of output delivered by the sector is not just the sum of the value of inputs. There is an intrinsic value in the sum total of services that needs to be considered.

From a regulatory point of view, there are many requirements, which can prove to be onerous when compared to global norms like single window clearance. Better understanding between the various regulatory authorities and healthcare service providers is necessary. It is important to understand that private healthcare service providers cannot be equated with other businesses. Healthcare service providers have to be viewed from the perspective of the important contributions that they are making in ensuring the general wellbeing of the community.

### Heterogeneous Markets

With a diverse and growing population, the need for quality healthcare services necessary in India. The requirements are different even in markets, which are reasonably proximate. Every micro-market has a unique set of circumstances with variance in demographics, disease profiles, customer attitudes, seasonal variations, price sensitivity and so on. Hospitals in two different cities in the same state and even two facilities within the same city have different operating circumstances with varying parameters. This necessitates a higher degree of customization and monitoring.

Significant management oversight is required in the face of these complexities for sustaining clinical standards, balancing case mix, ensuring adequate volumes and upgrading technology regularly.

## Opportunities

### Medical Value Travel

Medical Value Travel (MVT) is a growing multi-billion-dollar industry and is likely to grow further due to the many benefits that it offers to patients. World-class hospitals, equipped with best-in-class technology, skilled medical professionals and low treatment costs have strengthened India's position as a preferred destination for medical tourism. Indian hospitals are able to offer superior services at comparatively lower costs. The assurance of quality healthcare facilities and cost-effectiveness are the two main factors that have been attracting millions of patients from across the globe for medical treatment in India. Proactive steps taken by the Union Government like approving issuance of e-medical visas, have also contributed to the growth of medical value travel in the country.

ONGOING DIGITIZATION AND THE INTRODUCTION OF NEW TECHNOLOGIES LIKE TELEHEALTH, ARE ALREADY BREAKING DOWN BOUNDARIES AND CREATING PATIENT-CENTRIC HEALTHCARE SYSTEMS

### Enhanced access and lower cost of delivery through Digital Solutions

Digital technology will play a crucial role in enabling access to healthcare for India's masses. Ongoing digitization and the introduction of new technologies like telehealth, are already breaking down boundaries and creating patient-centric healthcare systems. Technology is enabling patients to book their appointments and opt for basic medical needs seamlessly from their homes. Doctors are able to access patient records at their fingertips and effortlessly provide consultations with digital technologies and telemedicine. Technological development in recent decades has opened up ways to reduce distribution costs and increase healthcare penetration. Such solutions will be most successful in extending connectivity to rural and remote areas and offering first-class care thus obviating the need to undertake lengthy travels to urban health centers.

### Changing Demographics

While India is blessed with a favorable demographic quotient given the relatively young population, it also has a very large number of ageing citizens in absolute terms. Therefore,Indian healthcare service providers have an opportunity to meet the healthcare expectations of the young and attend to the increasing healthcare requirements of the elderly. Alongside, the country is witnessing a sharp increase in disposable income among several groups, including a burgeoning middle class, who can afford to pay for quality healthcare. These evolving demographics present an exciting opportunity to service providers.

### Changing formats and consumer preferences

The general perception is that some hospitals tend to be intimidating to patients who respond better to a more relaxed atmosphere. Today, patients largely prefer accessing single specialty centers and other healthcare delivery formats for non-critical ailments. In order to cater to this trend, healthcare service providers have been providing a variety of options such as short stay centers, single specialty centers, neighbourhood clinics, and home services. These alternate healthcare delivery formats are economically attractive, as they require lower capital investment, able to achieve faster breakeven and deliver a better return profile. Some of these new formats have demonstrated greater specialization and the ability to create significant value as compared to larger multi-specialty hospitals.

PEOPLE ARE RECOGNIZING THE IMPORTANCE OF DIAGNOSING A DISEASE AT AN EARLY STAGE AND PREVENTING CRITICAL ILLNESS

### Preventive Health and Wellness

There is considerable rise in health awareness across the population of this country. People are increasingly realizing the importance of healthy living and are taking considerable efforts to adopt a healthy lifestyle. They are recognizing the importance of diagnosing a disease at an early stage and preventing critical illness. This awareness has led to a promising opportunity in the areas of preventive health and wellness, encompassing preventive health checks, diet and nutrition, exercise and well-being.

### Underserved and Poorly Served Markets

Significant inequalities exist in the quality of healthcare services available in metro cities and large urban areas as compared to that in the rural areas of the country. India's rural population continues to experience access barriers to quality healthcare services. Even persons with better resources and financial means have to commute to metro / urban areas to gain access to medical treatment or related health care services. Healthcare service providers who are willing to penetrate into semi urban and rural areas will benefit from a ready marketplace for their services. Apollo Hospitals has already launched hospitals in several Tier 2 and Tier 3 locations to meet the demand in some of these areas. Reach has also been enabled through the establishment of hundreds of tele-medicine centers across the length and breadth of the country. This has helped augment the Apollo Hospitals brand image as a pan India player.

## Threats

### Increasing Costs

Healthcare service providers are required to deliver a reasonable return on invested capital growth to their shareholders. Controlling costs and finding ways to improve realizations seem to be the golden mean. However, input costs in healthcare have become significant and are expected to rise in the coming times due to increasing competition.

There is a substantial demand for certain finite resources such as land, quality medical professionals and equipment. Healthcare players also have to constantly enhance and adopt newer technologies which increase overall healthcare costs. Additionally, with the Government's thrust towards price reduction through regulation, there is a real threat of hospital finances being rendered unviable. The constraint of incurring higher costs leads to long gestation periods and relatively low returns on investment.

### Changes in Government regulations

In the last few years, the Government of India has taken a number of positive initiatives, which have benefited the Indian healthcare sector such as National Health Protection Scheme (NHPS) and Pradhan Mantri Jan Arogya Yojana (PMJAY). However, GST implementation had an adverse impact on health care service delivery costs and operating margins since hospitals were unable to utilize input GST credit on output services as hospital services are under the exempt category.

The possibility of further regulatory interventions by Government agencies in the future is an existing challenge for Indian healthcare service providers.

### Heightened Competitive Intensity

The competitive intensity from unorganized as well as organized players continues to remain high. Given the growing demand for healthcare services, many entrepreneurs and business houses have been entering healthcare business. The sector has been witnessing rising interest from private and foreign players. They intend to invest and venture in the various segments available in the healthcare industry. Most of these newer players are often offering services at lower costs as compared to established players and creating further competitive intensity. There are even pockets of overcapacity in certain metros and rising competition could lead to competitors adapting unfair practices in order to survive, hampering the growth and profitability of other players. Every market player, whether from the organized or the unorganized sector, is striving for market leadership.

### Shortage of Skilled Manpower

There is an acute shortage of skilled healthcare resources in India. At 8 physicians and 21 nursing personnel per 10,000 population, India stands well behind other countries including other developing nations like Brazil on these parameters. Unless immediate steps are taken to increase the number of doctors, nurses and paramedics, the shortage of manpower will lead to prohibitive costs and derail the delivery of healthcare services.

## Company Overview

Apollo Hospitals was established in 1983 by Dr. Prathap C Reddy, renowned architect of modern healthcare in India. As the nation's first corporate hospital, Apollo Hospitals is acclaimed for pioneering the private healthcare revolution in the country.

Apollo Hospitals has emerged as Asia's foremost integrated healthcare services provider and has a robust presence across

APOLLO HOSPITALS HAS EMERGED AS ASIA'S FOREMOST INTEGRATED HEALTHCARE SERVICES PROVIDER AND HAS A ROBUST PRESENCE ACROSS THE HEALTHCARE ECOSYSTEM, INCLUDING HOSPITALS, PHARMACIES, PRIMARY CARE & DIAGNOSTIC CLINICS AND SEVERAL RETAIL HEALTH MODELS

the healthcare ecosystem, including Hospitals, Pharmacies, Primary Care & Diagnostic Clinics and several Retail Health models. The Group also has Telemedicine units across 10 countries, a Global Projects Consultancy Division, Medical Colleges, Medvarsity for E-Learning, Colleges of Nursing and Hospital Management and a Research Foundation. In addition, 'ASK Apollo'-an online consultation portal and Apollo Home Health complete the care continuum. The most recent additions to the portfolio are a dedicated vertical for preventive health, which launched a 3-year comprehensive preventive health product "ProHealth", and the launch of an advanced app, Apollo 24/7 which provides a comprehensive digital platform for health and for virtual doctor consultations.

The cornerstones of the Apollo Hospital Group's legacy are its unstinting focus on clinical excellence, affordable costs, adoption of technology and forward-looking research & academics. Apollo Hospitals was among the first few hospitals in the world to leverage technology to facilitate best-in-class healthcare delivery. The organization embraced the rapid advancement in medical equipment worldwide, and pioneered the introduction of several cutting-edge innovations in India. Recently, South East Asia's first Proton Therapy Centre commenced operations at the Apollo Proton Cancer Centre in Chennai.

THE CORNERSTONES OF APOLLO HOSPITALS LEGACY ARE ITS UNSTINTING FOCUS ON CLINICAL EXCELLENCE, AFFORDABLE COSTS, ADOPTION OF TECHNOLOGY AND FORWARD-LOOKING RESEARCH & ACADEMICS

Apollo Hospitals has been honoured by the trust of over 150 million patients from over 140 countries. At the core of Apollo Hospitals, patient-centric culture is TLC (Tender Loving Care), the magic that inspires hope amongst its patients.

As a responsible corporate citizen, Apollo Hospitals takes the spirit of leadership well beyond business and has adopted the responsibility of keeping India healthy. Recognizing that Non Communicable Diseases (NCDs) are the greatest threat to the nation, Apollo Hospitals is continuously educating its fellow Indians on preventive healthcare as the key to wellness. Likewise, envisioned by Dr. Prathap C Reddy, the "Billion Hearts Beating Foundation" endeavours to keep Indians heart-healthy.

Apollo Hospitals has championed numerous social initiatives which assist underprivileged children - to cite a few - Save a Child's Heart Initiative (SACHi) which screens and provides pediatric cardiac care to underprivileged children with congenital heart diseases, Society to Aid the Hearing Impaired (SAHI) and the CURE Foundation which is focused on cancer care and also assists children from financially challenged homes. To introduce population health into the Indian narrative, Total Health, an initiative of Apollo Hospitals, as envisaged by Dr. Reddy, is piloting a unique model of healthcare in the Thavanampalle Mandal of Andhra Pradesh. It aims to provide "holistic healthcare" for the entire community starting from birth, through one's journey into childhood, adolescence, adulthood and old age.

In a rare honour, the Government of India issued a commemorative stamp in recognition of the Apollo Hospital Group's widespread contributions—the first for a healthcare organization. In addition, a stamp was also released to mark the 15th anniversary of India's 1st successful liver transplant performed at Apollo Hospitals. More recently, Apollo Hospitals was again honoured with a postal stamp for having successfully performed 20 million health checks and for its pioneering efforts in encouraging preventive healthcare in the country.

Dr. Prathap C Reddy, Founder Chairman of the Apollo Hospitals Group was conferred with the prestigious Padma Vibhushan Award, India's second highest civilian award in 2010.

## Healthcare Services

**8,822**
OWNED BEDS

**530**
CRADLE/DAY SURGERY BEDS

**909**
MANAGED BEDS

Apollo Hospitals'Healthcare Services segment consists of hospitals, hospital-based pharmacies, projects, and consultancy services.

### Hospitals

As of March 31, 2020 the Group had a capacity of 10,261 beds in 71 hospitals located in India and overseas. Of the 10,261 beds, 8,822 beds owned in 45 hospitals; 260 beds in 10 cradles; 270 beds in 11 day care/short surgical stay centers; and 909 beds in 5 hospitals under management through operations and management contracts.

| | 31.03.2020 | 31.03.2019 |
|---|---|---|
| Number of owned hospitals at end of period | 66 | 65 |
| Number of owned beds at end of period | 9,352 | 9,233 |
| Number of operating beds at end of period | 7,491 | 7,246 |
| In-patient discharges | 478,032 | 451,894 |
| Adjusted discharges | 687,462 | 647,120 |
| Average length of stay (days) | 3.86 | 3.99 |
| Average daily census | 5,045 | 4,938 |
| Bed occupancy rate (%) | 67% | 68% |
| Average revenue per occupied bed per day | 37,397 | 34,226 |

## Clinical Excellence

Clinical Excellence is the edifice on which Apollo Hospitals healthcare operations are structured. The Group consistently endeavours to deliver the highest standards of clinical outcomes across various specialties. Apollo Hospitals benchmarks itself against institutions with the best clinical performance in the world in their respective specialties and sets internal standards with the intention to match or surpass this performance.

In order to ensure sustainable clinical outcomes, the Company follows an internal quality management process known as the "Apollo Clinical Excellence" program which is referred to as "ACE @ 25". This has been implemented across the entire network of hospitals. ACE @ 25 assesses performance based on 25 clinical parameters, which are critical to delivering the very best clinical outcomes.

There were 3 revisions of ACE parameters and their bench marks since 2008 during the years 2011, 2013 and 2015. The 4th revision of ACE under ACE 3.0 was done in the year 2017.

This sustained focus of the Apollo Hospitals Group on Clinical Excellence has enabled it to continuously assess and improve the quality of care provided to its patients and allowed it to objectively measure the consistency and success of its healthcare delivery services. It is a key contributor to the rich track record of the group and has helped it to achieve high success rates even in surgeries of high complexity such as transplants, cardiac care and oncology.

### Training and continuing Medical Education

Apollo Hospitals encourages its medical professionals and other staff to opt for continuing medical education and up gradation of skills on a periodic basis. The Group ensures that professionals and staff are acquainted with the newest techniques and procedures in the medical field in order to enhance offerings to patients. Partnerships with some of the most renowned institutes in the world facilitate knowledge sharing and deepening the repositories of medical expertise and literature.

### Academics and Research

IN TERMS OF RESEARCH, APOLLO HOSPITALS CURRENTLY IS INDIA'S SINGLE LARGEST CLINICAL SITE SOLUTIONS ORGANIZATION HAVING UNDERTAKEN OVER 850 CLINICAL STUDIES

India has become a hub for R&D for international players due to the relative low cost of clinical research in the country. In terms of research, Apollo Hospitals currently is India's single largest clinical site solutions organization having undertaken over 850 clinical studies.

As an academic institution, Apollo Hospitals conducts the largest number of DNB/FNB programs under the aegis of the National Board of Examinations (NBE). A total of 781 DNB/FNB candidates are currently undergoing training in 11 Apollo Hospital units.

Adjunct titles of Professorships and Associate Professorships of Apollo Hospitals Education and Research Foundation (AHERF) have been conferred upon 115 Apollo Hospitals Consultants.

Currently 79 consultants are holding Adjunct titles of Clinical Tutor, Distinguished Clinical Tutor and Emeritus Clinical Tutor.

To run the Clinical Fellowship program, 48 seats have been approved in 31 specialties across 13 Apollo Hospitals locations.

### Accreditations

EIGHT HOSPITALS IN THE GROUP HAVE RECEIVED ACCREDITATIONS FROM THE JOINT COMMISSION INTERNATIONAL, USA, FOR MEETING INTERNATIONAL HEALTHCARE QUALITY STANDARDS FOR PATIENT CARE AND MANAGEMENT

Eight hospitals in the Group have received accreditations from the Joint Commission International, USA, for meeting international healthcare quality standards for patient care and management. JCI is the world's premier accreditation body for patient safety and provision of quality healthcare. Apart from the Apollo Proton Cancer Centre which recently got JCI accreditation, the hospitals at Chennai, Bengaluru, New Delhi, Hyderabad, Kolkata, Ahmedabad and Navi Mumbai are JCI and NABH accredited. The total number of 'NABH' accredited hospitals in the Group are 30.

## Strategic Focus Areas

The Company continues to focus on growth and at improving operating efficiency and clinical outcomes simultaneously. The endeavour is to achieve this through:

### 1. Strengthening presence in key markets

Apollo Hospitals has facilities located in large urban centers such as Chennai, Hyderabad, Kolkata, Bengaluru, New Delhi, Ahmedabad, Mumbai, Pune, Bhubaneshwar, Madurai and Mysore among others. The Company not only aspires to strengthen presence in its existing clusters but will also take necessary steps to widen thereach in critical urban markets where there is no presence presently.

Today, Apollo Hospitals is present in all of the four metropolitan cities, namely Chennai, New Delhi, Kolkata and Mumbai as well as in large urban centers such as Hyderabad, Bangalore, Ahmedabad and Lucknow. Apollo Hospitals is confident that these key metropolitan cities would continue to have strong demand for high quality tertiary services including transplants, robotics and complex procedures under cardiac, oncology and orthopedic specialties.

Apollo Hospitals aims to enhance its network in Tier II and Tier III cities. The key demographic characteristics of this market are high population, sufficient spending potential and a largely underserved segment with respect to healthcare services. Apollo Hospitals' healthcare centers in Tier II and Tier III cities will be set up at a considerably lower capital cost per hospital bed as compared to a Tier I city.

Currently, hospitals have been established in Tier II and Tier III cities namely Aragonda, Bhubaneshwar, Bilaspur, Guwahati, Indore, Kakinada, Karur, Madurai, Nashik, Nellore, Trichy, Visakhapatnam, Karaikudi, and Karimnagar. Given the existing capacity and operational beds already created, there is good headroom for further growth in many of these centers.

### 2. Enhanced focus on Centers of Excellence

ONE OF THE KEY ELEMENTS OF STRATEGY GOING FORWARD, WILL BE TO NURTURE AND GROW NATIONAL CENTERS OF EXCELLENCE IN FOCUS SPECIALTIES— CARDIAC SCIENCES, NEURO SCIENCES, ORTHOPAEDICS, ONCOLOGY, TRANSPLANTS, EMERGENCY, CRITICAL CARE AND PREVENTIVE HEALTH

One of the key elements of strategy going forward, will be to nurture and grow national Centers of Excellence (COEs) in focus specialties — Cardiac Sciences, Neuro Sciences, Orthopedics, Oncology, Transplants, Emergency, Critical Care and Preventive Health. Each of these COEs will be comprehensively developed with the core emphasis being on Clinical Differentiation, Protocols, Outcomes and Benchmarks, Market Share, Talent, Academics and Research, under the supervision of dedicated Service Line Managers. The focus on COEs is expected to lead to enhanced case mix, and thereby a superior margin profile. As occupancy levels improve to optimal levels, such case mix changes and improvements will ensure that top-line growth and quality of revenue are fully protected.

### 3. Retail models to drive growth

Over the years, the Apollo Hospitals Group has invested in multiple formats of retail healthcare. This initiative has enabled Apollo Hospitals to maximize the number of lives touched, and to provide ease of access to consumers across the care continuum. The retail health assets are housed within the subsidiary Apollo Health and Lifestyle Limited (AHLL). These formats cater to the changing profile of healthcare consumers, and hence will be growth models for the future- short-stay surgeries, boutique birthing and ubiquitous access to clinics and diagnostics services. They will strengthen Apollo Hospitals efforts to gain top-of-mind recall and market share. The Group has also invested in ensuring that services across all formats are seamlessly delivered, under the One Apollo initiative. This initiative is aimed at building deep relationships with the Apollo Hospitals consumer across categories—hospitals, pharmacy, clinics, and diagnostics and unlocking potential for up-sell, cross-sell, and loyalty driven behaviour using advanced analytics.

4. Focus on life enhancing procedures and elective surgeries

APART FROM FOCUSING ON 'CENTERS OF EXCELLENCE', APOLLO HOSPITALS PLANS TO BUILD A STRONG PRESENCE IN THE GROWING MARKET OF ELECTIVE AND LIFE ENHANCING PROCEDURES

With increasing health awareness and disposable incomes, there is a growing demand for elective or planned surgeries. Therefore, apart from focusing on 'Centers of Excellence', Apollo Hospitals plans to build a strong presence in the growing market of elective and life enhancing procedures. The hospitals are well-equipped to offer various elective procedures like knee replacements, hip replacements, cosmetic surgeries, dental services and other similar procedures. Going ahead, the plan is to increase the volume of such procedures performed in the hospitals by recruiting more specialist surgeons, creating specialized centers, and investing in the latest medical technologies to improve clinical outcomes in these areas.

5. Enhancing operating efficiencies, profitability and optimization of asset utilization in mature facilities and increasing capital efficiency

NEW IMPROVEMENTS IN MEDICAL TECHNOLOGY AND THE ADVENT OF MINIMALLY INVASIVE SURGERIES AND ROBOT-ASSISTED SURGERIES HAVE CONSIDERABLY REDUCED THE SURGICAL TRAUMA AND PATIENT RECOVERY TIME

Apollo Hospitals is focused on stabilizing and compressing time-to-maturity at new facilities. Specialist consultants have been recruitedat Apollo Hospitals COEs, especially at new hospitals to ensure a superior specialization mix. The phased commissioning of the additional beds linked to occupancy levels at new facilities will keep the fixed costs lower to achieve the Company's objective. Apollo Hospitalsalso intends to reduce its Average Length of Stay (ALOS). Today, new improvements in medical technology and the advent of minimally invasive surgeries and robot-assisted surgeries have considerably reduced the surgical trauma and patient recovery time. Enhancing minimally invasive surgeries, robot-assisted surgeries and day care surgeries which reduce surgical trauma to patients and patient recovery time will help the Company to reduce the ALOS at itshospitals. Additionally, this will also lead to a faster turnaround time, allowing Apollo Hospitals to treat more patients utilising the existing capacity. It will also result in increased patient turnover rate and revenue per occupied bed per day.

Maximizing the operating efficiency and profitability across thenetwork remains the crux of Apollo Hospitals'growth strategy. The three essentials for maximizing efficiencies are greater integration, better supply chain management and human resource development. By capitalizing on synergies across the network, the goal is to minimize costs of expensive drugs and medical consumables like stents, implants and other surgical materials through standardization across the network, optimizing procurement costs, consolidating suppliers and optimizing use of medical consumables by establishing guidelines for medical procedures.

Lastly, in order to remain competitive and to increase the capital efficiency, the Company continues to devise strategies to manage leaner operations. A comprehensive strategy to enhance asset turnover is being implemented.

6. Digital Initiatives

To enhance accessibility and enable a patient to access a doctor appointment at their personal convenience, Apollo Hospitals launched AskApollo — a direct-to-patients m-health platform, that guides the patient engagement cycle — from scheduling a doctor's appointment for consultation, health checks and diagnostic services, to virtual consults, anytime-anywhere access to electronic health records, wellness tips and advice, as well as chat-based assistance.

THE GROUP'S PARTNERSHIP WITH MICROSOFT TO DEVELOP AND DEPLOY NEW AI AND MACHINE LEARNING MODELS TO PREDICT PATIENT RISK FOR HEART DISEASE AND ASSIST DOCTORS ON TREATMENT PLANS, IS THE FIRST STEP IN THE JOURNEY TOWARDS AI-BASED PREDICTIVE HEALTH ACROSS THE DISEASE SPECTRUM

The Group's partnership with Microsoft to develop and deploy new AI and machine learning models to predict patient risk for heart disease and assist doctors on treatment plans, is the first step in the journey towards AI-based predictive health across the disease spectrum. The Group partnered with Google India to launch a new feature in its Search offering called 'Symptom Search'. These are just a few examples of the deep and exciting digital work being carried out across the Group. These digital initiatives will strengthen brand differentiation and build lasting relationships with consumers. These initiatives are bolstered by the introduction of the AI-enabled robust digital platform, Apollo 24/7, which provides the ability to hold virtual consultations with doctors, with comprehensive medical records and prescriptions.

### 7. Preventive Health

As a Group, Apollo Hospitals has always embraced wellness and paid attention to the need for comprehensive Preventive Health programmes, to keep citizens healthy. The Group was the first to introduce the Master Health Check Programme in the country, and to advocate tax exemptions for expenses on health checks. This important program is a cornerstone of the group's strategy for the next decade, as the country faces the ongoing burden of Non Communicable Diseases, most of which are preventable, or can be easily detected by early-stage screening, controlled or cured. The company launched Apollo ProHealth, a comprehensive three-year health and wellness programme, aimed at Health Conscious Individuals who wish to take charge of their health and improve it scientifically, with expert guidance and support.

### 8. Assured Pricing Plans

ASSURED PRICING PLANS ACROSS SEVERAL SURGICAL PROCEDURES FOCUS ON THE INTRINSIC VALUE OF THE DELIVERED SERVICE

Assured pricing plans were introduced to address the felt need of patients to have certainty about their hospital bills for surgical procedures. This approach focuses on the intrinsic value of the delivered service and not on individual inputs. AHEL has introduced Assured Pricing Plans across several surgical procedures. These plans give complete peace of mind to the patients and their families, and facilitate better marketplace conversations with general practitioners and nursing homes on costs of treatment.

### 9. Public-Private Partnerships

Fulfilling the vision of universal healthcare for all citizens, requires deep collaboration of Private and Public Partners (PPP). Today, Private players are incentivized through public-private partnerships (PPP) to invest and manage operations in Public Health Facilities. PPP models in healthcare have proven to be very effective as they play to the respective strengths of each partner. For e.g., in partnership with the Andhra Pradesh Government, Apollo Hospitals manages over 150 Urban Primary Health Centers (e-UPHCs). Apart from providing primary health services, these centers provide specialist services through connectivity with Apollo Hospitals Tele-Health Hub. These models are low-cost, can be scaled quickly, and generate world-class outcomes, both for population health and specialist support.

## Medical Value Travel

Today, India is considered to be among the most affordable and best providers of healthcare among all medical tourism destinations. In Medical Value Travel, India is ranked in the top three destinations in Asia along with Thailand and Singapore. The Apollo Hospitals Group has always remained at the forefront of this initiative to make India a preferred Global Healthcare destination. Apollo Hospital's state-of-the-art medical facilities and cutting-edge technologies have enabled it to attract International patients in large numbers. The hospital prides itself on having a well-established track record of providing clinical outcomes comparable to the best in the world at a fraction of the International costs.

IN RECENT YEARS, APOLLO HOSPITALS HAS STEPPED UP ITS OUTREACH EFFORTS IN INTERNATIONAL CENTERS AND IS DRIVING IN-PERSON CONSULTATIONS WITH SENIOR SPECIALISTS IN OVERSEAS LOCATIONS

In recent years, Apollo Hospitals has stepped up its outreach efforts in International centers and is driving in-person consultations with senior specialists in overseas locations. Several overseas camps have been set up to bridge the doctor connect for patients. Overseas patients can easily make appointments for personal consultations for their treatment in India through the Apollo Hospitals website and dedicated messaging service. The strategic steps taken in the past are now providing Apollo Hospitals the necessary strength to gain market share in the growing Medical Value Travel segment in India.

These efforts have been successful in attracting a large number of patients from neighbouring countries as well as from Middle East and Africa. Today, patients from ASEAN countries (Myanmar, Cambodia, Indonesia, Philippines) and the Pacific Islands (Fiji, Samoa and Tonga) trust Apollo Hospitals for their healthcare needs. In several other countries, the Group has agreements with the respective Ministries of Health for treating patients referred by them.

The Government of India has undertaken several initiatives to support medical tourism, which in turn is enhancing India's image as a preferred destination for medical tourists. For e.g. The Government's steps such as facilitating visa on arrival and e-medical visa have made the modalities of admitting foreign patients a lot easier. Apollo Hospitals has been leading advocacy in this area and has been working closely with the Indian Government, to ensure seamless implementation of new policy initiatives. The Group has also partnered with the Ministry of External Affairs, Government of India, for providing training to doctors and paramedics from Africa.

Having served patients from over 140 countries, Apollo Hospitals continues to offer a wide range of high-quality services including Preventive Health Checks, Organ Transplantations (kidney, liver and cornea transplantations), Robotic Surgeries, Cancer Treatments, Joint Replacement Surgeries, cosmetic procedures, eye procedures, brain and spine surgeries, etc. Apollo Hospitals is well positioned to leverage the opportunity emerging out of the growing Medical Value Travel segment in the country.

## Standalone Pharmacies

THE PHARMACY NETWORK

**~400** CITIES/TOWNS

**21** STATES

**4** UNION TERRITORIES

Apollo Pharmacy is India's first and largest branded pharmacy network, with nearly 3,800 outlets in key locations. Accredited with International Quality Certification, Apollo Pharmacy offers genuine medicines round-the-clock through their 24/7 pharmacies. For over two decades, Apollo Hospitals has been a key market player in this segment. It is by far, the largest organized retail pharmacy chain in India. Over the last six years, Apollo Pharmacies has registered a healthy growth (23% CAGR) on revenues. Since its inception, this segment has enhanced its network with presence now in ~400 cities/towns spread across 21 States and 4 union territories, with a total of 3,766 stores as on 31st March 2020. There were also net additions of 338 stores to the network during the year.

In recent years, Apollo Pharmacies has widened its offerings extensively. This segment which was traditionally focused on pharmaceutical products, is now equipped with a wide variety of wellness and private label products. The optimal product mix for each store is consciously designed. With cluster analysis mechanism in place, every cluster is managed by an independent manager. Each store is consistently reviewed by the Senior Management Team to access the viability in terms of its real estate costs, supply chain, cost-benefit ratios and various other operating metrics. Customers are offered value added services such as home deliveries, prescription refill reminders, diagnostic reminders as well as loyalty discounts.

Over the years, the Company has strategically increased its proportion of private label products and rationalized the store network through the discontinuation of non-viable stores. This strategy has played a very important role to improve the overall profitability profile of this business. The Indian pharmacy sector presents tremendous growth opportunities for large organized players who have superior operating scale; and as the undisputed market leader, Apollo Pharmacies has a distinct advantage.

## Pharmacy Restructuring

During November 2018, the Board of Apollo Hospitals approved the divestment of the front-end portion of the standalone pharmacy business in favour of Apollo Pharmacies Limited. This step was undertaken after recognizing that AHEL's standalone pharmacy business required greater focus and attention independent of the hospital business, to fully leverage its potential and growth opportunity. This reorganization proposal received all the necessary approvals from the shareholders of AHEL. The final approval is pending from the National Company Law Tribunal (NCLT) as on the date of the annual report.

**The reorganization will focuson the following objectives:**

- Build a multi-year growth platform to achieve 5,000 pharmacy outlets in 5 years and INR 100 Billion in revenues.
- Enhance Private Label Business share to over 12% by broadening and deepening the product portfolio.
- Strengthen the Direct-to-Consumer (D2C) front-end operations to drive same-store growth, prescription fill rates and overall experience; overall business ROCE target of 30+ % in 5 years.
- Foray into Digital Commerce and execute an Omni-Channel strategy, leading to increased consumer convenience.
- Build an integrated customer loyalty platform centeredaround a satisfied and engaged customer, leading to repeat business and higher customer retention.

**The key components of the transaction are:**

- The front-end retail pharmacy business operations currently carried out in the standalone pharmacy segment will be segregated into a separate Company—Apollo Pharmacies Ltd. (APL).
- APL will be a wholly-owned subsidiary of Apollo Medicals Pvt. Ltd. (AMPL). Apollo Hospitals will own 25.5% of AMPL and the remaining stake will be held by three private investors.
- Post this transaction, the back-end business related to the standalone pharmacies and ~85% of the current business economics will continue to be retained with Apollo Hospitals. Therefore, the proposed reorganization would not have a material impact on the financials of AHEL.
- AHEL will have the right to acquire the shares of AMPL from investors in compliance with the regulatory framework as applicable at the time of the acquisition.

- Apollo Hospitals will be the exclusive supplier for APL under a long term supplier agreement and will also enter into a brand licensing agreement with APL to license the "Apollo Pharmacy" brand to front-end stores and online pharmacy operations.
- For the purpose of restructuring the SAP, AHEL will transfer its front-end pharmacy business for a lump sum consideration of INR 5,278 million. The transfer is effective from 1 April 2019 subject to the completion of all requisite approvals.

Most importantly, the demerger has been targeted to create a platform for AHEL to execute an omni-channel strategy for its Pharmacy business. This reorganization will maximize Shareholder Value and set the platform for "Value Discovery" of the pharmacy business at a later stage, through a regulatorily compliant structure.

## Apollo 24/7

APOLLO 24/7 IS APOLLO HOSPITALS' NEW DIRECT-TO-PATIENT M-HEALTH PLATFORM WHICH FOLLOWS AND GUIDES THE ENTIRE PATIENT ENGAGEMENT CYCLE

Apollo 24/7 is Apollo Hospitals' new direct-to-patient M-Health platform which follows and guides the entire patient engagement cycle - from scheduling a doctor's appointment, virtual consultations, health checks, diagnostic services, and anytime-anywhere access to electronic health records, as well as chat-bot based assistance. The app also provides the facility to order medicines online and get them delivered at home.

Apollo 24/7 is a fully integrated offering to track a person's entire medical health and wellness journey. It starts with a virtual consultation with an Apollo certified doctor, from the safety of one's own home. 2,500+ doctors are on the Apollo 24/7 Tele-consultation platform covering 60 specialties for round the clock service.

The program offers a quick path to Apollo's Emergency Services should one need it and top-quality diagnostic services round the clock, even at one's doorstep. The technicians are well trained, clinically efficient, courteous, and friendly to the consumer.

Apollo 24/7 is an omni channel solution and is health safe for PHR. It is the only comprehensive condition management solution in India which blends wellness and clinical advisory services. It is also the only platform that can leverage on-line and off-line records to provide AI based predictions.

Apollo 24/7 can cater to 700,000+ people daily from Apollo pharmacies across the country for seamless home delivery of medications with a 2-hour delivery promise. The program will offer a well-being companion in the next phase.

In the initial weeks of COVID in India, Apollo 24/7 launched an AI-based corona risk-screening tool, which helped consumers assess their COVID risk, and take appropriate action. Over 12.7 million users took the scan, and there have been several thousand downloads of the app. We now do over 2,300 consults a day via the app.

## Pro Health

APOLLO PROHEALTH, A FIRST OF ITS KIND HOLISTIC AND COMPREHENSIVE HEALTH PROGRAM IS POWERED BY pHRA AND ENABLED BY AI

At Apollo Hospitals, we give 'Care' the same importance as 'Cure'. Preventive Health has been a key focus area for us for the last 35 years when we first introduced Master Health Checks. We completed 20 million health check-ups last year, a feat that was acknowledged by the Government with the release of a commemorative stamp. Drawing on this experience and learning, we have launched Apollo ProHealth, a proactive Health Management program. A first of its kind, this holistic, comprehensive health program, is powered by pHRA (personalised Health Risk Assessment), enabled by Artificial Intelligence. ProHealth empowers individuals and businesses with actionable health analytics, to know and eradicate health risks through appropriate clinical and lifestyle interventions. Driven by technology, the program also offers a personal Health Mentor as guide. We plan to create awareness regarding these preventive health initiatives amongst a wide section of people in the urban areas using mobile clinics. Well equipped with high-end technology for advanced screening of NCDs, the Samsung-Apollo Mobile Clinic will drive awareness on NCDs and facilitate early detection and preventive screening.

Non Communicable Diseases, including cardiovascular diseases, cancers, chronic respiratory diseases, and diabetes, which account for about 60% of all deaths in India, can be prevented or managed by making appropriate lifestyle changes, if diagnosed early. It is critical to undergo regular health check-ups to detect NCDs at an early stage to avoid future health related complications.

COVID-19 has brought the importance of good health to the fore. While over 80% of those affected have only mild symptoms and show good recovery, the prognosis is poor in patients withobesity, diabetes, hypertension, cardiac diseases and respiratory diseases -Studies have shown that 90% of hospitalised COVID-19 patients have one of these underlying conditions. These findings underscore the importance of good health in promoting a strong immune system to help fight off disease. These predictive and precautionary healthcare tools will help Predict, Prevent, and Overcomethe ill effects of NCDs and mitigate potential health issues at an early stage.

## Projects & Consultancy

Apollo's Global Projects & Consultancy services is the consulting, implementation and operations management arm of the Apollo Hospitals Group. With over 30 years of domain expertise in healthcare, the unit has the distinction of being the trusted advisor of investors, Governments and other entities for establishing world-class healthcare facilities or improving the clinical quality and operating efficiencies of existing ones.

The unit's healthcare consulting assignments across the globe are testimony to its ability to work effectively with the local people, respecting their social, cultural and traditional ways. It has worked on establishing and operating healthcare facilities spread across culturally diverse geographies. It has completed over 60+ projects from concept to commissioning, 200+ feasibility studies and commissioned over 2,500 beds over the last 5 years.

## Consultancy services can be categorized into:

### 1. Setting up a Healthcare Facility:

- Business Planning & Clinical Visioning
- Hospital Planning and Design
- Medical Equipment Planning and Procurement
- Human Resources Planning
- Information Technology and Telemedicine
- Hospital Commissioning and Start-up Assistance

### 2. Hospital Operations Management

The Unit manages hospitals for partners. Apollo Hospitals role as a hospital operator is guided by its commitment to:

- Ensuring that the skill-sets of key clinical and managerial team members are amongst the best
- Achieving and maintaining accreditation status and international standards
- Developing a sustainable competitive advantage for the hospital to ensure high levels of quality, customer service and competitiveness.

### 3. Strategic Consultancy

Strategic exercises to review existing systems and operations of healthcare institutions with the objective of enhancing their performance are also undertaken.

### 4. Knowledge Verticals

Apollo Hospitals offers custom-built training programs for medical and administrative staff. These physician training / nurse training / technician training programs focus on building capabilities and skills in specific areas.

### 5. Hospital Quality Management & Consulting

Hospital Quality Consulting services offers clients unparalleled expertise through training and audit and accreditation services so that people throughout the world can benefitwith access to the highest quality of healthcare.

## Health Insurance

Apollo Munich Health Insurance, which was a joint venture between the Apollo Hospitals Group and Munich Health Holdings AG was one of the first standalone health insurance companies to enter the market after liberalization of the Indian insurance industry.

From the time of its inception, Apollo Munich played a strategic role in carving a niche for itself in the health insurance sector earning Gross Written Premium of ₹ 21,944 million for the financial year ended 31st March, 2019 and with an overall market share of 4.4% and 9% market share amongst private insurers. It also established its leadership in the industry by winning several awards with its market leading innovations and customer centric approach.

Having successfully incubated Apollo Munich since its inception and with a view to unlocking value, in January 2020, the Company divested its 9.94% stake in Apollo Munich along with other shareholders forming part of the Promoter Group to HDFC Limited for a sale consideration of ₹ 2,907 million subject to indemnity related adjustments. The Company also received a sum of ₹ 382 million towards JV termination fee from Munich Health Holdings AG.

Through this, the Company realized a net gain of ₹ 1,965 million through the divestment of its equity stake in Apollo Munich.

## Retail Healthcare - AHLL

Apollo Health & Lifestyle Limited (AHLL), a subsidiary of the Company, operates in the Retail Healthcare space. AHLL was introduced with an intention to take healthcare services from a purely 'hospital' setting closer to the home within the neighbourhood with a goal to serve the community through multiple touch points. With the expertise of the large hospitals and the accessibility of local care providers, the offerings of AHLL position Apollo Hospitals as the family's healthcare partner with a comprehensive set of clinical capabilities. Due to the wide breadth of services of AHLL, the Apollo Hospitals Group has become the only multi-brand national platform with direct contact with patients across the spectrum of medical care.

As a pioneer in successfully replicating viable models of healthcare clinics, this model has the potential to transform the way primary, secondary and tertiary healthcare is understood in the country. So as the healthcare markets grow and evolve, AHLL is expected to play a defining role in the transformation of healthcare, bringing it closer to every individual, and making healthcare more accessible and convenient in a friendly, user-centric environment.

Apollo Health & Lifestyle has grown significantly in size and scale over the past 5 years to successfully encompass the Group Chairman's vision of bringing Apollo's clinical expertise and Tender Loving Care closer to each home in the country. AHLL will continue to play a very important role in taking the Apollo brand closer to a large number of patients.

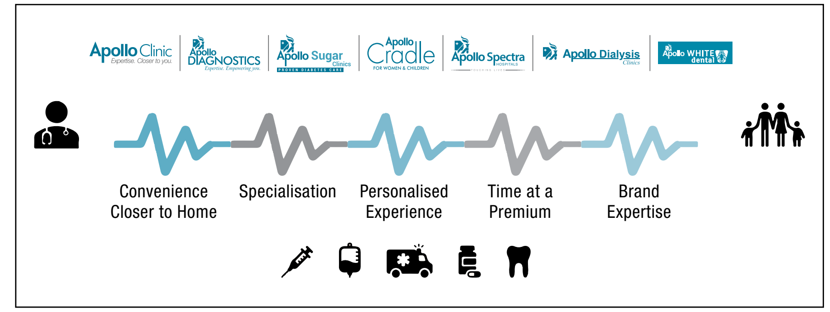
Across 956 retail touchpoints in India, AHLL clinics provide an independent and specific service to the local community. Seen on a map, the locations span the length and breadth of the country, with clinics present in 21 states and 4 union territories. Whether it is dental care or diabetes, surgery or dialysis, the Group provides consumers the opportunity to seek out specialized care without needing to visit a large-scale hospital. The Group functions like a hub-and-spoke model, diverting patients on a need basis within the clinics and promoting cross-departmental collaboration with the hospital vertical. AHLL promises its patients the same level of care, comfort, expertise and experience that the community has come to expect of the brand, only closer to home.

Born with an aspiration to touch many lives, AHLL has grown today to become India's leading Retail Healthcare Services Company. Across all its business segments — Clinics, Sugar,

**BORN WITH AN ASPIRATION TO TOUCH MANY LIVES, AHLL HAS GROWN TODAY TO BECOME INDIA'S LEADING RETAIL HEALTHCARE SERVICES COMPANY**

Diagnostics, Dentistry, Dialysis, Cradle, Fertility & Spectra, AHLL revenues were at ₹ 6,964 million in 2019-20. AHLL expanded its reach to more than 950 patient touch points.

### Healthcare services portfolio that addresses key consumer megatrends




**148**
**CENTERS**

Apollo Clinics was the first offering from AHLL, established in 2002. Today, Apollo Clinic has become a trusted neighbourhood healthcare partner for family medicine and primary care. It has been serving as an important bridge between patients and Apollo Hospitals. Apollo Clinic represents a very large opportunity with the private primary care market, which is estimated to be more than ₹ 1,800,000 mio, a major part of it still unorganized.

Apollo Clinics is well placed to become a platform to address future healthcare challenges in India, particularly the growth of non-communicable diseases. Apollo Clinics has owned clinics and franchisees in hospital centric clusters, e.g., Chennai, Hyderabad, Bangalore, Delhi, Kolkata. These will act as feeder units for the tertiary care hospitals, will increase the reach and presence of Apollo Clinics as a brand as well as address the glaring issue of inadequate healthcare accessibility.

**650**
**CENTERS**

Apollo firmly believes that the efficacy of its treatments is predicated on accurate diagnostics. In India, around 80% of the estimated ₹ 450 bn diagnostics market is unorganized. With the organized sector growing at >30% p.a., the opportunity to create a retail diagnostics brand is significant. Apart from being a large market, there is a strong synergy with the Group's other businesses.

Apollo Diagnostics is building a large network in its geographies and plans to be amongst the top players in this market. The business model at Apollo Diagnostics is focused on building a pathology lab business with a consumer centric approach by creating a network of company owned labs with frontend franchisee collection centers and networks in Tier II & Tier III towns in each state.

In its 5 years of operations, Apollo Diagnostics has established a widespread network of more than 500 touch points across 80+ cities in 12 states. As of 31st March, 2020 Apollo Diagnostics runs a network of 650 laboratories and 21 Hospital Lab Management centers with a network of more than 51 collection centers around them.

25
CENTERS

Apollo Sugar Clinics addresses the lacuna of accessible, long-term care for diabetes. With a rapidly changing health care delivery model, treatment offerings for diabetes are also changing. Apart from the traditional model of personalized treatment offered by doctors, digital solutions targeted at monitoring patient lifestyles and remote monitoring of patient vitals are also gaining popularity and are poised to grow. Apollo Sugar Clinics is well positioned to offer these digital solutions together with its connected Glucometer devices, holistic long term care packages and condition management programs. Over the years, Apollo Sugar Clinics has actively expanded its footprint. It is currently present in 14 cities across India with 25 centers.

12
CENTERS

Apollo Cradle, a line of premium hospitals for women and children, offers services of international standards in a premium environment while creating an unforgettable experience for the mother and her family. The Apollo Hospitals Group was the pioneer in establishing boutique birthing hospitals in India with the first Apollo Cradle opening in New Delhi in 2004. The concept is well accepted in urban markets and is another stride towards the emergence of specialized hospitals. The expert team at Apollo Cradle renders impeccable maternity, gynecology, neonatal, pediatrics and fertility services from a state-of-the-art facility.

Apollo Cradle has been able to differentiate itself by bringing the best clinical care to patients while adding to it all the luxury and experience components which women are looking for today. It is focused on ensuring holistic care for women, right from her early 20's to the late 50's and comprehensive care for the child in the initial years of life. Today, India presents a huge opportunity for the premium maternity / delivery market. Apollo Cradle has successfully grown the network in the last few years to 12 Cradles.

Apollo Fertility offers several specialized investigative and treatment procedures for infertility in men and women. Backed by Apollo Hospitals' 36 year legacy of clinical excellence and a network of 7 IVF centers, Apollo Fertility brings to the table unparalleled commitment towards successful outcomes.

15
CENTERS

The concept of specialty care centers which is a well-accepted and successful healthcare delivery format in developed nations, is gaining significant acceptance in India as well. Short stay surgeries are conducted across multiple healthcare delivery formats - tertiary care multi-specialty hospitals, nursing homes, single-specialty hospitals and multiple specialty surgical centers.

Improved patient convenience due to faster treatment and early discharge, lower costs due to lower length of stay, reduced susceptibility to hospital-acquired infections and improved insurance coverage are the various factors driving this demand. Additionally, the model supports lower overhead costs, faster turnaround, and higher theatre and equipment utilization. Due to these reasons, a significant number of short stay centers have been coming up in India.

Today, Apollo Spectra is leading the way as amongst the largest chain of hospitals providing short-stay surgical services across departments- Orthopedics, General Surgery, Urology, ENT & Bariatric Surgery. Apollo Spectra is a well-known brand in the field with 12 centers spread across 8 major cities of India.

42
CENTERS

Apollo Dialysis was set up with the vision to facilitate dialysis treatment in a place that is convenient to the patient. Apollo Dialysis centers have been successfully providing high quality dialysis services to their patients. With a strong focus on treatment outcomes, the Group has established 14 dialysis units in the state of Andhra Pradesh (via PPP model), and will now do the same in Assam, and other states.

64
CENTERS

Apollo WHITE Dental is the most trusted chain of dental clinics in India with 64 Centers in 17 cities across the country, aiming to bring world-class dental care within reach of every Indian. This single specialty business provides comprehensive dental care facilities in all areas including general treatment, cosmetic dentistry and implants. Each of these centers provide the best of ambience, technological advancement and evidence-based updated treatments.

Going ahead, Apollo Hospitals aspires to create a profitable network, position the brand in metro cities and Tier II towns and grow the network through clusters. Apollo White centers exist in both hospitals and clinics and as standalone centers.

## Financials

### Discussion on Consolidated Financial Performance and Results of Operations

The following table presents the summary of results of operations for the years ended March 31, 2020 and 2019:

| Particulars (₹ in million) | 31.03.2020 | % | 31.03.2019 | % |
|---|---|---|---|---|
| Operating Revenues | 112,468 | | 96,174 | |
| Add: Other Income | 270 | | 314 | |
| Total Income | 112,738 | 100.00 | 96,488 | 100.00 |
| Operative expenses | 54,989 | 48.78 | 46,609 | 48.31 |
| Salaries and benefits | 18,529 | 16.44 | 15,982 | 16.56 |
| Administration & other expenses | 23,077 | 20.47 | 22,947 | 23.78 |
| Financial expenses | 5,328 | 4.73 | 3,270 | 3.39 |
| Depreciation and amortization | 6,197 | 5.50 | 3,955 | 4.10 |
| Profit before Income Tax – Exceptional & Extraordinary items | 4,617 | 4.10 | 3,725 | 3.86 |
| Exceptional items | 1,983 | 1.76 | 0 | 0.00 |
| Share of profit of equity accounted investee | (31) | (0.03) | 10 | 0.01 |
| Profit before tax | 6,569 | 5.83 | 3,735 | 3.87 |
| Provision for taxation | 2,252 | 2.00 | 1,734 | 1.80 |
| Profit after Tax (Incl. Minority Interest) | 4,317 | 3.83 | 2,001 | 2.07 |
| Add: Other Comprehensive Income | (6) | (0.01) | (291) | (0.30) |
| Total Comprehensive Income for the period | 4,312 | 3.82 | 1,710 | 1.77 |
| Less: Minority interest | (232) | (0.21) | (358) | (0.37) |
| Profit after minority interest | 4,543 | 4.03 | 2,068 | 2.14 |

#### Revenues

The total operating revenue grew 16.94% from ₹96,174 million in FY19 to ₹112,468 million in FY20, with healthcare revenues growing by 11.42% from ₹51,426 million to ₹57,297 million as a result of 6% growth in volumes at existing facilities as well as contribution from new facilities. Revenues at existing hospitals were also supported by case mix improvements and pricing. The standalone pharmacy business witnessed 24.05% revenue growth from ₹38,860 million to ₹48,206 million in FY20. The number of stores within the network of Standalone Pharmacies was 3,766 in 2020 as compared to 3,428 stores as at March 31, 2019.

The following table shows the key drivers of revenues for the periods presented:

**Year ended March 31, 2020**

| Particulars | 31.03.2020 | 31.03.2019 | increase (decrease) | % increase (decrease) |
|---|---|---|---|---|
| IP Discharges | 478,032 | 451,894 | 26,138 | 5.78% |
| Revenue per Inpatient (₹) | 117,151 | 110,508 | 6,643 | 6.01% |
| ALOS | 3.86 | 3.99 | - | - |
| OP Volume | 4,328,055 | 4,161,736 | 166,319 | 4.00% |
| Revenue per bed day (₹) | 37,397 | 34,226 | 3,171 | 9.26% |

#### Expenses

#### Salaries and Benefits

The salaries and benefits expense of ₹15,982 million during 2019 increased by 15.94% to ₹18,529 million in 2020. This increase was a result of annual compensation increases for the employees, plus the impact of an increasing number of employed physicians within the hospitals and pharmacies for the SAPs .

**Year ended March 31, 2020 (₹ in million)**

| Particulars | 31.03.20 | % of revenue | 31.03.19 | % of revenue | % increase (decrease) | % increase (decrease) |
|---|---|---|---|---|---|---|
| Salaries, wages and benefits (including managerial remuneration) | 18,529 | 16.4 | 15,982 | 16.56 | 2,547 | 15.94 |
| No. of employees | 62,939 | | 60,374 | | | |

#### Operative Expenses

During 2020, the material cost of ₹54,989 million increased by 17.98%, as compared to a figure of ₹46,609 million in 2019. The increase in material cost was in line with the growth in operating revenues.

#### Administrative Expenses

The following table summarizes the operating and administrative expenses for the periods presented.

**Year ended March 31, 2020 (₹ in million)**

| Particulars | 31.03.20 | % of revenue | 31.03.19 | % of revenue | % increase (decrease) | % increase (decrease) |
|---|---|---|---|---|---|---|
| Repairs and maintenance | 2,305 | 2.04 | 1,826 | 1.89 | 480 | 26.27 |
| Rents and leases | 930 | 0.82 | 3,502 | 3.63 | (2,572) | (73.45) |
| Outsourcing expenses | 3,557 | 3.16 | 2,890 | 3.00 | 667 | 23.07 |
| Marketing and advertising | 2,271 | 2.01 | 1,839 | 1.91 | 432 | 23.49 |
| Legal and professional fees | 1,165 | 1.03 | 1,213 | 1.26 | (48) | (3.95) |
| Rates & taxes | 216 | 0.19 | 183 | 0.19 | 33 | 18.06 |
| Provision for doubtful debts & Bad debts written off | 752 | 0.67 | 657 | 0.68 | 96 | 14.55 |
| Other administrative expenses | 11,881 | 10.54 | 10,837 | 11.23 | 1,044 | 9.63 |
| **Total** | **23,077** | **20.47** | **22,947** | **23.78** | **131** | **0.57** |

### Depreciation and Amortization

The depreciation and amortization expense increased to ₹6,197 million during 2020, as compared to ₹3,955 million during 2019. The increase is largely due to capital improvement projects completed during the year and normal replacement costs of facilities and equipment.

### Financial Expenses

The financial expenses increased to ₹5,328 million during 2020, compared to ₹3,270 million during 2019. The increase is largely due to interest on funds deployed in commissioning of new hospital projects as well as for construction in progress at other facilities.

### Provision for Income Taxes

The provision for taxes during the year ended March 31, 2020 is ₹2,252 million compared to ₹1,734 million in the previous year ended March 31, 2019.

## Key Financial Ratios

There is no significant change (i.e change of 25% or more as compared to the previous financial year) in the key financial ratios viz., Debtors Turnover, Inventory Turnover, Interest Coverage, Current Ratio, Debt Equity, Operating Profit and Net Profit Margins (which are calculated on a standalone basis).

Return on Networth ratio increased from 7.80% to 11.79% for the financial year ended 31st March 2020, calculated on a standalone basis, on account of exceptional income from the divestment of equity stake in Apollo Munich.

## Liquidity

The primary sources of liquidity are cash flows generated from operations as well as long-term borrowings. The Company believes that its internally generated cash flows, amounts invested in liquid funds and approved and proposed debt will be adequate to service existing debt, finance internal growth and deploy funds for capital expenditure.

## Capital Expenditure

In addition to the continued investments in new hospital facilities, there have also been investments made in new clinics, cradles and dental centers. These investments would assist to not only attract and retain physicians but also get more patient footfalls at Apollo Hospitals centers.

# Risks and Concerns

Given the multi-fold increase in scale and the expanded area of operations since inception, Apollo Hospitals is automatically exposed to a wider range of risks and uncertainties than earlier. These internal and external factors may affect achievements of the organization's objectives - whether they are strategic, operational, or financial.

The business environment in which Apollo Hospitals operates is characterized by increasing competition and market unpredictability. Apollo Hospitals is exposed to numerous risks in the ordinary course of business. Risks are unavoidable as there can be no entrepreneurial activity without the acceptance of risks and associated profit opportunities.

APOLLO HOSPITALS BELIEVES IT IS IMPERATIVE TO IDENTIFY BUSINESS SUSTAINABILITY RISKS AND OPPORTUNITIES ON AN ON-GOING BASIS AND INTEGRATE THEM INTO THE EXISTING RISK MANAGEMENT FRAMEWORK

Apollo Hospitals believes it is imperative to identify business sustainability risks and opportunities on an on-going basis and integrate them into the existing risk management framework. The Group adopts processes which continuously enhance risk awareness and promote a culture of risk management.

The Senior Management of each business unit undertakes the practice of Risk Management under the guidance of the Board of Directors. As risks cannot be completely eliminated, adequate actions are taken to mitigate areas of significant risks that have been identified. Also, risk management systems ensure that risks are contained within manageable levels.

### Internal Controls

Apollo Hospitals is committed to maintaining a high standard of internal controls throughout its operations. The internal control framework deploys a well-designed robust system which allows optimal use and protection of assets, facilitates accurate and timely compilation of financial statements and management reports, and ensures compliance with statutory laws, regulations and company policies.

While no system can provide absolute assurance against material loss or financial misstatement, the robust internal control systems which are reviewed periodically provide reasonable assurance that all company assets are safeguarded and protected. The Internal control system is designed to manage rather than to completely eliminate the risk of failure to achieve business objectives.

The system is designed to ensure that all transactions are evaluated, authorized, recorded and reported accurately. In addition to this, extensive budgetary control reviews form the mechanism for timely review of comparison of actual performance with forecasts.

The management is responsible for assessing business risks in all aspects of its operations and for implementing effective and efficient processes and controls while ensuring compliance with internal and external rules and regulations. While reviewing the Group's internal controls, sufficient regard is given to the risks to which the business is exposed, the likelihood of such risks occurring and the costs of protecting against them.

APOLLO UNDERSTANDS THAT ITS SUCCESS IS INTIMATELY LINKED TO THE PROGRESS OF THE PEOPLE AND COMMUNITIES THAT IT SERVES AND THAT SOCIETY HAS GIVEN IT THE SOCIAL LICENSE TO OPERATE

## Environmental Social Governance

Since inception, Apollo Hospitals has valued the trust of its patients and wider society and has striven hard to serve their interests every day. The Company understands that its success is intimately linked to the progress of the people and communities that it serves and that society has given it the social license to operate. It thoroughly recognizes the role that it plays in driving sustainable societal growth. So, strengthening the approach towards Environmental, Social and Governance issues has always made good business sense for AHEL.

Apollo Hospitals is committed and pro-active when it comes to managing the environmental impact caused by its operations. The Company understands that its employees and patients are important assets and has at all times been committed to providing a safe and healthy environment in all its operating locations. The protection and preservation of the environment is not only restricted to legal compliance but is a matter of priority for the Company.

Apollo Hospitals has a 'Sustainable Sourcing and Purchase Policy' to ensure good Environmental, Social and Governance (ESG) practices in its entire value chain. Considerable efforts are undertaken to ensure safety and optimal use of Apollo Hospitals resources over their life-cycle in all of its day-to-day operations. The Company also ensures that allits suppliers, employees, recyclers, and others, are aware of their responsibilities. All employees (permanent, casual, temporary & contract) undergo safety and skill up-gradation trainings on a regular basis based on their role, domain and individual needs. The Board of the Company has always been diligent in implementing laws and guidelines to ensure the safety of resources and all stakeholders.

Apollo Hospitals believes in adhering to the best governance practices to ensure protection of interests of all stakeholders of the Company in tandem with its healthy growth. It also believes that there is a direct correlation between good corporate governance practices and long-term shareholder value. The Company does not support and actively discourages practices that are abusive, corrupt, or anti-competitive. The corporate governance of the Company is a reflection ofits value system encompassing its culture, policies, and relationships with its stakeholders. In the risk assessment framework, the Company identifies the important Environmental, Social and Governance risks and takes responsible steps towards mitigating them. Therefore, the ESG considerations are integrated across the Apollo Hospitals business and built into the policies and principles that govern how the Company operates.

## Human Resources

### Apollo Values

Values defines a company. Apollo has always been a family, working together, crossing hurdles together, and notching up victories together. The Company's core values hold and unite the people for a common purpose. They exemplify what is fundamentally the Apollo culture which is what makes Apollo one of the greatest healthcare providers in the world.

THE PEOPLE THAT WORK IN APOLLO HOSPITALS FORM THE VERY NUCLEUS OF THE GROUP AND THEIR ACTIONS CONTRIBUTE TO THE GROUP'S JOURNEY OF TOUCHING A BILLION LIVES

Apollo Hospitals which has always given utmost importance to excellence and innovation in the field of healthcare continues to place its focus on its most valued resource, its employees. The institution has always understood the importance of having a highly skilled workforce, which is proficiently trained to provide the highest standard of care. The people that work in Apollo Hospitals form the very nucleus of the Group and their actions contribute to the Group's journey of touching a billion lives.

In addition to the high level of skills, commitment and professionalism of itspeople, Apollo Hospitals strongly believes that proper management of human resources is extremely critical in providing high quality healthcare. The Group has therefore built an effective Human Resources department which supports the business in achieving sustainable and responsible growth. Apollo Hospitals has always strived hard in developing its workforce and building the right capabilities in the organization. It continues to focus on progressive employee relations policies, creating an inclusive work culture and building a strong talent pipeline. The Human Resources function contributes to the success of Apollo Hospitals and its employees through leadership, service and excellence in human resources management. The Human Resources department at Apollo Hospitals has been playing an important role in creating a conducive work environment for its employees. The Human Resources wing supports its employees throughout their employment life cycle.

THE APOLLO FAMILY

**62,939**

EMPLOYEES

The Apollo Hospitals family comprises of 62,939 employees as on March 31, 2020 (including subsidiaries, joint ventures and associates). Together, these diverse employees bring their experience, culture and commitment to the work they do every day to improve the health of patients. Cultural integration of the workforce has always been a key focus area and the organization's learning initiatives are designed around assimilation and development of individual and team competencies to create a patient centric culture. Every employee of the Apollo Hospitals family embraces the Group's "Tender Loving Care" philosophy in dealing with patients and are committed to the Group Vision -"To Touch a Billion Lives."

## Apollo Culture

Excellence, Expertise and Empathy are the three words that define our culture.

Investment in continuous learning is an integral component of the HR system which empowers employees to be well-prepared for providing superior patient care. Programs related to Talent Attraction, Talent Development and Talent Management continue to be institutionalized for delivering outstanding patient experience. Training has been extensively used as a potent tool to engage and energize talent. Commitment and competence of employees are key drivers of overall organizational performance and thus every endeavor is made to strengthen organizational culture and retain the best talent.

## Cautionary Statement

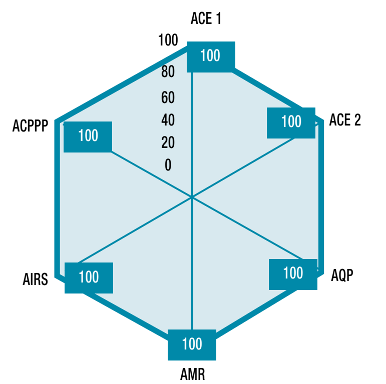
Some of the statements in this Management Discussion and Analysis that describe the Company's objectives, projections, estimates, expectations and predictions may contain certain 'forward looking statements' which are within the meaning of applicable laws and regulations. These statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances that may occur in the future. There are a variety of factors which may cause real events or trends to vary significantly from those reflected or implied by these forward-looking statements and predictions. Important developments that could alter your Company's performance include increase in material costs, technology developments and significant changes in political and economic environment, tax laws and labor relations.

# CLINICAL GOVERNANCE

## THE APOLLO STANDARDS OF CLINICAL CARE (TASCC)

The Apollo Standards of Clinical Care (TASCC) were implemented across Apollo Hospitals to standardize processes and measurement of outcomes. TASCC seeks to improve patient care and outcomes through systematic review of care against clearly defined criteria. TASCC comprises of six components that include clinical dashboards ACE 1 and ACE 2, Apollo Quality Plan (AQP), Apollo Mortality Review (AMR), Apollo Incident Reporting System (AIRS) and Apollo-Critical-Policies-Plans-and Procedures (ACPPP).

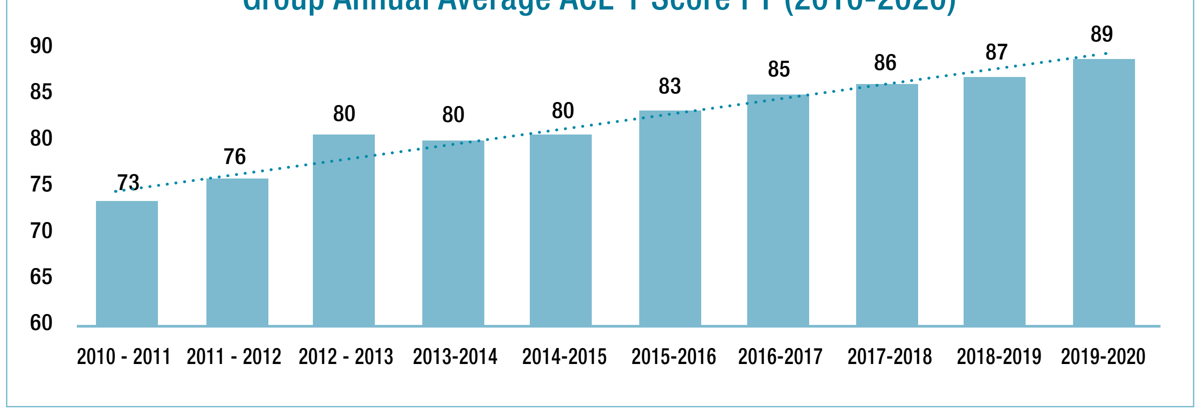
TASCC Monthly Graphical Representation




## ACE 1

ACE 1 is a clinical balanced scorecard incorporating 25 clinical quality parameters belonging to COEs specialties like Cardiology/CTVS, Neurology, Neurosurgery, Orthopedics, Transplantation, Oncology, Nephrology, Urology, Gastroenterology. These parameters have been benchmarked against published results of reputed international institutions including Cleveland Clinic, Mayo Clinic, National Healthcare Safety Network, AHRQ US, NY State Dept of Health, National Kidney Foundation, University of California and US National Average.

The weighted scores for outcomes are colour coded green, orange and red as per performance. The cumulative score achievable is capped at 100. The numerators, denominators and inclusions and exclusions are defined lucidly and methodology of data collection is standardized. Data is uploaded online every month through a unique login ID and password. Action taken reports for parameters falling in red are submitted quarterly by all hospitals and reviewed by the board. A quarterly, half yearly and annual analysis of the trends is done. The collective data for all locations can be viewed by the Group leadership at any point in time.

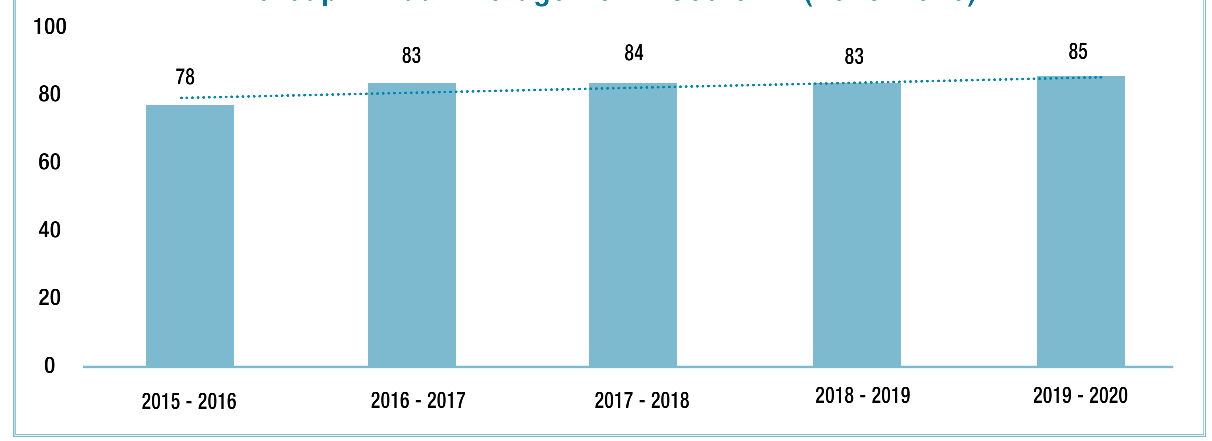


Group Annual Average ACE 1 Score FY (2010-2020)

The hospital scoring the highest is awarded the ACE 1 Champion Award. Apollo Gleneagles Hospital, Kolkata, reporting Group A parameters, Apollo BGS Hospitals, Mysore, reporting Group B parameters and Apollo Reach Hospital, Karaikudi reporting Group C parameters were declared ACE 1 Champions and were awarded trophies along with cash prizes.

## ACE 2

ACE 2 earlier known as RACE, is a dedicated dashboard for centers of excellence; Cardiac Sciences, Oncology, Transplantation, Neuro sciences and Orthopedics. A set of 25 clinical parameters other than those covered under ACE 1, was created to assess the outcomes. All parameters were again benchmarked against the best published outcomes of the world's best institutions.

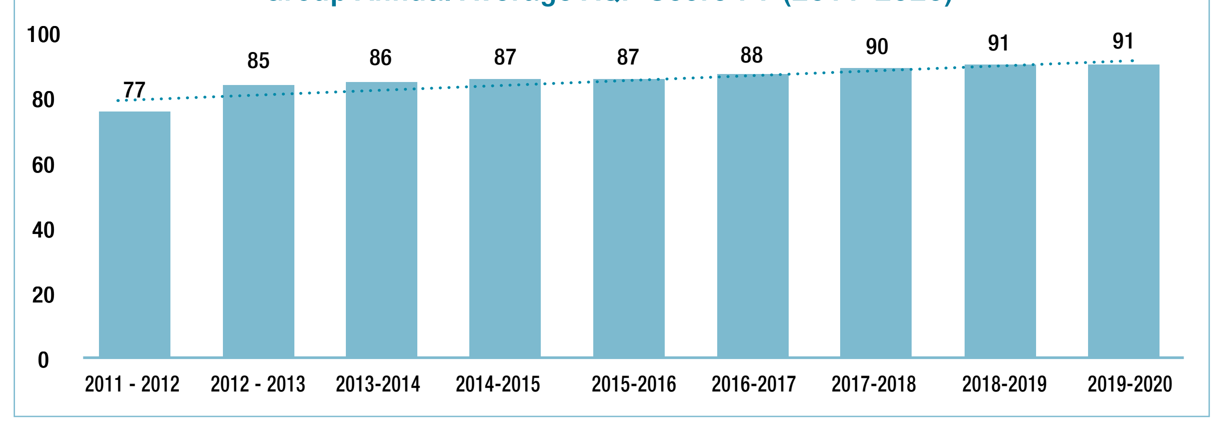


Group Annual Average ACE 2 Score FY (2015-2020)

## APOLLO QUALITY PROGRAM

The Apollo Quality Program was started in December 2010 to implement patient safety practices in all Apollo Hospitals irrespective of the accreditation status.

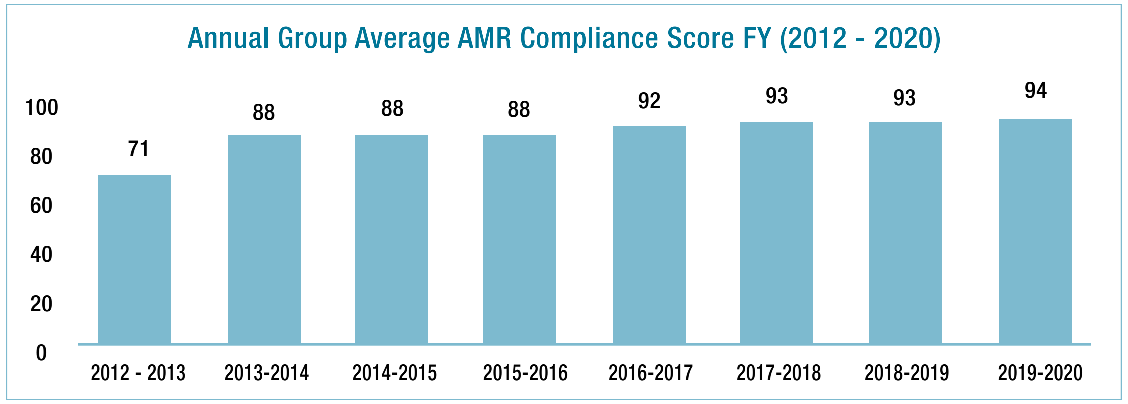
It covers five broad areas: Safety during Clinical Handovers, Surgical Safety, Medication Safety, the Six International Patient Safety Goals of JCI and Standardization of Minimum Content of Medical Records.



Group Annual Average AQP Score FY (2011-2020)

## MORTALITY REVIEW

The mortality review in all Apollo Hospital units is standardized with trigger criteria, checklists, peer review processes and mortality meeting formats. Formal, structured review of deaths (not just unexpected deaths) helps detect quality issues around every day processes of care.




## 360 DEGREE REVIEWS

360 Degree Reviews were conducted across the Apollo Hospitals. The review was done for the following disciplines namely- Clinical, Quality, Non-Clinical, Risk Management and Financial.

## CHECKLISTS

The Apollo Safe Surgery Checklist, adapted from WHO and the Apollo ICU Checklist have been implemented across the Apollo Hospitals network and are closely monitored using defined indicators.

## RECOGNITION

Apollo Hospitals was recognized and felicitated with over 88 awards at various national and international for their achievements and contributions, in the year 2019. Hospital Management Asia (AHMA); International Hospital Federation (IHF); IMTJ Medical Travel Awards; FICCI; CII; The Best Hospital Survey – THE WEEK; Express Healthcare; All India Critical Care Hospital Ranking Survey; CM Scheme Appreciation; are some of these platforms, out the many.

## ACCREDITATION

The following eight Apollo Hospitals are Joint Commission International (JCI) Accredited:

- Indraprastha Apollo Hospitals, New Delhi
- Apollo Hospitals, Hyderabad
- Apollo Hospitals, Chennai
- Apollo Hospitals, Bangalore
- Apollo Gleneagles Hospitals, Kolkata
- Apollo Hospitals, Ahmedabad
- Apollo Hospitals, Navi Mumbai
- Apollo Proton Cancer Centre, Chennai

The following 30 Apollo Hospitals are National Accreditation Board for Hospitals and Healthcare Providers (NABH) Accredited:

| Unit | Unit |
|---|---|
| Apollo Hospitals, Ahmedabad | Apollo Hospitals, Nashik |
| Apollo Hospitals, Bilaspur | Apollo Medical Centre, Karapakkam |
| Apollo Specialty Hospitals, Madurai | Apollo Hospitals, Navi Mumbai |
| Apollo BGS Hospitals, Mysore | Apollo Hospitals, Seshadripuram |
| Apollo Jehangir Hospital, Pune | Apollo KH Hospitals, Ranipet |
| Apollo Hospitals, Bhubaneswar | Apollo Specialty Hospitals, OMR |
| Apollo Hospitals, Secunderabad | Apollo Children's Hospital, Chennai |
| Apollo Hospital, Hyderguda | Apollo Hospitals, Vizag |
| Apollo Specialty Hospitals, Vanagaram | Apollo Hospitals, Jayanagar |
| Apollo Hospitals, Kakinada | Apollo Hospitals, Guwahati |
| Apollo Hospitals Noida | Apollo Hospitals, Karaikudi |
| Apollo Specialty Cancer Hospital, Teynampet | Apollo Specialty Hospitals, Nellore |
| Apollo Hospitals, Trichy | Apollo Medics Super Specialty Hospitals, Lucknow |
| Apollo Hospitals, Indore | Apollo Women's Hospitals, Chennai |
| Apollo Hospitals, Karimnagar | Apollo Hospitals, DRDO |

## DNB/ FNB PROGRAM AT APOLLO HOSPITALS

The National Board of Examinations (NBE) has accredited Apollo Hospitals for training and examinations in 15 Broad Specialities, 21 Super Specialties and 8 Postdoctoral Fellowship (FNB) programs. There are 599 DNB/FNB seats and 884 trainees are pursuing the DNB/ FNB programs in 14 Apollo Hospital locations.

## ADJUNCT TITLES OF PROFESSORSHIPS AND ASSOCIATE PROFESSORSHIPS OF AHERF

Senior faculty members from Apollo Hospitals Group, who have an active interest in academics and research, are nominated for the grant of these Adjunct Titles. One hundred and forty consultants have been conferred with Adjunct Titles of Professor and Associate Professor of AHERF in over 54 specialties.

## ADJUNCT TITLES OF CLINICAL TUTORSHIP, DISTINGUISHED CLINICAL TUTORSHIP AND EMERITUS CLINICAL TUTORSHIP OF AHERF

Senior faculty members from Apollo Hospitals Group, who have an active interest in clinical training are nominated for an adjunct title post. Twenty-seven consultants have been conferred with Adjunct title of "Clinical Tutor", 79 consultants with Adjunct title of "Distinguished Clinical Tutor" and 02 consultants with "Emeritus Clinical Tutor" across the Group.

## RECOGNITION OF PUBLISHED PAPERS

Apollo Hospitals encourages consultants, junior medical staff, DNB trainees and nursing department to undertake research activities in their areas of expertise and publish papers in indexed National and International Journals having an impact factor. Apollo Hospitals recognizes these achievements of publishing research papers with a cash award and citation from the Executive Chairman. Three hundred and sixty-nine papers of Apollo Hospitals Consultants were recognized either with cash awards and citation or only citation, from the Executive Chairman, during 2019.

## ADJUNCT TITLE OF INTERNATIONAL PROFESSOR

Senior faculty members from renowned healthcare institutions overseas, who have excellence in academics and research are nominated for these titles. Fifteen distinguished doctors working in renowned healthcare institutions overseas were conferred with Adjunct Title of International Professor.

## RECOGNITION OF BOOKS

Guidelines to recognize books published by consultants were institutionalized in December 2018. Seventeen books of Apollo Hospitals consultants were recognized with cash awards along with a citation from the Executive Chairman.

## APOLLO INNOVATION AND QUALITY AWARDS

Nominations for Apollo Innovation and Quality Awards 2019 were invited from all locations in seven categories. In 2019, 185 nominations were received from 28 locations. The nominations were judged by an esteemed panel of independent jury members. The winners in each category were felicitated on 5th February 2020, on the Founders' Day.

## APOLLO CLINICAL AWARDS

Apollo Clinical Awards is a platform that felicitates and rewards group consultants for their contribution and achievements. Nominations for Apollo Clinical Awards 2019, were invited from all location in six categories: Distinguished Clinician, Distinguished Academician, Distinguished Researcher, Young Clinician, Young Academician, Young Researcher. Ninety-one nominations were received from 19 locations. The nominations were judged by an esteemed panel of independent jury members. The top two winners in each category were felicitated on 5th February 2020, on the Founders' Day. Dr. Sandeep Guleria, Dr. YVC Reddy, Dr. P Satishchandra, Dr. Venkatesh Munikrishnan, Dr. Mahadev Potharaju, Dr. Suvro Banerjee, Dr. Mahesh Verma, Dr. Shantanu Panja, Dr. Laxman G Jessani, Dr. Swarna Deepak, Dr. Nitin Ghonge and Dr. Sudipta Shekhar Das were felicitated with the Apollo Clinical Awards.

## LEADERSHIP CONNECT PROGRAM (LCP – VIRTUAL AND TOWNHALL)

Leadership Connect Program (LCP virtual) is an interaction of leading consultants and management team with the Executive Chairman through a V-con to energize them. LCP provides an opportunity to consultants to interact with the Executive Chairman and share their achievements. At the same time the management team gets an opportunity to share achievements of the Hospitals and their future plans. Virtual LCP meetings at fifteen units have been conducted since January 2019. Town hall meetings have been conducted at nine units since January 2019.

## APOLLO CLINICAL KNOWLEDGE NETWORK (ACKN)

ACKN provides Consultants an opportunity to showcase their clinical work to clinicians across the Group. Weekly clinical meetings are conducted for Consultants, DNB trainees and Junior Medical staff across the Group. Medvarsity serves as the driving engine for ACKN. The DNB/FNB Academic Coordinators of each unit are the single point of contact. Fifty-nine clinical meetings have been conducted since the start of the initiative in October 2018.

## DISTINGUISHED LECTURES SERIES AT APOLLO INSTITUTE OF MEDICAL SCIENCES AND RESEARCH (AIMSR), HYDERABAD

Distinguished Senior Consultants deliver state of the art lectures to MBBS students at the Apollo Institute of Medical Sciences and Research, Hyderabad. The program initiated in October 2018. Fifteen lectures have been delivered since then.

## INNOVATIVE TREATMENTS

### Apollo Children's Hospital, Chennai

- The medical team of Apollo Children's Hospitals successfully treated the life-threatening health complications of a pre-term baby boy, born in November 2018. The baby, at birth was diagnosed with a hole in the heart followed by sepsis, recurrent lung collapses, rare cancerous tumour in the liver and abnormal fusion of his skull bones. He underwent a series of procedures and chemotherapy throughout the treatment period for 8 months. He was discharged from the hospital, on completion of chemotherapy.

### Apollo Hospitals, Bangalore

- Total Arterial Minimally Invasive CABG, (LIMA to LAD & LIMA - Radial Y to OM) immediately followed by Valve in Valve TAVR (Trans-catheter Aortic Valve Replacement) procedure was successfully performed in a 72-year-old male patient, suffering from exertional breathlessness and chest pain. This unique hybrid cardiac procedure was performed for the first time in the country.

### Apollo Hospitals, Bhubaneswar

- Alcohol Septal Ablation (ASA) procedure was successfully performed by the cardiac sciences team, on a 35-year-old male patient who presented with breathlessness on exertion, palpitation and chest discomfort for last two months. The procedure was done for the first time in the state of Orissa.
- Intra cranial stenting was successfully performed in a 53-year-old male patient. The stent used for this patient was specially designed for arteries in the brain and was recently launched in India. This was the first such case in eastern part of India where a neuro-specific stent (Credo stent with neuro speed balloon) was used.
- An anastomotic site large aneurysm was sealed by 2 cover stents in a transplanted liver. This was the first such case in the State of Odisha.
- First deceased-donor renal transplant was successfully performed in the state of Odisha. One kidney was transplanted in a 45-year-old patient at Apollo Hospitals while the other organ was sent to the state medical

### Apollo Hospitals, Bilaspur

- Surgical procedure to correct diaphragmatic hernia in an one-day old baby was successfully performed.

### Apollo Main Hospitals, Chennai

- Apollo Main Hospitals, Chennai became the first center in India to successfully perform a Transfemoral Pulmonary Valve Implantation using an Indian made valve on a 26 year old female patient diagnosed to have Tetralogy of Fallot.
- India's first VenaSeal procedure to treat varicose veins was performed at Apollo Hospitals, Chennai. The procedure was performed on a 40-year-old male patient using VenaSeal closure system.
- For the first time in Asia, three Mitral Clip procedures were successfully performed on a single day.
- New investigation regime was introduced by the Department of Biochemistry of Apollo Main Hospitals for use in the diagnosis of autoimmune thrombotic disorders and other lupus-like diseases.
- A new Corindus Vascular Robotic system was installed in the Cathlab.
- Live transmission of the 'valve in valve' TMVR procedure was successfully performed for the India Live 2020 Conference at Delhi. The patient, a 41-year-old had already undergone two failed open heart surgeries prior to this procedure. India made MYVAL was used for the patient. The procedure was highly challenging as the septum was very thick and a tight mitral stenosis.
- Asia's first combined bowel and (sentinel) abdominal wall transplant surgery was successfully performed on a 17-year-old male patient suffering from Ultra Short Bowel Syndrome. The same team also performed a complex kidney transplant procedure on

a 35-year-old female patient who was on dialysis for End Stage Renal Disease (ESRD), using Hypothermic Oxygenated Machine Perfusion (HOPE). Apollo Hospitals brought the organ preservation device Vita Smart HOPE to India that keeps the kidney outside the body for a longer period of time with continuous oxygen supply.

## Indraprastha Apollo Hospitals, Delhi

- A 45-year-old patient underwent a record third kidney transplant at Indraprastha Apollo Hospitals, Delhi. The patient's husband donated his kidney this time. They were ABO incompatible, however the team took on the challenge and performed the highly complicated transplant successfully.
- In an extremely rare case of Budd Chiari Syndrome with Biliary Atresia seen in 1 in a million babies, the liver team successfully performed a liver transplant on a 5-month old baby from Kakinada, Andhra Pradesh.
- A 67-year-old Nigerian national, who had lost all hope of walking again, was back on her feet after undergoing an advanced procedure, a half-knee replacement surgery, also called Oxford Knee Surgery.
- A new methodology, to treat diabetic foot ulcers and open wounds, was introduced. The local antibiotic delivery method was improvised using Vitamin D3 impregnated with Tobramycin or a combination of Vancomycin and Tobramycin as carrier molecule. The innovation has been submitted for publication in an International Journal.
- ABO mismatch allogenic peripheral blood stem cell collection was successfully performed on a 6-month old baby (donor) weighing 7 Kg. The collection was performed to treat the 3-year old sibling who was suffering from Severe Aplastic Anemia. This was one of the youngest allogenic peripheral blood stem cell collection in the country. Both recipient and the donor were discharged from the hospital in a normal condition.

## Apollo Hospitals, Guwahati

- Navigated percutaneous fenestrated cannulated pedicle screw rod fixation and simultaneous augmented vertebroplasty was performed successfully in an elderly frail lady. The patient had a history of severe LBA with recent fall. She sustained multi-level osteoporotic vertebral compression fractures with dorso-lumbar acute kyphosis and had presented with weakness of legs with autonomic disturbances secondary to cauda equina syndrome. This is the first of such innovative spinal fixation system in north-east India, performed in MISS (Minimally Invasive Spine Surgery) protocol.
- Dominant side FTOZ skull based craniotomy with Simpson grade 1 tumor excision and reconstruction post tumor embolization under GA, was successfully performed for a middle-aged female patient, having symptoms of gradual deteriorating sensorium and dimness of vision. This was the first of its kind of procedure in the North East region.
- A complex surgery to remove a tumor from the heart of a 54-year-old female patient through minimally invasive approach was successfully performed for the first time in Northeast India. The large tumor was situated inside the left chamber of the heart and was occluding a heart valve.
- Cardiac Tumor was successfully removed in an elderly female patient through Minimally Invasive Cardiac Surgery (MICS). The procedure was done for the first time in North-East India.

## Apollo Hospitals, Hyderabad

- Apollo Hospitals, Hyderabad, successfully implemented the Extra Corporeal Carbon Dioxide Removal (ECCO2R) for the treatment of a patient with severe ARDS refractory instead of conventional treatment. This is the first ever case across India where (ECCO2R) was used successfully.
- "Split Liver Transplant" was performed successfully. Liver donated by a 37-year-old brain-dead patient was split into two and transplanted into two adult recipients (64 years and 53 years) suffering from liver cirrhosis. Both the recipients were discharged from the hospital after successful liver transplants.
- Cranioplasty was successfully performed using computer assisted 3-D printed titanium implant.

## Apollo Hospitals, Indore

- First Day Care Total Knee Replacement in Central India successfully performed on a 52 year old female patient having osteoarthritis of left knee joint.
- TAVI was successfully performed in a 79-year-old female patient who underwent CABG with AVR about a year back. She had developed re-stenosis of prosthetic valve. This was the first case of TAVI in Madhya Pradesh.
- In a rare case scenario, Fosfomycin was used for fighting MDR Klebsiella pneumonia in CSF in a 55-year old patient, who was operated for acute hydrocephalus secondary to colloid cyst at foramen of Monro. The infection in the CSF was not responding to Meropenem and Colistin. However, after the 14 days' treatment with Fosfomycin, the patient was discharged in a stable condition.

## Apollo Hospitals, Kakinada

- A rare heart disease, Rupture of Sinus of Valsalva (RSOV) was treated with minimal invasive technique for the first time at Apollo Hospitals, Kakinada.

## Apollo Gleneagles Hospitals, Kolkata

- For the first time in Eastern India, Apollo Gleneagles Hospitals, Kolkata conducted three renal transplants simultaneously on a single day. Out of the three transplants, one organ was harvested from deceased donor and the other two were live donations.
- A 59-year-old male diagnosed with jejunal lesion with active bleeding, successfully underwent power spirus enteroscopy and hemostasis was achieved by the application of hemoclips. This was the first case in India where hemoclips were applied through power spirus enteroscope.
- A 64-year-old man with extensive de-gloving and muscle injury over his forearm after a road traffic accident, successfully underwent reconstruction of all exposed areas using regenerative biodegradable temporizing matrix (Novosorb BTM) and dermal regenerative template (Integra). This was the first case of successful use of regenerative matrix as a flap alternative in India.
- Composite laser therapy of hypertrophic scars and scar contractures was successfully performed as an alternative to excisional scar surgery on a 30-year-old lady suffering from post-burn hypertrophic scars and contractures. This innovative scar treatment was performed for the first time in the world.
- Apollo Hospitals successfully performed Coronary Intravascular Lithotripsy or Coronary Shockwave Lithotripsy and Optical Coherence Tomography, an advanced imaging technique where sounds wave where used to break down stubborn calcium deposits in the coronary artery in a 76-year-old patient. The patient had undergone a coronary bypass surgery two years ago but fell ill again recently when hardened deposits formed in his heart arteries again. This procedure was performed for the first time in eastern India.
- Robot-assisted right radical nephrectomy was successfully performed for a 90-year-old male patient. The patient was admitted the complaints of hematuria and CECT KUB suggestive of right kidney SOL. This procedure was performed for the first time in eastern India.

## Apollomedics Hospitals, Lucknow

- Awake aortic valve replacement was successfully performed in a 28-year-old male patient. This was the first such case in Uttar Pradesh.

## Apollo Hospitals, Madurai

- Apollo Specialty Hospitals, Madurai recently performed a complicated procedure on a 50-year-old-woman with brain aneurysm. The aneurysm of the woman was particularly rare due to its 'giant' size and the location where it occurred. To treat the condition, the doctors performed a procedure called 'high flow brain bypass surgery'.

### Apollo Hospitals, Mysore

- A large stone was successfully removed from the bile duct of a 59-year old male patient suffering from liver cirrhosis using SPY Cholangioscopy with Electrohydraulic Lithotripsy.

### Apollo Hospitals, Nashik

- A challenging case of a 66-year-old male patient with 3 cm mass forming hilar cholangiocarcinoma, bismuth corlette type IV, with obstructive jaundice was successfully managed.

### Apollo Hospitals, Navi Mumbai

- Heart transplant was successfully performed, for the first time at Apollo Hospitals, Navi Mumbai.
- A 33-year-old man brain-dead gave a new lease of life to four persons at Apollo Hospitals, Navi Mumbai. The harvested heart was transported to Chennai for a patient. The liver and one kidney were transplanted in patients at Apollo Hospitals itself, while the other kidney was donated to a patient in a neighbouring hospital.

### Apollo Hospitals, Noida

- An unusual pediatric case of imperforate hymen with hematocolpos was diagnosed and successfully treated in a 11-year-old female patient who presented with complaint of abdominal pain for a few months.

### Apollo Hospitals, Seshadripuram

- A 10-year-old male child suffering from seizures accompanied by sudden onset of laughter and loss of loss of consciousness for 20 times a day, was successfully treated. The patient underwent an epilepsy surgery with excision of the abnormal dysplastic area, using the electrocorticographic guidance technique. The seizures stopped immediately after the surgery.

### Apollo Cancer Institute, Teynampet

- Diagnosis of a rare condition, 'Invasive Fungal Infection with Scattered Granulomatous Inflammation Dematiaceous (Pigmented) Fungal Organisms' in a 23 year old male patient. The patient had complaints of headache since 2 months and the MRI brain revealed peripheral enhancing space occupying lesion in left temporal lobe. The patient underwent Left Frontotemporal Craniotomy and Total Excision of the Lesion. Post-operatively he was treated with antifungal medications and did not have any neurological deficit at the time of discharge.

### Apollo Hospitals, Vizag

- A newer technology, VITEK 2 for automatic bacterial identification and antibiotic susceptibility testing was introduced.
- A 63-year-old female patient diagnosed with complete heart block and with Single Vessel Disease, successfully underwent physiological pacing of left bundle. This procedure was the first of its kind in the state of Andhra Pradesh.

## CLINICAL GOVERNANCE COMMITTEE MEETINGS

The report of the Clinical Governance Committee meetings consisting of the details of each meeting conducted is shared by the units on a monthly basis. From Apr'19 to Apr'20, a total of 1,792 meetings have been conducted across all the units.

## APOLLO CLINICAL INNOVATION GROUP (ACIG)

ACIG has been formulated to introduce best practices and latest technologies to delineate clinical innovation for implementation across the Apollo Hospitals Group. In 2019, ACIG conducted 24 meetings and engaged 221 consultants to facilitate the formulation of 50 innovative proposals.



# INDEPENDENT AUDITOR'S REPORT

## To The Members of Apollo Hospitals Enterprise Limited

## Report on the Audit of the Standalone Financial Statements

**Opinion**

We have audited the accompanying standalone financial statements of Apollo Hospitals Enterprise Limited ("the Company"), which comprise of the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31,2020, and its Profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

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

<table>
<tr><th>Key Audit Matters</th><th>Auditor's Response</th></tr>
<tr><td>

**Adoption of IND AS 116 on Leases ('new standard')**

The Company adopted the new accounting Indian Accounting Standard IND AS 116 on "Leases" with effect from April 1, 2019. This standard requires lessees to recognise of right-of-use assets and a financial lease liability. Leases are capitalized as right-of-use assets based on the present value of lease payments and are depreciated over the lease term. Interest on lease liability is recognised in profit & loss at a constant rate over the lease term.

The Company adopted modified retrospective method except for one lease arrangement for which the modified prospective approach has been used and the cumulative effect of initial application is recognised in retained earnings as at April 1, 2019. The comparative figures have not been restated.

The first time adoption of this standard has resulted in a significant impact on the opening retained earnings and also on the interest cost and depreciation in the current year. Refer Note 46 for the disclosure on leases.

Accounting for leases under IND AS 116 involves use of judgements, estimates and assumptions that impact the amounts recognized as right-of-use assets and lease liabilities, which include:

- Assessment of the lease term including extension options
- Discount rates used

Considering the significant judgments involved as mentioned above and that the Company has a large number of leases with different contractual terms, we identified the adoption of IND AS 116 as a key audit matter.

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We performed the following key audit procedures:

1. Tested the design and implementation and the operating effectiveness of controls relating to the adoption of the new standard including controls over identification of leases, assessment of the lease term and the computation of lease liability and recognition of right-of-use assets
2. Understood the process by which the management compiled the lease agreements and the nature of the various lease agreements entered into by the Company
3. Tested the completeness and nature of lease agreements included for measurement under the new standard by review of the rental schedules, scrutiny of general ledger accounts, enquiries with the operations teams and review of the key terms of the contract with the underlying lease agreements, on a sample basis, for each nature of lease
4. In addition to review of underlying lease agreements on a sample basis, we assessed the reasonableness of the lease term considered by the management, by additionally considering the significant leasehold improvements undertaken and the importance of the underlying asset to the lessee's operations
5. Tested the calculation of the initial recognition of the right-of-use assets and lease liabilities by re-performing the calculation on a sample basis and tested the appropriateness of the discount rate applied on initial recognition (the incremental borrowing rate)
6. With respect to the new lease agreements entered into during the year, we tested the key terms of the contract by review of the underlying lease agreements and analysed the accounting impact of the same, including the appropriateness of the discount rate applied (the incremental borrowing rate)
7. Tested the calculation of interest expense on lease liability and depreciation charge for the right-of-use asset by re-performing the calculation on a sample basis
8. Assessed whether the related disclosures as per Note 46 are consistent with the requirements of the new standard.

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<tr><th>Key Audit Matters</th><th>Auditor's Response</th></tr>
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**Existence of inventories as at the year end**

(Refer Note 14 to the standalone financial statements)

The Company has its inventory spread across its hospitals, pharmacies (standalone pharmacies and hospital based pharmacies including hospitals where the Company operates pharmacies under pharmacy medical license) and distribution centers.

The Company has a policy of performing periodic cycle counts of its inventory at the pharmacies and distribution centers, which are performed either by an independent team or by internal auditors (external firms of chartered accountants). The physical verification of inventory at hospitals is being performed on a half yearly basis.

The year-end verification is being performed by the Company in a phased manner, under the supervision of the internal auditors (external firm of chartered accountants) considering the high volume of the number pharmacies and distribution centers.

Due to the lockdown imposed by the Government on account of the COVID-19 pandemic, the Company was not able to complete the physical verification of all the locations before the year end and have performed physical verification of inventory at majority of its distribution centers and certain hospitals after the year end by engaging the internal auditors (external firms of chartered accountants) or by engaging other firms of chartered accountants to attend the physical verification.

We were not able to participate in the physical verification of inventory conducted by the Management subsequent to the year end and have performed alternate procedures to audit the existence of inventory as prescribed by the Standards on Auditing and have therefore identified this as a key audit matter.

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With respect to existence of inventories at the locations not visited by us as at the year end, we performed the following procedures:

1. Understood and evaluated the management's internal controls process to establish the existence of inventory such as (a) the process of periodic physical verification carried out by the Management, the scope and coverage of the periodic verification programme, the results of such verification including analysis of discrepancies, if any; (b) reports of the independent chartered accountants appointed by the Management to physically verify the inventory of the Company located in pharmacies and distribution centers; (c) maintenance of stock records at all locations
2. Understood and evaluated the competence, independence and objectivity of the internal auditors and the other firms of chartered accountants engaged by the Management.
3. Issued instructions to the internal auditors and other firms of chartered accountants engaged by the Management on the procedures to be performed when attending the physical verification and also the reporting deliverables to be provided to us after the inventory counts.
4. On a sample basis virtually participated in inventory observation conducted by the Management subsequent to the year end.
5. Performed appropriate roll back procedures from the date of the physical verification to the year end.

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| Key Audit Matters | Auditor's Response |
|---|---|
| **Allowances for credit losses**<br><br>As stated in Note 12, the Company has determined the allowance for credit loss based on historical loss experience which is adjusted to reflect current and estimated future economic conditions. The historical loss experience model required revisions considering the overall economic conditions and its impact on the customers' business operations/ability to pay dues.<br><br>Based on such analysis the Company has recorded an allowance aggregating to ₹ 719 Million as included Note 12 of the standalone financial statements.<br><br>We identified allowance for credit losses as a key audit matter because the Company exercises significant judgment in calculating the expected credit losses. | We performed the following key audit procedures:<br><br>1. We tested the design and implementation and operating effectiveness of controls over (a) development of methodology for the allowance for credit losses, including consideration of the overall economic conditions (b) completeness and accuracy of information used in estimation of the probability of default (c) computation of the expected credit loss allowances.<br><br>2. For a sample of customers under each category, verified publicly available credit reports and other information relating to the Company's customers to test if the Management had correctly considered the adjustments to credit risk.<br><br>3. Recomputed the expected credit loss allowance considering the above determined input data and compared the amounts so recomputed with the amounts recorded by the Management to determine if there were any material differences individually or in the aggregate. |

**Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

- The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Corporate Review, Management Discussion and Analysis, Directors' Report to the shareholders including Annexures to Directors' Report, Business Responsibility Report, Corporate Governance Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the Standalone Financial Statements**

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

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



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

**Auditor's Responsibility for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018

**Vikas Bagaria**
Partner
Membership No. 060408
(UDIN 20060408AAAABR1563)

Place : Bengaluru
Date : July 24, 2020



# ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Apollo Hospitals Enterprise Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Apollo Hospitals Enterprise Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018

**Vikas Bagaria**
Partner
Membership No. 060408
(UDIN 20060408AAAABR1563)

Place : Bengaluru
Date : July 24, 2020

# ANNEXURE "B"
# TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under "Report on Other Legal and Regulatory Requirements" section of our report of even date to the Members of Apollo Hospitals Enterprise Limited)

(i) In respect of its property, plant and equipment:

  (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

  (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.

  (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. Title deed of a land with a carrying value of ₹ 94 million admeasuring 30.14 acres allotted by Andhra Pradesh Industrial Infrastructure Corporation, is pending to be registered in the name of the Company. Immovable properties of land and buildings whose title deeds have been pledged as security for working capital facilities are held in the name of the Company based on the confirmations directly received by us from the lender. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals (including verifications conducted by the Management post year end on account of the lock-down) and no material discrepancies were noticed on physical verification.

(iii) According to the information and explanations given to us, the Company has granted unsecured loans, to companies covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which and having regard to the amendment agreements where entered into during the year:

  a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

  b) The schedule of repayment of principal and payment of interest has been stipulated and according to the terms of the agreement, no amounts towards principal and interest have fallen due during the current year.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the unclaimed fixed deposits. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 in respect of healthcare services rendered. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Goods and Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Goods and Service Tax, cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Service Tax, Customs Duty, and Value Added Tax which have not been deposited as on March 31, 2020 on account of disputes are given below:

| Name of Statute | Nature of Dues | Forum where Dispute is Pending | Period to which the Amount Relates | Amount (₹ million) |
|---|---|---|---|---|
| Income Tax Act, 1961 | Income Tax | Honorable Supreme Court | AY: 2000-01 | 109.45 |
| Customs Act, 1962 | Customs Duty | Assistant Collector of Customs (Chennai, Hyderabad) | 1996, 1997 | 99.70 |
| Value Added Tax Act, 2004 | Value Added Tax | Joint Commissioner, Kolkata | 2012-13 | 0.19 |

(viii) In our opinion and according to the information and explanations given to us, having regard to the moratorium of three months offered by a bank with respect to the principal aggregating to ₹ 86 million that were due in March 2020, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and dues to debenture holders. The Company has not taken any loans from the government.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of term loans have been applied by the Company during the year for the purposes of which they are raised. The company has not raised monies by way of initial public offer or further public offer (including debt instruments).

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid /provided managerial remuneration in accordance with requisite approval mandated by the provision of Section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018

**Vikas Bagaria**
Partner
Membership No. 060408

Place : Bengaluru
Date : July 24, 2020

# Balance Sheet as at March 31, 2020

**Standalone Financial Statements for the year ended March 31, 2020**

**(All amounts are in ₹ Millions unless otherwise stated)**

| Particulars | Note | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| (a) Property, plant and equipment | 5 | 46,487 | 38,448 |
| (b) Right-of-Use Asset | 6 | 12,891 | - |
| (c) Capital work-in-progress | 5.1 | 2,001 | 8,188 |
| (d) Goodwill | 7 | 948 | 948 |
| (e) Other Intangible assets | 8 | 231 | 302 |
| (f) Intangible assets under development | 53 | 265 | - |
| (g) Financial Assets | | | |
| (i) Investments | 9 | 10,488 | 10,727 |
| (ii) Loans | 10 | 382 | 196 |
| (iii) Other financial assets | 13 | 2,044 | 2,112 |
| (h) Income Tax Asset (Net) | 25 | 1,937 | 1,739 |
| (i) Other non-current assets | 17 | 618 | 1,592 |
| **Total Non - Current Assets** | | **78,292** | **64,253** |
| **Current assets** | | | |
| (a) Inventories | 14 | 7,074 | 5,611 |
| (b) Financial assets | | | |
| (i) Investments | 9 | 275 | 126 |
| (ii) Trade receivables | 12 | 9,661 | 9,093 |
| (iii) Cash and cash equivalents | 15 | 2,805 | 2,190 |
| (iv) Bank balances | 16 | 660 | 587 |
| (v) Loans | 11 | 70 | 80 |
| (vi) Other financial assets | 13 | 857 | 711 |
| (c) Contract assets | | 529 | 573 |
| (d) Other current assets | 17 | 1,219 | 1,059 |
| **Total Current Assets** | | **23,150** | **20,030** |
| **Total Assets** | | **101,442** | **84,284** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| (a) Equity Share capital | 18 | 696 | 696 |
| (b) Other equity | 19 | 39,188 | 38,139 |
| **Total Equity** | | **39,884** | **38,834** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 20 | 24,997 | 25,973 |
| (ii) Other financial liabilities | 21 | 14,218 | 42 |
| (b) Deferred tax liabilities (Net) | 23 | 2,913 | 3,104 |
| **Total Non - Current Liabilities** | | **42,128** | **29,119** |
| **Current liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 20 | 4,569 | 4,557 |
| (ii) Trade payables | 24 | | |
| (a) total outstanding dues of micro enterprises and small enterprises | | 63 | 82 |
| (b) total outstanding dues of creditors other than micro enterprises and small enterprises | | 7,209 | 5,282 |
| (iii) Other financial liabilities | 21 | 4,973 | 4,259 |
| (b) Other current liabilities | 26 | 1,532 | 1,191 |
| (c) Provisions | 22 | 1,084 | 960 |
| **Total Current Liabilities** | | **19,430** | **16,331** |
| **Total Liabilities** | | **61,558** | **45,449** |
| **Total Equity and Liabilities** | | **101,442** | **84,284** |

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018

**Vikas Bagaria**
Partner
Membership No. 060408

Place : Bengaluru
Date : July 24, 2020

**Krishnan Akhileswaran**
Chief Financial Officer

**S M Krishnan**
Vice President - Finance
& Company Secretary

Place : Chennai
Date : June 25, 2020

**Dr. Prathap C Reddy**
Executive Chairman

**Preetha Reddy**
Executive Vice Chairperson

**Suneeta Reddy**
Managing Director



# Statement of Profit and Loss

**Standalone Financial Statements for the year ended March 31, 2020**

**(All amounts are in ₹ Millions unless otherwise stated)**

| Particulars | Note | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|---|
| **Income** | | | |
| Revenue from Operations | 27 | 97,944 | 83,367 |
| Other Income | 28 | 109 | 122 |
| **Total Income** | | **98,053** | **83,489** |
| **Expenses** | | | |
| Cost of materials consumed | 29 | 15,321 | 13,917 |
| Purchases of Stock-in-trade | | 37,542 | 30,493 |
| Changes in inventory of stock-in-trade | 30 | (1,043) | (720) |
| Employee benefit expense | 31 | 15,192 | 12,951 |
| Finance costs | 32 | 4,259 | 2,680 |
| Depreciation and amortisation expense | 33 | 4,823 | 2,999 |
| Other expenses | 34 | 16,780 | 16,544 |
| **Total expenses** | | **92,874** | **78,864** |
| **Profit before exceptional items and tax** | | **5,180** | **4,625** |
| **Exceptional items** | **54** | **1,644** | **-** |
| **Profit before tax** | | **6,824** | **4,625** |
| **Tax expense** | | | |
| (1) Current tax (including tax expense of prior year) | 35 | 1,182 | 805 |
| (2) Deferred tax | 35 | 939 | 792 |
| | | 2,121 | 1,597 |
| **Profit for the year** | | **4,703** | **3,028** |
| **Other Comprehensive Income** | | | |
| (i) Items that will not be reclassified to statement of profit and loss | | | |
| (a) Remeasurement of the defined benefit liabilities (Net of taxes of ₹4; Previous year - ₹154) | 36 | 7 | (291) |
| **Total other comprehensive income** | | **7** | **(291)** |
| **Total comprehensive income for the Year** | | **4,710** | **2,736** |
| Earnings per equity share of par value of ₹5 each | | | |
| Basic (in ₹) | 38 | 33.80 | 21.76 |
| Diluted (in ₹) | 38 | 33.80 | 21.76 |

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018

**Vikas Bagaria**
Partner
Membership No. 060408

Place : Bengaluru
Date : July 24, 2020

**Krishnan Akhileswaran**
Chief Financial Officer

**S M Krishnan**
Vice President - Finance
& Company Secretary

Place : Chennai
Date : June 25, 2020

**Dr. Prathap C Reddy**
Executive Chairman

**Preetha Reddy**
Executive Vice Chairperson

**Suneeta Reddy**
Managing Director

# Statement of Changes in Equity as on March 31, 2020

**a. Equity share capital**

| | Amount |
|---|---|
| **Balance as at April 1, 2018** | **696** |
| Changes in equity share capital during the year | - |
| **Balance as at March 31, 2019** | **696** |
| Changes in equity share capital during the year | - |
| **Balance as at March 31, 2020** | **696** |

**b. Other Equity**

| Particulars | Reserves and Surplus | | | | | Remeasurement of net defined benefit plans | Total Other Equity |
|---|---|---|---|---|---|---|---|
| | General reserve | Securities premium reserve | Capital Reserves | Other reserves # | Retained earnings | | |
| **Balance at April 1, 2018** | **11,257** | **17,139** | **18** | **1,117** | **7,206** | **(497)** | **36,239** |
| Profit for the year | - | - | - | - | 3,028 | - | 3,028 |
| Other comprehensive income for the year, net of income tax | - | - | - | - | - | (291) | (291) |
| Dividends paid(including dividend distribution tax of ₹142) | - | - | - | - | (837) | - | (837) |
| **Balance at March 31, 2019** | **11,257** | **17,139** | **18** | **1,117** | **9,396** | **(788)** | **38,139** |
| Adjustment on adoption of Ind AS 116 (Refer note 46) | | | | | (2,109) | | (2,109) |
| **Adjusted balance as at April 1, 2019** | **11,257** | **17,139** | **18** | **1,117** | **7,287** | **(788)** | **36,029** |
| Profit for the year | | | | | 4,703 | | 4,703 |
| Other comprehensive income for the year, net of income tax | | | | | | 7 | 7 |
| Dividends paid (including dividend distribution tax of ₹264) | | | | | (1,551) | | (1,551) |
| Transfer to Retained Earnings from Debenture Redemption Reserve | | | | (500) | 500 | | - |
| **Balance at March 31, 2020** | **11,257** | **17,139** | **18** | **617** | **10,938** | **(781)** | **39,188** |

# Other reserves includes Debenture Redemption Reserve, Capital Redemption Reserve and Reserves arising on transition from Previous GAAP to IND AS which are not available for distribution.

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018

**Vikas Bagaria**
Partner
Membership No. 060408

Place : Bengaluru
Date : July 24, 2020

**Krishnan Akhileswaran**
Chief Financial Officer

**S M Krishnan**
Vice President - Finance
& Company Secretary

Place : Chennai
Date : June 25, 2020

**Dr. Prathap C Reddy**
Executive Chairman

**Preetha Reddy**
Executive Vice Chairperson

**Suneeta Reddy**
Managing Director

# Statement of Cash Flows

**Standalone Financial Statements for the year ended March 31, 2020**
**(All amounts are in ₹ Millions unless otherwise stated)**

| | Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|---|
| **A.** | **Cash flow from Operating Activities** | | |
| | **Profit for the year** | **4,703** | **3,028** |
| | **Adjustments for:** | | |
| | Depreciation and amortisation expense | 4,823 | 2,999 |
| | Income tax expense | 2,121 | 1,597 |
| | Loss on Sale of Property Plant & Equipment | 24 | 40 |
| | Profit on Sale of Investments (Net) | (1,965) | (2) |
| | Impairment in value of investment in subsidiary | 321 | - |
| | Loss of fair valuation of equity investments | 11 | - |
| | Finance costs | 4,259 | 2,680 |
| | Interest from Banks/others | (105) | (90) |
| | Dividend on non-current equity investments | (36) | (34) |
| | Expected Credit Loss on trade receivables | 591 | 544 |
| | Provision written back | (3) | |
| | Gain on fair valuation of mutual funds | (11) | (1) |
| | Unrealised foreign exchange loss (net) | 51 | 16 |
| | **Operating Profit before working capital changes** | **14,783** | **10,777** |
| | **Adjustments for (increase)/decrease in operating assets** | | |
| | Inventories | (1,463) | (225) |
| | Trade receivables | (1,213) | (2,137) |
| | Other financial assets - Non current | (151) | 64 |
| | Other financial assets - Current | (148) | 1,248 |
| | Other non-current assets | 90 | (281) |
| | Other current assets | (175) | 167 |
| | | (3,061) | (1,164) |
| | **Adjustments for increase/(decrease) in operating liabilities** | | |
| | Trade payables | 1,860 | 631 |
| | Other financial liabilities - Non Current | 9 | (56) |
| | Other financial liabilities - Current | (597) | (42) |
| | Provisions | 135 | (6) |
| | Other current liabilities | 341 | 502 |
| | | 1,747 | 1,029 |
| | **Cash generated from operations** | 13,470 | 10,642 |
| | Net income tax paid | (2,509) | (1,569) |
| | **Net cash generated from operating activities (A)** | 10,961 | 9,073 |
| **B.** | **Cash flow from Investing Activities** | | |
| | Purchase of Property plant & equipment | (4,378) | (5,832) |
| | Proceeds from sale of Property plant & equipment | 11 | - |
| | Purchase of Investments | (1,633) | (2,010) |
| | Proceeds from Non current loans | 10 | - |

| | Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|---|
| | Proceeds from sale of current investments | 549 | 162 |
| | Proceeds from sale of investment in associate | 2,826 | - |
| | Proceeds from current loans | 10 | - |
| | Investment in Bank Deposits | (73) | (111) |
| | Loans given to Subsidiary | (64) | (88) |
| | Interest received | 66 | 90 |
| | Dividend on equity investments | 36 | 34 |
| | **Net cash used in Investing Activities (B)** | (2,639) | (7,756) |
| **C.** | **Cash flow from Financing Activities** | | |
| | Proceeds from Borrowings | 6,929 | 5,329 |
| | Payments towards lease liability | (985) | - |
| | Repayment of Borrowings | (7,505) | (2,984) |
| | Finance costs | (4,595) | (3,105) |
| | Dividends paid (including dividend distribution tax) | (1,551) | (837) |
| | **Net cash used in Financing Activities (C)** | **(7,707)** | **(1,597)** |
| | **Net Increase in cash and cash equivalents (A+B+C) = (D)** | **615** | **(280)** |
| | Cash and cash equivalents at the beginning of the year (E) | 2,190 | 2,469 |
| | Cash and cash equivalents at the end of the year (D) +(E) | 2,805 | 2,190 |

**Cash and non cash changes in liabilities arising from financing activities**

| | April 1, 2019 | Cash flow | Non-cash changes | | | March 31, 2020 |
|---|---|---|---|---|---|---|
| | | | Ind AS 116 adoption | Addition to lease liabilities | Foreign exchange movements | |
| Borrowings (inlcuding bank overdraft) | 32,391 | (575) | - | - | (219) | 31,597 |
| Lease Liabilities | - | 2,258 | 14,271 | 3,591 | - | 20,120 |

| | April 1, 2018 | Cash flow | Non-cash changes | March 31, 2019 |
|---|---|---|---|---|
| | | | Foreign exchange movements | |
| Borrowings (inlcuding bank overdraft) | 30,010 | 2,345 | 36 | 32,391 |

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018

**Vikas Bagaria**
Partner
Membership No. 060408

Place : Bengaluru
Date : July 24, 2020

**Krishnan Akhileswaran**
Chief Financial Officer

**S M Krishnan**
Vice President - Finance
& Company Secretary

Place : Chennai
Date : June 25, 2020

For and on behalf of the Board of Directors

**Dr. Prathap C Reddy**
Executive Chairman

**Preetha Reddy**
Executive Vice Chairperson

**Suneeta Reddy**
Managing Director



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

## 1 Corporate Information

Apollo Hospitals Enterprise Limited ('the Company') is a public Company incorporated in India. The address of its registered office and principal place of business is at 19, Bishop Gardens, Raja Annamalaipuram, Chennai, Tamilnadu. The main business of the Company is to enhance the quality of life of patients by providing comprehensive, high-quality hospital services on a cost-effective basis and providing / selling high quality pharma and wellness products through a network of pharmacies. The principal activities of the Company include operation of multidisciplinary private hospitals, clinics and pharmacies.

**Significant Accounting Policies**

This note provides a list of the significant accounting policies adopted in the preparation of the standalone financial statements.

These policies have been consistently applied to all the years presented unless otherwise stated.

## 2 Application of new and revised Ind ASs

The company has applied all the Ind ASs notified by the Ministry of Corporate Affairs.

**Ind AS 116 - Leases**

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method (except for one lease contract where modified prospective method is used) has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019. On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset and a lease liability as at April 1, 2019. The cumulative effect of applying the standard was debited to retained earnings, net of taxes.

The financial impact on initial application of this standard on the standalone financial statements is disclosed as part of Note 46.

**Appendix C to Ind AS 12 - Uncertainty over income tax treatments**

Appendix C to Ind AS 12 clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. The adoption of Appendix C to Ind AS 12 did not have any material impact on the standalone financial statements of the Company.

**Amendment to Ind AS 19 - Plan Amendment, Curtailment or Settlement**

The Ministry of Corporate Affairs issued amendments to Ind AS19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements requiring an entity to determine the current service costs and the net interest for the period after the remeasurement using the assumptions used for the remeasurement; and determine the net interest for the remaining period based on the remeasured net defined benefit liability or asset. The adoption of amendment to Ind AS19 did not have any material impact on the standalone financial statements of the Company.

**Amendment to Ind AS 12 – Income Taxes**

The Ministry of Corporate Affairs issued amendments to IndAS 12 – Income Taxes. The amendments clarify that an entity shall recognize the income tax consequences of dividends on financial instruments classified as equity according to where the entity originally recognized those past transactions or events that generated distributable profits were recognized. The adoption of amendment to Ind AS 12 did not have any material impact on the standalone financial statements of the Company.

**2.1. New Accounting Standard not yet adopted by the Company**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

This note provides a list of the significant accounting policies adopted in the preparation of the standalone financial statements.

These policies have been consistently applied to all the years presented unless otherwise stated.

**3.1. Statement of compliance**

The standalone financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act 2013 (the act) and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Directors on June 25, 2020.

**3.2. Basis of preparation and presentation**

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

**Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

**Level 2** inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

**Level 3** inputs are unobservable inputs for the asset or liability.

**The Significant accounting policies are set out below**

**3.3 Business combinations**

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange of control of the acquiree. Acquisition-related costs are recognised in statement of profit and loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

Deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. The same is carried at cost and tested for impairment on an accrual basis in accordance with impairment policy stated below.

**3.4 Goodwill**

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note 3.3 above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the cash-generating units or group of cash-generating units that is expected to benefit from the synergies of the combination.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the statement of profit and loss on disposal.

**3.5 Revenue recognition**

The Company earns revenue primarily by providing healthcare services and sale of pharmaceutical products. Other sources of revenue include revenue earned through Operation and Management (O&M) contracts, brand license agreements and contracts for clinical trials.

Effective April 1, 2018, the Company has applied Ind AS 115 - Revenue from Contract with customers which establishes a comprehensive framework for revenue recognition. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method(modified retrospective approach). The effect of initially applying this standard was recognised at the date of initial application (i.e. April 1, 2018).The impact of the adoption of the standard on the financial statements of the Company was insignificant.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. When there is uncertainty on ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

**3.5.1 Healthcare Services**

The Healthcare services income include revenue generated from outpatients, which mainly consist of activities for physical examinations, treatments, surgeries and tests, as well as that generated from inpatients, which mainly consist of activities for clinical examinations and treatments, surgeries, and other fees such as room charges, and nursing care. The performance obligations for this stream of revenue include food & beverage, accommodation, surgery, medical/clinical professional services, supply of equipment, investigation and supply of pharmaceutical and related products.

The patient is obligated to pay for healthcare services at amounts estimated to be receivable based upon the Company's standard rates or at rates determined under reimbursement arrangements. The reimbursement arrangements are generally with third party administrators. The reimbursement is also made through national, international or local government programs with reimbursement rates established by statute or regulation or through a memorandum of understanding.

Revenue is recognised at the transaction price when each performance obligation is satisfied at a point in time when inpatient/ outpatients has actually received the service except for few specific services in the dialysis and oncology specialty where the performance obligation is satisfied over a period of time.

Revenue from health care patients, third party payors and other customers are billed at our standard rates net of contractual or discretionary allowances, discounts or rebates to reflect the estimated amounts to be receivable from these payors.

**3.5.2 Pharmaceutical Products**

In respect of sale of pharmaceutical products, where the performance obligation is satisfied at a point in time, revenue is recognised when the control of goods is transferred to the customer.

**3.5.3 Project Consultancy Income**

In respect of project consultancy income, i.e. the revenue arising from the Operating & Maintenance (O&M) contracts where the performance obligation is satisfied over time, revenue is recognised along the period when the services are received and accepted by the customer.

**3.5.4 Clinical trials**

In respect of clinical trials, where the performance obligation is satisfied at a point in time, revenue is recognised when the service has been received and accepted by the customer.

**3.5.5 Dividend and interest income**

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**3.5.6 Rental income**

The Company's policy for recognition of revenue from operating leases is described in note 3.6.1 below.

**3.5.7 Contract assets and liabilities**

Revenue recognised by the Company where services are rendered to the customer and for which invoice has not been raised (which we refer as unbilled revenue) are classified as contract assets. Amount collected from the customer and services have not yet been rendered are classified as contract liabilities.

**3.5.8 Transaction Price**

Revenue is measured based on the transaction price, which is the fixed consideration adjusted for discounts, estimated disllaowances,amounts payable to customer in the nature of commissions, principal versus agent considerations, loyalty credits and any other rights and obligations as specified in the contract with the customer. Revenue also excludes taxes collected from customers and deposited back to the respective statutory authorities.

**Principal versus agent considerations**

The Company is a principal and records revenue on a gross basis when the Company is primarily responsible for fulfilling the service, has discretion in establish pricing and controls the promised service before transferring that service to customers.

In limited instances, the patient services are provided by visiting consultants, who are doctors/medical experts without labor contracts with the Company and not considered as the Company's employees. As the visiting consultants have the discretion to take their patients to other hospital for the required treatment and set their own consultation fee charged to patients, the Company is an agent in such arrangement. The Company collects fees on behalf of the visiting consultants and records revenue at the net amounts as commissions.

Sometimes the Company engages third-party providers to provide medical examination and disease screening services. The Company evaluates the services provided by third parties to determine whether to recognize the revenues on a gross or net basis. The determination is based upon an assessment as to whether the Company acts as a principal or agent when providing the services. Some of the revenues involving third-party providers providing medical examination or disease screening services are accounted for on a net basis since the third-party providers are the primary obligor, have the latitude in establishing prices, and the customer has discretion in third-party provider selection.

**3.5.9 Contract modifications**

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the stand alone selling price. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

**3.5.10 Trade accounts and other receivables and allowance for doubtful accounts**

Trade receivables from healthcare services are recognized and billed at amounts estimated to be collectable under government reimbursement programs, reimbursement arrangements with third party administrators and contracutal arrangements with corporates including public sector undertakings. The billing on government reimbursement programs are at pre-determined net realizable rates per treatment that are established by statute or regulation. Revenues for non-governmental payors with which the Group has contracts are recognized at the prevailing contract rates. The remaining non-governmental payors are billed at the Group's standard rates for services and a contractual adjustment is recorded to recognize revenues based on historic reimbursement. The contractual adjustment and the allowance for doubtful accounts are reviewed quarterly for their adequacy. The collectability of receivables is reviewed on a regular basis.

Receivables where the expected credit losses are not assessed individually are grouped based on geographical regions and the impairment is assessed based on macroeconomic indicators.

Write offs are taken on a claim-by-claim basis. Due to the fact that a large portion of its reimbursement is provided by public health care organizations and private insurers, the Company expects that most of its accounts receivables will be collectible. A significant change in the Company's collection experience, deterioration in the aging of receivables and collection difficulties could require that the Company increases its estimate of the allowance for doubtful accounts. Any such additional bad debt charges could materially and adversely affect the Company's future operating results. When all efforts to collect a receivable have been exhausted, and after appropriate management review, a receivable deemed to be uncollectible is considered a bad debt and written off.

**3.5.11 Revenue from Third Party Administrator (TPA)**

Inpatient services rendered to TPA are paid according to a fee-for-service schedule. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. Inpatient services generated through TPA are recorded on an accrual basis in the period in which services are provided at established rates.

The Group determines the transaction price on the TPA contracts based on established billing rates reduced by contractual adjustments provided to TPAs. Contractual adjustments and discounts are based on contractual agreements, discount policies and historical experience. Implicit price concessions are based on historical collection experience. Most of our TPA contracts contain variable consideration. However, it is unlikely a significant reversal of revenue will occur when the uncertainty is resolved, and therefore, the Company has included the variable consideration in the estimated transaction price.

**3.6 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

**3.6.1 The Company as Lessee**

The Company enters into an arrangement for lease of land, buildings, plant and machinery including computer equipment and Furnitures. Such arrangements are generally for a fixed period but may have extension or termination options. The Company assesses, whether the contract is, or contains, a lease, at its inception. A contract is, or contains, a lease if the contract conveys the right to –

(a) control the use of an identified asset,

(b) obtain substantially all the economic benefits from use of the identified asset, and

(c) direct the use of the identified asset.

The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Company is reasonably certain to exercise that option.

The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. This expense is presented within 'other expenses' in statement of profit and loss.

**Lease Liabilities:**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

**Lease payments included in the measurement of the lease liability comprise:**

i) fixed lease payments (including in-substance fixed payments), less any lease incentives;

ii) variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

iii) the amount expected to be payable by the lessee under residual value guarantees;

iv) lease payments in optional renewal periods, where exercise of extension options is reasonably certain, and

v) payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the Balance Sheet under "Other Financial Liabilities". The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

**Lease liability payments are classified as cash used in financing activities in the Statement of cash flows.**

The Company remeasure the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever

i) the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

ii) the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

iii) a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

**Right-of-Use Assets:**

The Group recognises right-of-use asset at the commencement date of the respective lease. Right-of-use asset are stated at cost less accumulated depreciation. Upon initial recognition, cost comprises of:

- the initial lease liability amount,
- initial direct costs incurred when entering into the lease,
- (lease) payments before commencement date of the respective lease, and
- an estimate of costs to dismantle and remove the underlying asset,
- less any lease incentives received.

Prepaid lease payments (including the difference between nominal amount of the deposit and the fair value) are also included in the initial carrying amount of the right of use asset.

They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated on a straight line basis over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related Right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Right-of-use assets are presented as a separate line in the Balance Sheet. The Company applies Ind AS 36 to determine whether a ROU asset is impaired and accounts for any identified impairment loss as described in the impairment of non-financial assets below.

The Company incurs obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease. The Company has assessed that such restoration costs are negligible and hence no provision under Ind-AS 37 has been recognised.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the Right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the statement of profit and loss.

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method except for one lease for which prospective approach is used and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019. On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset and a lease liability The cumulative effect of applying the standard was debited to retained earnings, net of taxes.

The effect of this adoption on the profit before tax, profit for the period and earnings per share is disclosed as part of Note 46. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

**Lease policy applicable before April 1, 2019**

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

**3.6.2 The Company as lessor**

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

**3.7 Foreign currencies**

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

**3.8 Borrowings and Borrowing costs**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit and loss over the period of the borrowings using the effective interest rate method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

**3.9 Employee benefits**

**3.9.1 Retirement benefit costs and termination benefits**

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is not reclassified to statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- Remeasurement

The Company presents the first two components of defined benefit costs in statement of profit and loss in the line item 'Employee benefits expense'.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

**3.9.2 Short-term and other long-term employee benefits**

**Leave Encashment**

The employees of the Company are entitled to encash the unutilized leave. The employees can carry forward a portion of the unutilized accumulating leave and utilize it in future periods or receive cash as per the Companies policy upon accumulation of minimum number of days. The Company records an obligation for leave encashment in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of leave encashment as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognizes accumulated leave entitlements based on actuarial valuation using the projected unit credit method. Non-accumulating leave balances are recognized in the period in which the leaves occur.

**Other short term employee benefits**

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

**3.10 Taxation**

Income tax expense comprises current tax and the net change in the deferred tax asset or liability during the year.

**3.10.1 Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'Profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Advance taxes and provisions for current income taxes are presented at net in the Balance Sheet after off-setting advance tax paid and income tax provision.

**3.10.2 Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

**3.10.3 Current and deferred tax for the year**

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

### 3.11 Property, plant and equipment

Land and buildings held for use in providing the healthcare and related services, or for administrative purposes, are carried at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Expenses in the nature of general repairs and maintenance , are charged to the statement of profit and loss during the financial period in which they are incurred.

Parts of some items of property, plant and equipment may require replacement at regular intervals and this would enhance the life of the asset such as replacing the interior walls of a building, or to make a nonrecurring replacement. The company recognises these amounts incurred in the carrying amount of an item of property, plant & equipment and depreciated over the period which is lower of replacement period and its useful life. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of Ind AS 16.

Fixtures and medical Equipments are stated at cost less accumulated depreciation and accumulated impairment losses. All repairs and maintenance costs are charged to the statement of profit and loss during the financial period in which they are incurred.

Depreciation is recognised so as to depreciate the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

**Estimated useful lives of the assets are as follows:**

| Category of assets | Useful Life (in years) |
|---|---|
| Buildings (Freehold) | 60 Years |
| Buildings (Leasehold) | Over the lease term |
| Plant and Machinery | 15 Years |
| Electrical Installation and Generators | 10 Years |
| Medical Equipment | 13 Years |
| Surgical Instruments | 3 Years |
| Furnitures and Fixtures | 10 Years |
| Vehicles | 8 Years |
| Office Equipments | 5 Years |
| Computers | 3 Years |
| Servers | 6 Years |

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

#### 3.11.1 Capital work in progress

Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date are recognized as capital advance and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work- in-progress.

Commencement of Depreciation related to property, plant and equipment classified as Capital work in progress (CWIP) involves determining when the assets are available for their intended use. The criteria the Group uses to determine whether CWIP are available for their intended use involves subjective judgments and assumptions about the conditions necessary for the assets to be capable of operating in the intended manner.

### 3.12 Intangible assets

#### 3.12.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.Intangible assets with finite useful lives are evaluated for impairment when events have occurred that may give rise to an impairment. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

#### 3.12.2 Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

#### 3.12.3 Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are recognised in the statement of profit and loss.

#### 3.12.4 Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

| Category of assets | Useful Life (in years) |
|---|---|
| Software License | 3 years |
| Non Compete Fees | 3 years |
| Trademarks | 3 years |

#### 3.12.5 Internally Generated intangible

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use the software and the costs can be measured reliably. The costs which can be capitalized include the cost of material, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use.

### 3.13 Review of useful life and method of depreciation

Estimated useful lives are periodically reviewed, and when warranted, changes are made to them. The effect of such change in estimates are accounted for prospectively.

### 3.14 Impairment of tangible and intangible assets other than goodwill

The carrying values of property plant and equipment and intangible assets with finite life are reviewed for possible impairment whenever events, circumstances or operating results indicate that the carrying amount of an asset may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss.

If at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment losses previously recognized are reversed such that the asset is recognized at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognized initially. An impairment in respect of goodwill is not reversed.

**3.14.1 Impairment of Goodwill and intangibles with indefinite useful lives**

Goodwill and identifiable intangibles with indefinite useful lives are not amortized but tested for impairment annually or when an event becomes known that could trigger an impairment.

To perform the annual impairment test of goodwill, the Company identified its groups of cash generating units (CGUs) and determined their carrying value by assigning the assets and liabilities, including the existing goodwill and intangible assets, to those CGUs. CGUs reflect the lowest level on which goodwill is monitored for internal management purposes.

For the purpose of goodwill impairment testing, all corporate assets and liabilities are allocated to the CGUs. At least once a year, the Company compares the recoverable amount of each CGU to the CGU's carrying amount.

**3.15 Inventories**

Inventories of medical consumables, drugs and stores & spares are valued at lower of cost or net realizable value. Net Realizable Value represents the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

**Cost is determined as follows:**

a. 'Medicines' under healthcare segment is valued on First in First Out (FIFO) basis.
b. 'Medicines' under retail pharmacy segment is valued on weighted average rates.
c. 'Stores and spares' is valued on First in First Out (FIFO) basis.
d. 'Other consumables' is valued on First in First Out (FIFO) basis.

**3.16 Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**3.17 Contingent liabilities**

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with Ind AS 37 and the amount initially recognised less cumulative amortisation recognised in accordance with Ind AS 115 Revenue from contracts with customers.

**3.18 Earnings per Share**

Basic earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of exceptional items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits/reverse share splits and bonus shares, as appropriate.

**3.19 Financial instruments**

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in statement of profit and loss.

**3.19.1 Financial assets**

Excluded are trade accounts receivables. At initial recognition trade accounts receivables (in accordance with Ind AS 115) are measured at their transaction price.

Subsequent measurement is either at cost, FVPL or FVOCI

In general, financial liabilities are classified and subsequently measured at amortized cost, with the exception of contingent considerations resulting from a business combination, noncontrolling interests subject to put provisions as well as derivative financial liabilities.

Investments in equity instruments are recognized and subsequently measured at fair value. The Company's equity investments are not held for trading. In general, changes in the fair value of equity investments are recognized in the income statement. However, at initial recognition the Company elected, on an instrument-by-instrument basis, to represent subsequent changes in the fair value of individual strategic equity investments in other comprehensive income (loss) ("OCI").

The Company's investment in debt securities with the objective to achieve both collecting contractual cash flows and selling the financial assets, and initially measured at fair value. Some of these securities give rise on specified dates to cash flows that are solely payments of principle and interest. These securities are subsequently measured at FVOCI. Other securities are measured at FVPL.

**Cash and Cash Equivalents**

The Company considers all highly liquid financial instruments which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and Cash Equivalents consist of balances with banks which are unrestricted for withdrawal and usage. Restricted cash and bank balances are classified and disclosed as other bank balances.

**Amortised Cost and Effective interest method**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in the statement of profit and loss and is included in the "Other income" line item.

**Instruments at FVTOCI**

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to statement of profit and loss on disposal of the investments.

**A financial asset is held for trading if:**

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognised in statement of profit and loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in statement of profit and loss are included in the 'Other income' line item.

**Impairment of financial assets**

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL. The expected credit loss approach requires that all impacted financial assets will carry a loss allowance based on their expected credit losses. Expected credit losses are a probability-weighted estimate of credit losses over the contractual life of the financial assets."

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

The impairment provisions for trade receivables is based on reasonable and supportable information including historic loss rates, present developments such as liquidity issues and information about future economic conditions, to ensure foreseeable changes in the customer-specific or macroeconomic environment are considered.

**Derecognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

**Foreign exchange gains and losses**

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in statement of profit and loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.

Net gain / (loss) on foreign currency transactions and translation during the year recognised in the statement of Profit and Loss account is presented under Other Income.

**3.19.2 Financial liabilities and equity instruments**

Classification as debt or equity

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

**Financial liabilities**

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

**Financial liabilities subsequently measured at amortised cost**

The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

**Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

**Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognised in the statement of profit and loss.

**3.19.3 Derivative financial instruments**

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative

The change in fair value of derivatives is recorded in the statement of profit and loss.

Derivatives embedded in host contracts are accounted for as separate derivatives if their economic characteristics and risks are not closely related to those of the host contracts. These embedded derivatives are measured at fair value with changes in fair value recognized in the statement of profit and loss.

**3.20 Segment Reporting**

In accordance with Ind AS 108, Segment Reporting, the Group's chief operating decision maker ("CODM") has been identified as the board of directors. The Company's CODM evaluates segment performance based on revenues and profit by the healthcare and retail pharmacy segments.

**3.21 Non Current Asset Held for Sale**

The company classifies non-current assets held for sale if their carrying amounts will be principally recovered through a sale rather than through continuing use of assets and action required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets held for sale are measured at the lower of carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortised.

**3.21.1 Discontinued operations**

A discontinued operation is a 'component' of the Company's business that represents a separate line of business that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

The Company considers the guidance in Ind AS 105 Non-Current assets held for sale and discontinued operations to assess whether a divestment asset would qualify the definition of 'component' prior to classification into discontinued operation.

**3.22 Government Grants**

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in statement of profit and loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the standalone balance sheet and transferred to statement of profit and loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in the statement of profit and loss in the period in which they become receivable.

Government grants are recognised in statement of profit and loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to statement of profit and loss on a systematic and rational basis over the useful lives of the related assets.

**3.23 Dividend**

A final dividend, including tax thereon, on equity shares is recorded as a liability on the date of approval by the shareholders. An interim dividend, including tax thereon, is recorded as a liability on the date of declaration by the board of directors.

**3.24 Operating Cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current

# 4 Critical accounting judgements and key sources of estimation uncertainty

**Use of estimates**

The preparation of these standalone financial statements in conformity with Ind AS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the balance sheet dates and the reported amounts of revenues and expenses during the reporting periods. Significant estimates and assumptions reflected in the Company's financial statements include, but are not limited to, expected credit loss, impairment of goodwill, useful lives of property, plant and equipment and leases, realization of deferred tax assets, unrecognized tax benefits, incremental borrowing rate of right-of-use assets and related lease obligation, the valuation of the Company's acquired equity investments. Actual results could materially differ from those estimates.

**4.1 Key sources of estimation uncertainty**

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**4.1.1 Impairment of goodwill**

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use is determined using a discounted cash flow approach based upon the cash flow expected to be generated by the CGU. In case that the value in use of the CGU is less than its carrying amount, the difference is at first recorded as an impairment of the carrying amount of the goodwill.

**4.1.2 Impairment of Financial Assets**

The impairment provisions for trade receivables is based on assumptions about risk of default and expected loss rates. The Company uses judgements in making certain assumptions and selecting inputs to determine impairment of these trade receivables, based on ton reasonable and supportable information including historic loss rates, present developments such as liquidity issues and information about future economic conditions, to ensure foreseeable changes in the customer-specific or macroeconomic environment are considered.

**4.1.3 Impairment of investments in subsidiaries, associates and joint ventures:**

The Company conducts impairment reviews of investments in subsidiaries / associates / joint arrangements whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable or tests for impairment annually. Determining whether an asset is impaired requires an estimation of the recoverable amount, which requires the Company to estimate the value in use determined using a discounted cash flow approach based upon the cash flow expected to be generated by the investment. In case that the value in use of the investment is less than its carrying amount, the difference is at first recorded as an impairment of the carrying amount of the goodwill.

**4.1.4 Employee Benefits - Defined benefit plans**

The cost of the defined benefit plans are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**4.1.5 Litigations**

The amount recognised as a provision shall be the management's best estimate of the expenditure required to settle the present obligation arising at the reporting period.

**4.1.6 Revenue Recognition**

The Company's contracts with customers could include promises to render multiple services to a customer. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is applied in the assessment of principal versus agent considerations with respect to contracts with customers and doctors which is determined based on the substance of the arrangement.

Judgement is also applied to determine the transaction price of the contract. The transaction price shall include a fixed amount of customer consideration and components of variable consideration which constitutes amounts payable to customer, discounts, commissions , disallowances and redemption patterns of loyalty point by the customers. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

**4.1.7 Useful lives of property plant and equipment**

The Company depreciates property, plant and equipment on a straight-line basis over estimated useful lives of the assets. The charge in respect of periodic depreciation is derived based on an estimate of an asset's expected useful life and the expected residual value at the end of its life. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The estimated useful life is reviewed at least annually.

**4.1.8 Point of Capitalisation**

Management has set in parameters in respect of its medical equipments specific to the stability and reaching the contractual availability goals. The property, plant & equipment shall be capitalised upon reaching these parameters at which stage the asset is brought to the location and condition necessary for it to be capable of operating in the manner intended by management.

**4.1.9 Impairment of Non - Financial Assets**

Determining whether the asset is impaired requires to assess the recoverable amount of the asset or Cash Generating Unit (CGU) which is compared to the carrying amount of the asset or CGU, as applicable. Recoverable amount is the higher of fair value less costs of disposal and value in use. Where the carrying amount of an asset or CGU exceeds the recoverable amount, the asset is considered impaired and is written down to its recoverable amount

**4.1.10 Leases**

Ind AS 116 defines a lease term as the non-cancellable period for which the lessee has the Right-to- use an underlying asset including optional periods, when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Company considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term. The option to extend the lease term is included in the lease term, if it is reasonably certain that the lessee would exercise the option. The Company reassesses the option when significant events or changes in circumstances occur that are within the control of the lessee.

**4.1.11 Uncertainty relating to the global health pandemic on COVID-19**

In assessing the recoverability of receivables including contract assets, goodwill, intangible assets, and certain investments, the Company has considered internal and external information up to the date of approval of these standalone financial statements including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used herein. Based on the current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets.

The impact of COVID-19 remains uncertain and may be different from what we have estimated as of the date of approval of these standalone financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

## 5 Property, Plant and Equipment and Capital Work-in-progress

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Land | 3,715 | 3,715 |
| Buildings (Freehold) | 15,972 | 11,807 |
| Buildings (Leasehold) | 6,402 | 6,427 |
| Plant and Machinery | 3,319 | 3,271 |
| Medical Equipment & Surgical Instruments | 13,221 | 9,709 |
| Furniture and Fixtures | 2,785 | 2,742 |
| Office equipment | 303 | 216 |
| Computers | 296 | 278 |
| Vehicles | 476 | 283 |
| **Total** | **46,487** | **38,448** |
| **5.1** Capital Work-in-progress (Refer footnote iv) | 2,001 | 8,188 |
| **Total** | **48,487** | **46,636** |

## Gross Block

| Particulars | Land | Buildings (Freehold) | Buildings (Leasehold) | Plant and Machinery* | Medical Equipment & Surgical Instruments | Furniture and Fixtures | Office equipment | Computers# | Vehicles | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **Balance at April 1, 2018** | **2,624** | **15,442** | **3,472** | **5,358** | **12,087** | **3,519** | **643** | **1,075** | **682** | **44,903** |
| Additions | 1,090 | 1,075 | 41 | 211 | 1,707 | 627 | 57 | 174 | 32 | 5,013 |
| Disposals/ Deletions | - | - | - | (20) | (24) | (44) | (5) | (13) | (7) | (112) |
| **Balance at March 31, 2019** | **3,715** | **16,517** | **3,513** | **5,549** | **13,771** | **4,102** | **695** | **1,236** | **707** | **49,804** |
| Additions | | 756 | 4,274 | 502 | 4,924 | 582 | 144 | 143 | 264 | 11,589 |
| Disposals/ Deletions | | | | (28) | (61) | (45) | (7) | (28) | (3) | (173) |
| Impact on adoption of Ind AS 116 (Refer note 46) | | | (395) | | | (129) | | | | (523) |
| **Balance at March 31, 2020** | **3,715** | **17,273** | **7,393** | **6,022** | **18,634** | **4,509** | **832** | **1,351** | **967** | **60,697** |

## Accumulated depreciation & amortisation

| Particulars | Land | Buildings (Freehold) | Buildings (Leasehold) | Plant and Machinery* | Medical Equipment & Surgical Instruments | Furniture and Fixtures | Office equipment | Computers# | Vehicles | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **Balance at April 1, 2018** | **-** | **749** | **621** | **1,909** | **2,764** | **1,004** | **378** | **811** | **365** | **8,602** |
| Disposals/ Deletions | - | (6) | - | (13) | (13) | (23) | (5) | (12) | (5) | (76) |
| Depreciation expense | - | 240 | 209 | 414 | 1,309 | 381 | 75 | 139 | 65 | 2,831 |
| **Balance at March 31, 2019** | **-** | **984** | **830** | **2,311** | **4,061** | **1,362** | **447** | **938** | **425** | **11,357** |
| Depreciation expense | - | 318 | 210 | 415 | 1,407 | 412 | 88 | 144 | 69 | 3,065 |
| Disposals/ Deletions | - | - | - | (23) | (55) | (27) | (5) | (26) | (2) | (138) |
| Impact on adoption of Ind AS 116 (Refer note 46) | | | (49) | | | (23) | | | | (72) |
| **Balance at March 31, 2020** | **-** | **1,302** | **991** | **2,703** | **5,413** | **1,725** | **530** | **1,055** | **492** | **14,211** |
| **Carrying amount as on March 31, 2019** | **3,715** | **15,534** | **2,683** | **3,238** | **9,710** | **2,740** | **248** | **298** | **283** | **38,448** |
| **Carrying amount as on March 31, 2020** | **3,715** | **15,972** | **6,402** | **3,319** | **13,221** | **2,785** | **303** | **296** | **476** | **46,487** |

* Includes electrical installation and generators

# includes servers

**Notes:**

(i) Refer note 20.1 for information on Property, plant & equipment pledges as security by the company for securing financing facilities from banks and financial institutions.

(ii) Refer note 47 for the contractual capital commitments for purchase of Property, plant & equipment.

(iii) Refer note 32 for details of interest capitalised during the year under capital work-in-progress.

(iv) Capital work in progress includes ₹47 million in respect of land alloted by Andhra Pradesh Industrial Infrastructure Corporation, which is yet to be registered in the name of the Company as at March 31,2020





## 6 Right-of-use Asset

| Particulars | Land | Buildings | Total |
|---|---|---|---|
| Right-of-use asset recognised on adoption of IND AS 116 as at April 1, 2019 | 2,126 | 14,479 | 16,604 |
| Additions during the year | - | 2,391 | 2,391 |
| Deletions during the year | - | (328) | (328) |
| **Balance at March 31, 2020** | **2,126** | **16,542** | **18,667** |

## Accumulated depreciation

| Particulars | Land | Buildings | Total |
|---|---|---|---|
| Accumulated depreciation on Right-of-use asset recognised on adoption of Ind AS 116 as at April 1, 2019 | 28 | 4,453 | 4,481 |
| Disposals/ Deletions | - | (245) | (245) |
| Depreciation expense * | 39 | 1,501 | 1,540 |
| Balance at March 31, 2020 | 67 | 5,709 | 5,776 |
| **Carrying amount as on March 31, 2020** | **2,059** | **10,833** | **12,891** |

* Depreciation expenses amounting to ₹5.08 million is capitalised to Capital work in progress

## 7. Goodwill

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Cost/deemed cost | 948 | 948 |
| Accumulated impairment losses | - | - |
| **Total** | **948** | **948** |

**(i) Allocation of goodwill to cash generating units:**

Goodwill has been allocated for impairment testing purposes to the following cash-generating unit.

| Cash generating units | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Standalone Pharmacy | 948 | 948 |
| **Total** | **948** | **948** |

**(ii) Key assumptions used for value-in-use calculations**

The company tests whether the goodwill has been impaired on an annual basis or on arise of impairment indicators whichever is earlier. For the purpose of testing of impairment, the carrying amount of goodwill is allocated to a Cash Generating Unit (CGU) representing the lowest level at which the goodwill is monitored for internal management purposes and is not higher than the Company's operating segments. The recoverable amount of the CGUs have been assessed based on its value-in-use. Value-in-use is determined by discounting the future cash flows to be generated from the continuing use of the CGU. Key assumptions on which the Company has based its determinations of value-in-use include:

| Key Assumptions | Standalone Pharmacy |
|---|---|
| Discount Rate | 13.50% |
| Long term Growth Rate (used for determining Terminal Value) | 3.50% |

a. These calculations use cash flow projections over a period of five years based on internal management budgets and estimates.

b. Terminal value is arrived by using last year's forecasted cash flows to perpetuity using a constant long-term growth rate. This long-term growth rate takes into consideration external macroeconomic sources of data.

c. The discount rates used are based on the Company's weighted average cost of capital of a comparable market participants, which is adjusted for specific risks.

Based on the assessment, the management has concluded that there is no impairment of goodwill in respect of Standalone Pharmacy. The management believes that any reasonably possible further change in key assumptions on which recoverable amount is based would not cause the carrying amount to exceed its recoverable amount.

The Company has performed sensitivity analysis for all key assumptions, including the cash flow projections consequent to the change in estimated future economic conditions arising from the possible effects due to COVID-19 and is unlikely to cause the carrying amount of the CGU exceed its estimated recoverable amount.

## 8. Other Intangible Assets

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Software licence | 231 | 302 |
| Trade Mark | - | - |
| Non Compete Fee | - | - |
| **Total** | **231** | **302** |

| Particulars | Software licence | Trade Mark | Non Compete Fee | Total |
|---|---|---|---|---|
| **Gross Block** | | | | |
| **Balance at April 1, 2018** | **812** | **58** | **21** | **891** |
| Additions | 105 | - | - | 105 |
| Disposals/ Deletions | - | - | - | - |
| **Balance at March 31, 2019** | **916** | **58** | **21** | **996** |
| Additions | 149 | - | - | 149 |
| Disposals/ Deletions | - | - | - | - |
| **Balance at March 31, 2020** | **1,065** | **58** | **21** | **1,145** |
| **Accumulated depreciation & amortisation** | | | | |
| **Balance at April 1, 2018** | **449** | **56** | **20** | **526** |
| Amortisation expense | 165 | 2 | 1 | 168 |
| Disposals/ Deletions | | - | - | - |
| **Balance at March 31, 2019** | **614** | **58** | **21** | **694** |
| Amortisation expense | 220 | - | - | 220 |
| Disposals/ Deletions | - | - | - | - |
| **Balance at March 31, 2020** | **834** | **58** | **21** | **913** |
| **Carrying amount as on March 31, 2019** | **302** | **-** | **-** | **302** |
| **Carrying amount as on March 31, 2020** | **231** | **-** | **-** | **231** |









## 9. Investments

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | Non Current | Current | Non Current | Current |
| **Investment carried at Cost/Amortised Cost** | | | | |
| Investment in Equity instruments | 10,280 | - | 10,246 | - |
| Investments in debentures and preference shares | 426 | - | 426 | - |
| **Investment carried at Fair Value through Profit and Loss** | | | | |
| Mutual Funds | - | 275 | - | 126 |
| Other Investments | 93 | - | 54 | - |
| Aggregate amount of impairment in value of investment in equity instruments | (312) | - | - | - |
| **Total** | **10,488** | **275** | **10,727** | **126** |

Refer note 45 for information and disclosure in respect of fair value measurements.

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | Non Current | Current | Non Current | Current |
| Aggregate amount of Quoted investments | 394 | - | 394 | - |
| Market Value for Quoted investments | 685 | - | 774 | - |
| Aggregate amount of unquoted investments | 10,094 | 275 | 10,333 | 126 |

| Name of the Entity | | Face Value | No. of Shares/ Units as at March 31,2020 | No. of Shares/ Units as at March 31,2019 | Quoted/ Unquoted | Fully paid/ Partly paid | Amount as at March 31,2020 | Amount as at March 31,2019 |
|---|---|---|---|---|---|---|---|---|
| **Investment carried at Cost** | | | | | | | | |
| **(a) Investment in Equity instruments** | | | | | | | | |
| Apollo Home Healthcare (I) Limited | Subsidiary | 10 | 29,823,012 | 29,823,012 | Unquoted | Fully Paid | 297 | 297 |
| Apollo Home Health Care Limited | Subsidiary | 10 | 16,887,500 | 9,687,500 | Unquoted | Fully Paid | 197 | 125 |
| AB Medical Centers Limited | Subsidiary | 1,000 | 16,800 | 16,800 | Unquoted | Fully Paid | 22 | 22 |
| Samudra Health Care Enterprises Limited | Subsidiary | 10 | 12,500,000 | 12,500,000 | Unquoted | Fully Paid | 251 | 251 |
| Imperial Hospitals & Research Centre Limited | Subsidiary | 10 | 26,950,496 | 26,950,496 | Unquoted | Fully Paid | 1,273 | 1,273 |
| Apollo Hospitals (UK) Limited | Subsidiary | 1£ | 5,000 | 5,000 | Unquoted | Fully Paid | - | - |
| Apollo Health & Lifestyle Limited | Subsidiary | 10 | 83,877,535 | 81,236,443 | Unquoted | Fully Paid | 4,191 | 3,840 |
| Apollo Nellore Hospital Limited | Subsidiary | 10 | 1,129,842 | 1,109,842 | Unquoted | Fully Paid | 54 | 54 |
| Sapien Biosciences Private Ltd | Subsidiary | 10 | 10,000 | 10,000 | Unquoted | Fully Paid | 0.10 | 0.10 |
| Apollo Home Health Care Limited (compulsory convertible debenture) | Subsidiary | 10 | - | 7,200,000 | Unquoted | Fully Paid | - | 72 |
| Apollo Hospitals International Limited | Subsidiary | 10 | 22,840,266 | 22,840,266 | Unquoted | Fully Paid | 480 | 480 |
| Western Hospitals Corporation Private Limited | Subsidiary | 10 | 18,000,000 | 18,000,000 | Unquoted | Fully Paid | 154 | 154 |
| Apollo Lavasa Health Corporation Limited | Subsidiary # | 10 | 652,393 | 652,393 | Unquoted | Fully Paid | 312 | 312 |
| Assam Hospitals Limited | Subsidiary | 10 | 5,523,433 | 5,253,433 | Unquoted | Fully Paid | 739 | 699 |
| Apollo Healthcare Technology Solutions Limited | Subsidiary | 10 | 20,000 | 20,000 | Unquoted | Fully Paid | - | 0.20 |
| Apollo Rajshree Hospitals Private Limited | Subsidiary | 10 | 10,754,375 | 10,754,375 | Unquoted | Fully Paid | 327 | 327 |
| Future Parking Private Limited | Subsidiary | 10 | 2,401,000 | 2,401,000 | Unquoted | Fully Paid | 24 | 24 |
| Total Health | Subsidiary | 10 | 500,000 | 500,000 | Unquoted | Fully Paid | 5 | 5 |
| Apollo Medicals Private Limited | Subsidiary | 10 | 9,999 | 9,999 | Unquoted | Fully Paid | 0.10 | 0.10 |
| Apollo Hospitals Singapore Pte Limited | Subsidiary | 1$ | 30,001 | 30,001 | Unquoted | Fully Paid | 1 | 1 |
| **Total** | | | | | | | **8,329** | **7,938** |

| Name of the Entity | | Face Value | No. of Shares/ Units as at March 31,2020 | No. of Shares/ Units as at March 31,2019 | Quoted/ Unquoted | Fully paid/ Partly paid | Amount as at March 31,2020 | Amount as at March 31,2019 |
|---|---|---|---|---|---|---|---|---|
| Apollo Munich Health Insurance Company Limited | Associate* | 10 | - | 35,709,000 | Unquoted | Fully Paid | - | 357 |
| Family Health Plan Insurance (TPA) Limited | Associate | 10 | 1,960,000 | 1,960,000 | Unquoted | Fully Paid | 5 | 5 |
| Indraprastha Medical Corporation Limited | Associate | 10 | 20,190,740 | 20,190,740 | Quoted | Fully Paid | 394 | 394 |
| Stemcyte India Therapeutics Private Limited | Associate | 1 | 240,196 | 240,196 | Unquoted | Fully Paid | 80 | 80 |
| **Total** | | | | | | | **479** | **836** |
| ApoKos Rehab Private Limited | Joint Venture | 10 | 8,475,000 | 8,475,000 | Unquoted | Fully Paid | 85 | 85 |
| Apollo Gleneagles Hospitals Limited | Joint Venture | 10 | 54,675,697 | 54,675,697 | Unquoted | Fully Paid | 393 | 393 |
| Apollo Gleneagles Hospitals PET-CT Private Limited | Joint Venture | 10 | 8,500,000 | 8,500,000 | Unquoted | Fully Paid | 85 | 85 |
| Medics International Life Sciences Limited | Joint Venture | 10 | 55,000,000 | 55,000,000 | Unquoted | Fully Paid | 910 | 910 |
| **Total** | | | | | | | **1,473** | **1,473** |
| **Grand Total** | | | | | | | **10,280** | **10,246** |
| # Impairment in value of investment in Apollo Lavasa Health Corporation Limited (Refer Note 54) | | | | | | | (312) | - |

| Name of the Entity | | Face Value | No. of Shares/ Units as at March 31,2020 | No. of Shares/ Units as at March 31,2019 | Quoted/ Unquoted | Fully paid/ Partly paid | Amount as at March 31,2020 | Amount as at March 31,2019 |
|---|---|---|---|---|---|---|---|---|
| **Investment carried at Fair Value through Profit and Loss** | | | | | | | | |
| **(b) Other Investments** | | | | | | | | |
| Search Light Private Limited | Others | 10 | 406,514 | 406,514 | Unquoted | Fully Paid | 5 | 16 |
| Kurnool hospitals Enterprise Limited | Others | 10 | 157,500 | 157,500 | Unquoted | Fully Paid | 2 | 2 |
| Clover energy Private Limited | Others | 10 | 1,642,935 | 1,483,660 | Unquoted | Fully Paid | 16 | 14 |
| Leap Green Energy Private Limited | Others | 10 | 97,600 | 97,600 | Unquoted | Fully Paid | 1 | 1 |
| Connect Wind India Private Limited | Others | 10 | 1,599,375 | - | Unquoted | Fully Paid | 2 | - |
| CWRE Power Private Limited | Others | 10 | 1,625 | - | Unquoted | Fully Paid | 0.02 | - |
| Immuneel Therapeutics P Ltd(compulsory convertible debenture) | Others | 10 | 500,000 | - | Unquoted | Fully Paid | 50 | - |
| Tirunelveli Vayu Energy Generation Private Limited | Others | 1,000 | 36 | 36 | Unquoted | Fully Paid | 14 | 14 |
| Iris Ecopower Venture Private Limited | Others | 10 | 100 | 70,000 | Unquoted | Fully Paid | - | 1 |
| VMA Wind Energy India Private Limited | Others | 10 | 130,000 | 130,000 | Unquoted | Fully Paid | 1 | 1 |
| Array land developers Private Limited | Others | 10 | - | 50,000 | Unquoted | Fully Paid | - | 1 |
| Morgan securities & credit private limited | Others | 10 | 5,000 | 5,000 | Unquoted | Fully Paid | 0.05 | 0.05 |
| Citron ECO power private limited | Others | 10 | 232,850 | 436,125 | Unquoted | Fully Paid | 2 | 4 |
| **Total** | | | | | | | **93** | **54** |
| **Guarantee** | | | | | | | | |
| Future Parking Private Limited | Others | | | | | Fully paid | 0.39 | 0.39 |

| Name of the Entity | | Quoted/ Unquoted | Fully paid/ Partly paid | Amount as at March 31,2020 | Amount as at March 31,2019 |
|---|---|---|---|---|---|
| **Investments in Government or Trust securities** | | | | | |
| National Savings Certificate | Others | Unquoted | Fully paid | 0.02 | 0.02 |

| Name of the Entity | | Face Value | No. of Shares/ Units as at March 31,2020 | No. of Shares/ Units as at March 31,2019 | Quoted/ Unquoted | Fully paid/ Partly paid | Amount as at March 31,2020 | Amount as at March 31,2019 |
|---|---|---|---|---|---|---|---|---|
| **Investments in debentures and preference shares** | | | | | | | | |
| Apollo Hospitals International Limited | Subsidiary | 10 | 1,104,000 | 1,104,000 | Unquoted | Fully Paid | 110 | 110 |
| Future Parking Private Limited | Subsidiary | 10 | 2,100,000 | 2,100,000 | Unquoted | Fully Paid | 210 | 210 |
| Apollo Munich Health Insurance Company Limited | Associate* | 1,000,000 | 80 | 80 | Unquoted | Fully Paid | 80 | 80 |
| Sapien Biosciences Private Limited | Subsidiary | 10 | 2,600,000 | 2,600,000 | Unquoted | Fully Paid | 26 | 26 |
| **Total** | | | | | | | **426** | **426** |

* Refer note 54 in respect of disposal of investment in Apollo Munich Health Insurance Company Limited

**9.2 Details of Current Investments**

| Name of the Body Corporate | No.of Shares/ Units March 31,2020 | No.of Shares/ Units March 31,2019 | Quoted / Unquoted | Partly Paid / Fully paid | Amount as at March 31,2020 | Amount as at March 31,2019 |
|---|---|---|---|---|---|---|
| **Investments in Mutual Funds** | | | | | | |
| Canara Robeco Short Term Fund | 42,017 | 174,838 | Unquoted | Fully paid | 43 | 5 |
| DHFL Pramerica Insta Cash Fund | - | 415,197 | Unquoted | Fully paid | - | 100 |
| SBI Liquid Fund Regular Growth | 3,261 | - | Unquoted | Fully paid | 10 | - |
| SBI Magnum Ultra Short Duration Fund | 33,951 | - | Unquoted | Fully paid | 151 | - |
| SBI Liquid Fund | 16,291 | - | Unquoted | Fully paid | 50 | - |
| HDFC Debt Fund for Cancer Cure 2014 | 2,000,000 | 2,000,000 | Unquoted | Fully paid | 20 | 20 |
| **Total** | | | | | **275** | **126** |





## 10 Loans - Non current

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Carried at amortised cost** | | |
| Loans to Related parties | 382 | 196 |
| **Total** | **382** | **196** |

**Particulars of related parties, rate of interest and repayment terms have been summarised below:**

| Company | As at March 31, 2020 | As at March 31, 2019 | Interest rate | Terms of repayment |
|---|---|---|---|---|
| Lifetime Wellness Rx International Limited | 148 | 92 | 10% | Repayable in five equated installments by September 30, 2024 |
| Western Hospital Corporation Private Limited | 137 | 88 | 10% | Repayable within a period of 5 years from the date of securing the loan |
| Apollo Shine Foundation | 6 | 16 | 10% | Repayable in three equated installments by March 31, 2022 |
| Apollo Home Health Care Limited | 15 | - | 10% | Repayable on demand in one or more installments as decided by the Company. |
| Apollo Medskills Limited | 77 | - | 10% | Repayable in three equated installments by March 31, 2021 |
| **Total** | **382** | **196** | | |

## 11 Loans - Current

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Carried at amortised cost | | |
| Loans to Others | 70 | 80 |
| **Total** | **70** | **80** |

## 12 Trade Receivables

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Unsecured** | | |
| (a) Considered Good | 9,871 | 9,564 |
| Less: Expected Credit Loss on above | (210) | (471) |
| (b) Considered doubtful | 509 | 573 |
| Less: Expected Credit Loss on above | (509) | (573) |
| **Total** | **9,661** | **9,093** |

Trade receivables represent the amount outstanding on sale of pharmaceutical products, hospital services and project consultancy fees which are considered as good by the management. In addition the group has also considered credit reports and other credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19. The Company believes that the carrying amount of allowance for expected credit loss with respect to trade receivables is adequate.

Majority of the Company's transactions are earned in cash or cash equivalents. The trade receivables comprise mainly of receivables from Insurance Companies, Corporate customers and Government Undertakings(both domestic and international)

**Average credit Period**

The average credit period on sales of goods and services ranges from 30-60 days from the date of the invoice.

**Customer Concentration**

No single customer represents 10% or more of the company's total revenue during the year ended March 31, 2020 and March 31, 2019. Therefore the customer concentration risk is limited due to the large and unrelated customer base.

**Impairment Methodology**

The Company has used a practical expedient by computing the expected credit loss allowance for receivables based on a provision matrix . The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix.

**Movement in the expected credit loss allowance (including provision for disallowance)**

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Balance at beginning of the year | 1,043 | 884 |
| Movement during the year (net)* | (324) | 159 |
| Balance at end of the year | 719 | 1,043 |

* Includes ₹591 million (previous year ₹544 million) of provision created and ₹915 million (previous year ₹384) has been written off against the provision available.

Refer note 44.1 for the receivable from related parties

Refer note 20.1 for the receivables provided as security against borrowings

## 13 Other Financial Assets

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | Non Current | Current | Non Current | Current |
| **Unsecured, considered good unless otherwise stated** | | | | |
| (a) Operating lease receivables | - | 14 | - | 4 |
| (b) Other Receivables ( Refer note i below) | 2 | 656 | - | 513 |
| (c) Interest receivable | - | 105 | - | 66 |
| (d) Security Deposits | 1,971 | - | 1,820 | - |
| (e) Advances to employees | - | 91 | - | 128 |
| (f) Finance Lease Receivable (Refer note 13.1) | 5 | - | 5 | - |
| (g) Fair Value of Derivative Financials Instruments | 67 | - | 288 | - |
| Less: Provision for doubtful advances (Refer note 54) | - | (9) | - | - |
| **Total** | **2,044** | **857** | **2,112** | **711** |

Note (i) : Refer note 44.1 in respect of advances extended to related parties.

### 13.1 Leasing arrangements

The Company entered into finance lease arrangements with Apollo Hospitals Education and Research Foundation (AHERF) for its Building in Hyderabad. The lease is denominated in Indian Rupees. The average term of finance lease entered into is 99 years.

### 13.2 Amounts receivable under finance leases

| Particulars | Minimum lease payments | | Present value of minimum lease payments | |
|---|---|---|---|---|
| | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| Not later than one year | 0.54 | 0.54 | - | - |
| Later than one year and not later than five years | 2.18 | 2.18 | - | - |
| Later than five years | 46.53 | 47.07 | 4.54 | 4.54 |
| Less: unearned finance income | 41.99 | 42.53 | - | - |
| Present value of minimum lease payments receivable | 4.54 | 4.54 | 4.54 | 4.54 |

The interest rate inherent in the leases is considered as the average incremental borrowing rate which is approximately 12% per annum

## 14 Inventories

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Inventories (lower of cost and net realisable value)** | | |
| (a) Medicines | 556 | 343 |
| (b) Stores and Spares | 458 | 261 |
| (c) Other Consumables | 108 | 100 |
| (d) Stock in Trade (in respect of goods acquired for trading) | | |
| - Pharmaceutical products (including surgical and generics) | 3,520 | 3,054 |
| - FMCG products | 1,808 | 1,490 |
| - Private label and other categories | 623 | 364 |
| **Total** | **7,074** | **5,611** |

## 15 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| (a) Balances with Banks (Including deposits with original maturity upto 3 months) | | |
| (i) In Current Accounts | 2,617 | 1,842 |
| (ii) In Deposit Accounts | - | - |
| (b) Cash on hand | 188 | 347 |
| **Total** | **2,805** | **2,190** |

## 16 Bank balances

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| (a) Unpaid Dividend Accounts | 37 | 35 |
| (b) Term deposits held as Margin money | 623 | 552 |
| **Total** | **660** | **587** |

## 17 Other Assets

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | Non Current | Current | Non Current | Current |
| (a) Capital Advances | 354 | - | 398 | - |
| (b) Advance to suppliers | - | 743 | - | 575 |
| (c) Prepaid Expenses(Refer Note (i)) | 96 | 477 | 266 | 472 |
| (d) Balances with Statutory Authorities (Refer Note (ii)) | 168 | - | 298 | - |
| (e) Prepayment towards leasehold land (Refer Note (iii)) | - | - | 631 | 12 |
| **Total** | **618** | **1,219** | **1,592** | **1,059** |

Note (i) : The non current portion of prepaid rent in previous year amounting to ₹170 pertain to Future Parking Private Limited which has been reclassified to Right-of-use asset on account of adoption of Ind AS 116.

Note (ii) : Refer note 48 for amounts deposited with the statutory authorities in respect of disputed dues.

Note (iii) :The upfront lease premium paid to the City and Industrial Corporation of Maharashtra Limited ('CIDCO') for granting the leasehold rights for a period of 60 years for developing a multi-speciality hospital in Navi Mumbai has been reclassified to Right-of-use asset during the year on account of adoption to Ind AS 116, Leases.

## 18 Equity Share Capital

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Authorised Share capital :** | | |
| 200,000,000(2018-19 : 200,000,000) Equity Shares of ₹5/- each | 1,000 | 1,000 |
| 1,000,000(2018-19 : 1,000,000) Preference Shares of ₹100/- each | 100 | 100 |
| **Issued** | | |
| 139,658,177 ( 2018-19: 139,658,177) Equity shares of ₹5/- each | 698 | 698 |
| **Subscribed and Paid up capital comprises:** | | |
| 139,125,159 fully paid equity shares of ₹5 each (as at March 31, 2019: 139,125,159) | 696 | 696 |
| **Total** | **696** | **696** |

**18.1 Fully paid equity shares**

| Particulars | No. of Shares | Share Capital (Amount) |
|---|---|---|
| **Balance at April 1, 2019** | **139,125,159** | **696** |
| Movement | - | - |
| **Balance at March 31, 2020** | **139,125,159** | **696** |

The Company has equity shares having a nominal value of ₹5 each. All equity shares rank equally with regard to dividend and share in the Company's residual assets. Each holder of equity shares is entitled to one vote per share. The equity shares are entitled to receive dividend as declared from time to time. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

**18.2 Details of shares held by each shareholder holding more than 5% shares**

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | Number of Shares held | % holding of equity shares | Number of Shares held | % holding of equity shares |
| **Fully paid equity shares** | | | | |
| PCR Investments Limited | 27,223,124 | 19.57 | 27,223,124 | 19.57 |
| Life Insurance Corporation of India | - | - | 7,900,314 | 5.68 |

The Company had issued 9,000,000 Global Depository Receipts of ₹10 (now 18,000,000 Global Depository Receipts of ₹5 each) with two-way fungibility during the year 2005-06. Total GDRs converted into underlying Equity shares during the year ended March 31, 2020 is 121,840 (2018-19: 2,95,009) of ₹5 each and total Equity shares converted back to GDR during the year ended March 31, 2020 is 32,224 (2018-19: 1,850) of ₹5 each.

## 19 Other equity

| Particulars | Note | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| General reserve | 19.1 | 11,257 | 11,257 |
| Securities premium reserve | 19.2 | 17,139 | 17,139 |
| Capital Reserves | 19.3 | 18 | 18 |
| Retained earnings | 19.4 | 10,938 | 9,396 |
| Capital redemption reserve | 19.5 | 60 | 60 |
| Debenture redemption reserve | 19.6 | 1,250 | 1,750 |
| Other comprehensive income | 19.7 | (781) | (788) |
| IND AS Transition reserve | 19.8 | (693) | (693) |
| **Balance at the end of the year** | | **39,188** | **38,139** |

**19.1 General reserve**

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Balance at beginning of year | 11,257 | 11,257 |
| Transfer from Profit and Loss | - | - |
| **Balance at the end of the year** | **11,257** | **11,257** |

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit and loss.

**19.2 Securities premium reserve**

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Balance at beginning of year | 17,139 | 17,139 |
| Share issue costs | - | - |
| Share issue costs related income tax | - | - |
| **Balance at the end of the year** | **17,139** | **17,139** |

Securities premium is used to record premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Indian Companies Act, 2013 (the "Companies Act").

**19.3 Capital Reserves**

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Balance at beginning of year | 18 | 18 |
| Movement | - | - |
| **Balance at the end of the year** | **18** | **18** |

**19.4 Retained earnings**

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Balance at beginning of year | 9,396 | 7,206 |
| Profit attributable to owners of the Company | 4,703 | 3,028 |
| Payment of dividends on equity shares (Including dividend distribution tax) | (1,551) | (837) |
| Impact on adoption of IND AS 116 | (2,109) | |
| Transfer to Reserves | 500 | - |
| **Balance at the end of the year** | **10,938** | **9,396** |

In respect of the year ended March 31, 2020, the company declared an interim dividend of ₹3.25 per share be paid on fully paid equity shares in addition to the interim dividend ₹2.75 per share is declared in the current year.For the previous year, dividend of ₹6 per share was paid.

**19.5 Capital Redemption reserve**

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Balance at beginning of year | 60 | 60 |
| Movement during the year | - | - |
| **Balance at the end the of year** | **60** | **60** |

The Companies Act requires that where a Company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet. The capital redemption reserve account may be applied by the Company, in paying up unissued shares of the Company to be issued to shareholders of the Company as fully paid bonus shares.

**19.6 Debenture Redemption reserve**

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Balance at beginning of year | 1,750 | 1,750 |
| Movement during the year | (500) | - |
| **Balance at the end the of year** | **1,250** | **1,750** |

Debenture Redemption Reserve is created out of the profits of the company as per the regulations of the Companies Act, 2013 and is not available for the payment of dividends and such reserve shall be utilised only for redemption of debentures.

**19.7 Other comprehensive Income**

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Balance at beginning of year | (788) | (497) |
| Movement during the year | 7 | (291) |
| Balance at the end the of year | (781) | (788) |

**19.8 IND AS Transition Reserve**

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Balance at beginning of year | (693) | (693) |
| Movement during the year | | |
| **Balance at the end the of year** | **(693)** | **(693)** |

## 20 Borrowings

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | Non Current | Current | Non Current | Current |
| **Secured - at amortised cost** | | | | |
| (a) Redeemable non-convertible debentures | 5,000 | - | 7,000 | - |
| (b) Term loans | | | | |
| -from banks and financial institutions | 19,997 | | 18,293 | - |
| (c) Bank overdraft including working capital facilities | - | 2,825 | - | 571 |
| Unsecured - at amortised cost | | | | |
| (a) Term loans | | | | |
| -from banks and financial institutions | - | 980 | 531 | 3,250 |
| -from related party | - | - | - | - |
| (b) Bank overdrafts including Working capital facilities | - | 63 | - | 148 |
| (c) Bills Payable | - | 701 | 149 | 588 |
| **Total** | **24,997** | **4,569** | **25,973** | **4,557** |

(i) There is no breach of loan covenants as at March 31, 2020 and March 31, 2019.

(ii) The secured listed non-convertible debentures of the company aggregating to ₹5,000 Million as on March 31, 2020 are secured by way of first mortgage/charge on the company's properties. The asset cover on the secured listed non-convertible debentures of the company exceeds hundred percent of the principal amount of the said debentures.

(iii) For the year ended March 31, 2020, due to outbreak of Covid-19 pandemic, RBI vide circular DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020 has directed banks and financial institutions to provide moratorium of 3 months to borrowers on all payments falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers classified as standard. Accordingly, the Company has availed moratorium with respect to the principal and interest aggregating to ₹86 million which were due in the month of March 20.

20.1 Summary of Borrowing arrangements

(a) Redeemable Non-Convertible Debentures

| Particulars | Principal Outstanding as at March 31, 2020 | Principal Outstanding as at March 31, 2019 | Details of repayment terms and maturity | Nature of Security | Rate of Interest 31 Mar 20 | Rate of Interest 31 Mar 19 |
|---|---|---|---|---|---|---|
| 10.2% Non Convertible Debentures | - | 2,000 | The company issued 2,000 no's of 10.20% Non Convertible Redeemable Debentures of ₹1 Million each on August 22, 2014 to banks and financial institutions, with an option to re-purchase/ re-issue some or all of its debentures in the secondary market or otherwise at any time prior to the specified date of redemption of August 22, 2028. It was fully repaid in the financial year | Secured by way of Pari passu first charge on the fixed assets of the Company, existing and future along with Bank and Institutions; such Pari passu first charge ensuring at least a cover of 1.25 times the value of outstanding principal amount of the loan | 10.20% | 10.20% |
| 8.7% Non Convertible Debentures | 3,000 | 3,000 | The company issued 3,000 nos. of 8.70% Non Convertible Debentures of ₹1 Million each on October 7, 2016, with 2 call options to re-purchase/ re-issue some or all of its debentures in the secondary market or otherwise at any time prior to the specified date of redemption of October 7, 2026. | Secured by way of Pari passu first charge on the fixed assets of the Company, existing and future along with Bank and Institutions; such Pari passu first charge ensuring at least a cover of 1.25 times the value of outstanding principal amount of the loan | 8.70% | 8.70% |
| 7.8% Non Convertible Debentures | 2,000 | 2,000 | The company issued 2,000 nos. of 7.80% Non Convertible Debentures of ₹1 Million each on March 7, 2017, and the specified date of redemption is March 7, 2022. | Secured by way of Pari passu first charge on the fixed assets of the Company, existing and future along with Bank and Institutions; such Pari passu first charge ensuring at least a cover of 1.25 times the value of outstanding principal amount of the loan | 7.80% | 7.80% |

(b) Secured and Unsecured borrowing facilities from banks and others

| Particulars | Principal Outstanding as at March 31, 2020 | Principal Outstanding as at March 31, 2019 | Details of repayment terms and maturity | Nature of Security | Rate of Interest 31 Mar 20 | Rate of Interest 31 Mar 19 |
|---|---|---|---|---|---|---|
| HDFC Bank Limited | 3,500 | 3,500 | The loan is repayable in 22 half yearly instalments (with a moratorium period of 4 years from the date of the first disbursement) commencing from September 8, 2020. | The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the company along with minimum cover of 1.25 times the value of the outstanding principal amount of the loan. | 8.15% | 8.40% |
| Axis Bank Limited | 2,775 | 2,925 | The loan is repayable in 40 Quarterly instalments (with a moratorium of 4 years from the date of 1st disbursement) commencing from December 15, 2018. | The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the company along with minimum cover of 1.25 times) the value of the outstanding principal amount of the loan | 8.10% | 8.60% |
| HDFC Bank Limited | 600 | - | The Company availed a term loan from HDFC Bank Ltd for a sanctioned limit of ₹750 million which is repayable by FY 2021-2022 | The loan is secured by first pari passu ranking charge on entire existing and future movable fixed asset of the company with minimum cover of 1.25 times the value of the outstanding principal amount of the loan | 8.10% | NA |
| Bank of India | 2,312 | 2,425 | This loan is repayable in 40 Quarterly instalments (with a moratorium of 4 years from the date of 1st disbursement) commencing from December,30, 2018. | The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the company along with minimum cover of 1.25 times the value of the outstanding principal amount of the loan. | 8.10% | 9.55% |
| HSBC Term Loan -I | 1,675 | 1,825 | The Company has availed Rupee Term Loan of ₹2,000 Million from HSBC Bank Limited, out of which ₹1,000 Million is repayable in 16 semi-annual instalments commencing from March 2, 2017 and the balance ₹1,000 Million is repayable in 16 semi-annual instalments commencing from November 13, 2018. | The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the company ensuring atleast a cover of 1.25 times the value of the outstanding principal amount of the loan. | 7.95%-8.05% | 8.30% |
| HSBC Bills Payable | - | 132 | The company has availed a buyer's line of credit of from HSBC for the import of medical Equipments which is repayable on various dates in FY 2019-20 | The loan is secured by first pari passu ranking charge on entire existing and future movable fixed asset of the company with minimum cover of 1.25 times the value of the outstanding principal amount of the loan. | - | 6 months libor +0.55 |
| HSBC Term Loan -II | 350 | - | The Company has availed Rupee Term Loan of ₹350 Million out of sanctioned amount of ₹1,500 Million from HSBC Bank Limited repayable in 28 quarterly installments commencing from June 2020 | The loan is secured by first pari passu ranking charge on entire existing and future movable fixed asset of the company with minimum cover of 1.25 times the value of the outstanding principal amount of the loan. | 7.50% | |

| Particulars | Principal Outstanding as at March 31, 2020 | Principal Outstanding as at March 31, 2019 | Details of repayment terms and maturity | Nature of Security | Rate of Interest 31 Mar 20 | Rate of Interest 31 Mar 19 |
|---|---|---|---|---|---|---|
| International Finance Corporation (External Commercial Borrowings) | - | 892 | The Loan outstanding is repayable in 8 semi-annual instalments during September and March of each year. This has been repaid in the current financial year | The ECB loan is secured by way of pari passu first ranking charge on the fixed assets of the company ensuring at least a cover of 1.25 times the value of the outstanding principal amount of the loan. | 9.20% | 9.20% |
| HSBC (External Commercial Borrowings) | - | 277 | The loan outstanding was repayable in 6 quarterly instalments starting from April, 2018. This has been repaid in the current financial year | The ECB loan was secured by way of pari passu first ranking charge on the fixed assets of the company. | - | 9.50% |
| NIIF Infrastructure Finance Limited | 1,000 | 1,000 | During the year 2015-16 the Company availed loan of ₹1,000 million which is repayable in 3 annual instalments of 20% at the end of December 2029 (14th year), 40% at the end of December 2030 (15th year) and balance 40% at the end of December 2031 (16th year) from the date of first disbursement. | The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the company ensuring atleast a cover of 1.25 times the value of the outstanding principal amount of the loan. | 9.60% | 9.60% |
| ICICI Bank Limited | 2,386 | 2,460 | The loan is repayable in 48 quarterly instalments commencing from June 30, 2019. | The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the company. | 9.05% | 9.05% |
| State Bank of India | 6,829 | 3,611 | The balance outstanding is repayable in quarterly instalments till 2032-2033 | The loan is secured by paripassu first charge with other term lenders and debenture holders on all the present and future movable and immovable fixed assets of the company with a minimum cover of 1.25 times the value of outstanding principal amount of the loan. | 8%-8.10% | 8.80% |
| Axis Bank Limited (Working Capital) | 650 | | The company has been sanctioned working capital facility of ₹1,500 million from Axis Bank. | Secured by hypothecation of stock and book debts of the company | 7.20% | |
| Axis Bank Limited (Short term facilities) | 980 | - | The company has been sanctioned a short term facility from Axis bank of ₹1,500 million | | 7.20% | |

| Particulars | Principal Outstanding as at March 31, 2020 | Principal Outstanding as at March 31, 2019 | Details of repayment terms and maturity | Nature of Security | Rate of Interest 31 Mar 20 | Rate of Interest 31 Mar 19 |
|---|---|---|---|---|---|---|
| HSBC- Working capital facilities | 63 | 148 | The company has been sanctioned ₹750 Million overdraft facility and working capital facility by HSBC which is repayable on various dates | | 8.05% | 8.75% |
| Fixed Deposit | 2 | 13 | Represents the unclaimed fixed deposits outstanding as on March 31, 2020 | - | 8.75% to 9.25% | 8.75% to 9.25% |
| Bank of Tokyo – Mitsubishi UFJ (External Commercial Borrowings) | 601 | 1,109 | The loan is repayable in 3 annual instalments starting from the year September 2018 | - | 9.20% | 9.20% |
| Citi Bank - Bill Discounting | 701 | 588 | The Company has been sanctioned bill discounting facility from Citi Bank for a maximum outstanding of ₹1000 million. | - | 7.10% | 8% |
| HDFC Bank Limited | 1,900 | 1,250 | The Company has been sanctioned Working Capital Demand Loan facility | Secured by hypothecation of stock and book debts of the company | 7.20% | 0.084 |
| HDFC Bills payable | - | 150 | The Company had availed a buyer's line of credit from HDFC for the import of medical equipments which was repaid on various dates in FY 2019 -20 | | | |
| HDFC - CC A/c | 276 | 571 | The Company has availed a cash credit facility from HDFC Bank which is repayable on various dates in FY 2019 -20 | Secured by hypothecation of stock and book debts of the company | 7.75% | 8.75% |
| MUFG Bank Ltd. | - | 2,000 | The Company had availed a loan of ₹1,000 million each on March 22, 2019 and March 27, 2019 which was repaid in FY 2019 - 20 | | | 8.50% |
| **Total** | **31,599** | **31,877** | | | | |

## 21 Other financial liabilities

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | Non Current | Current | Non Current | Current |
| a) Interest accrued on Borrowings | - | 219 | - | 323 |
| b) Unclaimed dividends (Refer Note 16 (a)) | - | 37 | - | 35 |
| c) Rent deposits | 27 | - | 19 | - |
| d) Other deposits | 23 | - | 23 | - |
| e) Unclaimed matured deposits and interest accrued thereon | - | 2 | - | 13 |
| f) Current maturities of long-term debt | - | 2,032 | - | 1,847 |
| g) Lease liabilities (Refer Note 46) | 14,168 | 1,244 | | |
| h) Other Payables | | 928 | - | 931 |
| i)Capital creditors | | 511 | - | 1,109 |
| **Total** | **14,218** | **4,973** | **42** | **4,259** |

**Notes**

(i) During the year 2019-20 , the amount transferred to the Investors Education and Protection Fund of the Central Government as per the provisions of Section 124 (5) and 124 (6) of the Companies Act, 2013 is ₹3.34 Million (Previous year ₹3.66 Million)

## 22 Provisions

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | Non Current | Current | Non Current | Current |
| Provision for Bonus (Refer footnote (i) below) | - | 420 | - | 409 |
| Provision for Gratuity and Leave Encashment ( Refer note 40 and 41) | - | 665 | - | 551 |
| **Total** | **-** | **1,084** | **-** | **960** |

**Notes**

(i) The provision for Bonus is based on the Management's policy in line with the Payment of Bonus Act, 1965.

## 23 Deferred tax balances

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Deferred Tax Assets | (6,066) | (5,636) |
| Deferred Tax Liabilities | 8,979 | 8,739 |
| **Total** | **2,913** | **3,104** |

**Movement of Deferred Tax 2019-20**

The major components of deferred tax liabilities/(assets) arising on account of timing differences for the year ended March 31, 2020 are as follows :

| | Opening Balance | Recognised in Statement of Profit and Loss | Recognised in other comprehensive income | Recognised in Other Equity | Closing Balance |
|---|---|---|---|---|---|
| Property, Plant & Equipment | 7,918 | 367 | | | 8,285 |
| Financial Assets | (171) | (105) | | | (276) |
| Lease liability | | (192) | 4 | (1,133) | (1,321) |
| Retirement Benefit Plans | (553) | | | | (553) |
| Business Loss carried forward under Income Tax | - | | | | - |
| Minimum Alternate Tax (MAT) Credit (Refer Note i) | (4,091) | 869 | | | (3,222) |
| **Total** | **3,104** | **939** | **4** | **(1,133)** | **2,913** |



**Movement of Deferred Tax 2018-19**

| | Opening Balance | Recognised in Statement of Profit and Loss | Recognised in other comprehensive income | Closing Balance |
|---|---|---|---|---|
| Property, Plant & Equipment | 7,959 | (41) | - | 7,918 |
| Financial Assets | 48 | (219) | - | (171) |
| Retirement Benefit Plans | (399) | - | (154) | (553) |
| Business Loss carried forward under Income Tax | (745) | 745 | - | - |
| Minimum Alternate Tax (MAT) Credit (Refer Note i) | (4,398) | 307 | - | (4,091) |
| **Total** | **2,466** | **792** | **(154)** | **3,104** |

Note (i): The company has unused tax credits in the form of Minimum Alternate Tax (MAT) which would expire by financial year ending March 2032-33

## 24 Trade Payables

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Total outstanding dues of micro enterprises and small enterprises (Refer note 24.1) | 63 | 82 |
| Total outstanding dues of creditors other than micro and small enterprises | 7,209 | 5,282 |
| **Total** | **7,272** | **5,364** |

(i) The average credit period on purchases of goods ranges from immediate payments to credit period of 45 days based on the nature of the expenditure. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

(ii) Amounts payable to related parties is disclosed in note 44.1

The information pertaining to liquidity risks related to trade payables is disclosed in note 43.

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2020 has been made in the financial statements based on information received and available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ('The MSMED Act') is not expected to be material. The Company has not received any claim for interest from any supplier.

24.1 Particulars

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| The amounts remaining unpaid to micro and small suppliers as at the end of the year | | |
| - Principal | 63 | 82 |
| - Interest | | |
| The amount of interest paid by the buyer as per the MSMED Act | | - |
| The amount of payments made to micro and small suppliers beyond the appointed day during the accounting year; | | - |
| 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 the MSMED Act; | | - |
| The amount of interest accrued and remaining unpaid at the end of each accounting year | | - |
| 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 the MSMED Act | | |

## 25 Tax assets and Liabilities

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Tax assets** | | |
| Advance Tax | 2,445 | 2,699 |
| Tax refund receivable | 9,168 | 7,534 |
| **Less:** | | |
| Income tax payable | (9,676) | (8,494) |
| **Net** | **1,937** | **1,739** |

## 26 Other current liabilities

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| (a) Contract liabilities (Refer footnote (i)) | 958 | 794 |
| (b) Statutory Liabilities | 560 | 389 |
| (c) Others | 13 | 8 |
| **Total** | **1,532** | **1,191** |

(i) Contract liabilities represents deferred revenue arises in respect of the Company's Loyalty Points Scheme and deposits collected from patients recognised in accordance with Ind AS 115 Revenue from contracts with customers

## 27 Revenue from Operations

The following is an analysis of the Company's revenue for the year from continuing operations

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| (a) Revenue from rendering of healthcare services | 49,002 | 44,227 |
| (b) Revenue from sales of Pharmaceutical products | 48,206 | 38,860 |
| (c) Other Operating Income | | |
| - Project Consultancy Income | 661 | 212 |
| - Franchise fees | 19 | 16 |
| - Income from Clinical Trials | 57 | 51 |
| **Total** | **97,944** | **83,367** |

**Healthcare Services (including other operating income)**

| Region | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Tamilnadu | 22,402 | 20,269 |
| AP, Telangana | 10,626 | 9,890 |
| Karnataka | 4,588 | 4,098 |
| Others | 12,123 | 10,249 |
| **Total revenue from contracts with customers from healthcare services** | **49,739** | **44,506** |

**Pharmaceutical Products**

| Region | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Region 1 ( Includes Tamilnadu, Karnataka, Maharashtra, Pondicherry, Goa and Port Blair) | 18,044 | 14,312 |
| Region 2 ( Includes Telangana, Chhattisgarh, Orissa, West Bengal, Andhra Pradesh , Assam and Jharkhand) | 21,713 | 17,605 |
| Region 3 ( Bihar, J&k, New Delhi, Ahmedabad, Ludhiana, Chandigarh, Uttar Pradesh, Rajasthan, Haryana, Himachal Pradesh, Madhya Pradesh and Uttarakhand) | 8,449 | 6,944 |
| **Total revenue from sale of Pharmaceutical products** | **48,206** | **38,860** |

| Category of Customer | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Cash ( With card/Cash/Wallet/RTGS) | 66,385 | 60,302 |
| Credit | 31,559 | 23,065 |
| **Total** | **97,944** | **83,367** |

| Nature of treatment | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| In-Patient | 33,771 | 36,033 |
| Out-Patient | 15,507 | 8,261 |
| Sale of Pharmaceutical products | 48,206 | 38,860 |

| Nature of treatment | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Others | 461 | 212 |
| **Total revenue from contracts with customers from Healthcare services** | **97,944** | **83,367** |

Refer note 3.5 of Significant accounting policies section which explain the revenue recognition criteria in respect of revenue from rendering Healthcare and allied services and Pharmaceutical products as prescribed by Ind AS 115, Revenue from contracts with customers.

**Contract liability**

During the financial year ended March 31, 2020, the company has recognised revenue of ₹387 (Previous year ₹505 million) from its Patient deposit outstanding as on April 1, 2019

**Reconciliation of revenue recognised with the contract price is as follows:**
**Healthcare Services (including other operating income)**

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Contract price (as reflected in the invoice raised on the customer as per the terms of the contract with customer) | 58,366 | 51,563 |
| Reduction in the form of discounts and disallowances | 1,902 | 1,237 |
| Reduction towards amounts received on behalf of third party service consultant | 6,725 | 5,820 |
| **Revenue recognised in the statement of profit and loss** | **49,739** | **44,506** |

**Pharmaceutical Products**

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Contract price (as reflected in the invoice raised on the customer as per the terms of the contract with customer) | 48,474 | 39,175 |
| Reduction in the form of discounts and commissions | 100 | 75 |
| Revenue deferred on account of unredeemed loyalty credits | 168 | 240 |
| **Revenue recognised in the statement of profit and loss** | **48,206** | **38,860** |

## 28 Other Income

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **a) Interest income** | | |
| (Interest Income earned on financial assets that are not designated as at fair value through profit or loss) | | |
| Bank deposits | 39 | 36 |
| Other financial assets | 66 | 54 |
| **Sub total** | **105** | **90** |
| **b) Dividend Income** | | |
| Dividend on equity investments | 36 | 34 |
| **c) Other non-operating income** | | |
| Provision for liabilities no longer required written back | 3 | 3 |
| **Sub total (b + c)** | **39** | **37** |

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **d) Other gains and losses** | | |
| Net gain arising on disposal of financial assets | 4 | 2 |
| Gain/(loss) on fair valuation of equity investments | (11) | |
| Gain on fair valuation of mutual funds | 11 | 1 |
| Miscellaneous Income | 13 | 9 |
| Foreign exchange gain/(loss), net | (51) | (16) |
| **Total** | **(35)** | **(4)** |
| **Total (a+b+c+d)** | **109** | **122** |

## 29 Cost of Materials Consumed

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Opening inventory | 703 | 1,198 |
| Add: Purchases | 15,740 | 13,421 |
| Less: Closing inventory | 1,122 | 703 |
| **Total** | **15,321** | **13,917** |

## 30 Changes in inventory of stock in trade

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Inventories at the beginning of the year | 4,908 | 4,188 |
| Inventories at the end of the year | (5,951) | (4,908) |
| **Changes in inventory of stock in trade** | **(1,043)** | **(720)** |

## 31 Employee benefits expense

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Salaries and wages | 13,102 | 11,299 |
| Contribution to provident and other funds | 835 | 735 |
| Bonus | 381 | 392 |
| Staff welfare expenses | 874 | 525 |
| **Total** | **15,192** | **12,951** |

## 32 Finance costs

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Interest expense on financial liabilities measured at amortised cost | 2,570 | 2,323 |
| Interest expense on lease liabilities | 1,273 | - |
| Bank Charges | 416 | 357 |
| **Total** | **4,259** | **2,680** |

During the year the Company has capitalised borrowing costs of ₹232 million (previous year ₹350 million) relating to projects, included in Capital Work in progress. The capitalisation rate used is the weighted average interest of 9% (previous year 9.03%)

## 33 Depreciation and amortisation expense

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Depreciation of Property, plant and equipment | 3,065 | 2,831 |
| Depreciation of Right-of-use assets | 1,535 | - |
| Amortisation of intangible assets | 223 | 168 |
| **Total** | **4,823** | **2,999** |

## 34 Other expenses

| | Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|---|
| (a) | **Other Expenses** | | |
| | Retainer Fees to Doctor`s | 3,429 | 3,097 |
| | Advertisement, Publicity & Marketing | 1,874 | 1,459 |
| | Power and fuel | 1,567 | 1,367 |
| | Outsourcing Expenses | | |
| | Food and Beverages | 1,083 | 930 |
| | House Keeping Expenses | 1,096 | 957 |
| | Security Charges | 268 | 234 |
| | Bio medical maintenance | 259 | 221 |
| | Other services | 247 | 92 |
| | Legal & Professional Fees | 852 | 942 |
| | Office Maintenance & Others | 841 | 634 |
| | Repairs to Machinery | 826 | 643 |
| | Rent | 780 | 2,632 |
| | Travelling & Conveyance | 643 | 609 |
| | Impairment of trade receivables | 591 | 544 |
| | Printing & Stationery | 466 | 383 |
| | Rates and Taxes, excluding taxes on income | 166 | 142 |
| | Water Charges | 164 | 113 |
| | Postage & Telegram | 148 | 124 |
| | Repairs to Buildings | 142 | 132 |
| | Telephone Expenses | 141 | 103 |
| | Hiring Charges | 140 | 126 |
| | Insurance | 137 | 121 |
| | Continuing Medical Education & Hospitality Expenses | 136 | 91 |
| | House Keeping Expenses | 132 | 103 |
| | Repairs to Vehicles | 81 | 64 |
| | Seminar Expenses | 49 | 49 |
| | Donations | 21 | 32 |
| | Subscriptions | 16 | 16 |
| | Books & Periodicals | 10 | 10 |
| | Director Sitting Fees | 4 | 3 |
| | Loss on disposal of Property Plant and Equipment | 24 | 40 |
| | Miscellaneous expenses | 319 | 419 |
| | **Total (a)** | **16,652** | **16,431** |

| | Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|---|
| (b) | **Payments to auditors** | | |
| | a) For audit (including limited review) | 28 | 25 |
| | b) For other services | 3 | 3 |
| | c) For reimbursement of expenses | 2 | 1 |
| | **Total** | **32** | **29** |
| (c) | **Expenditure incurred for corporate social responsibility (Refer Note (i) below)** | **96** | **84** |
| | **Total (a) +(b) + ( c )** | **16,780** | **16,544** |

Note

(i) Consequent to the requirements of section 135 of Companies Act 2013, the company has made contributions as stated below . The same is in line with activities specified Schedule VII of Companies Act, 2013.

a) Gross amount required to be spent by the company during the year is ₹81 Million (Previous year ₹77 Million)

b) **Amount spent during the year on corporate social responsibility activities:**

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Construction/acquisition of any asset | - | - |
| On purpose other than above | 96 | 84 |

## 35 Income taxes

**35.1 Amount recognised in profit and loss**

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **Current tax** | | |
| In respect of the current year | 1,122 | 805 |
| In respect of the earlier year | 60 | - |
| **Total** | **1,182** | **805** |
| **Deferred tax** | | |
| In respect of the current year (includes MAT credit utilised amounting to ₹869 (previous year ₹307)) | 939 | 792 |
| **Total** | **939** | **792** |
| **Total income taxes** | **2,121** | **1,597** |

## 36 Amount recognised in Other Comprehensive Income (OCI)

| Particulars | For the year ended March 31, 2020 | | | For the year ended March 31, 2019 | | |
|---|---|---|---|---|---|---|
| | Before tax | Tax (expense)/ Benefit | Net of Tax | Before tax | Tax (expense)/ Benefit | Net of Tax |
| Items that will be not reclassified subsequently to Statement profit and loss: | | | | | | |
| Re-measurement of defined benefit plans | 11 | (4) | 7 | (445) | 154 | (291) |

**36.1 Reconciliation of Effective Tax rate**

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Profit before tax | 6,824 | 4,625 |
| Enacted tax rates in India | 34.94% | 34.94% |
| Income tax expense calculated | 2,384 | 1,616 |
| Effect of income that are not considered in determining taxable profit | (686) | - |
| Long Term Capital gains recognised on sale of investments | 222 | - |
| Effect of impairment recorded in long term investments and advances | 112 | - |
| Effect of tax expenses recorded in respect of previous years not included in profit considered above | 60 | - |
| Effect of expenses that are not deductible in determining taxable profit | 33 | - |
| Reassessment of deferred tax asset recognition on brought forward business losses | (5) | (19) |
| **Total** | **2,121** | **1,597** |

## 37 Segment information

The board of directors have been identified as the Chief Operating Decision Maker (CODM) by the company. Information reported to the CODM for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Healthcare and Retail Pharmacy have been identified as the operating segments. No operating segments have been aggregated in arriving at the reportable segments of the Company.

Company operates mainly in India. Accordingly, there are no additional disclosures to be provided under Ind AS 108, other than those already provided in the financial statements.

**The following are the accounting policies adopted for segment reporting :**

a. Assets, liabilities, revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.

b. Healthcare segment includes hospitals and hospital based pharmacies. Retail pharmacy include pharmacy retail outlets.

c. Inter segment revenue and expenses are eliminated.

The Company has disclosed this Segment Reporting in Financial Statements as per Ind AS 108.

**37.1 Segment revenues and results**

The following is an analysis of the Company's revenue and results from continuing operations by reportable segment.

| Particulars | Segment Revenue | | Segment Profit | |
|---|---|---|---|---|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| Healthcare | 49,747 | 44,514 | 6,428 | 5,501 |
| Retail Pharmacy | 48,206 | 38,860 | 2,902 | 1,682 |
| **Total** | **97,953** | **83,375** | **9,330** | **7,182** |
| Less: Inter Segment Revenue | 9 | 8 | - | - |
| **Sub-Total** | **97,944** | **83,367** | **9,330** | **7,182** |
| **Less:** | | | | |
| Finance costs | | | (4,259) | (2,680) |
| Other un-allocable income, (net of expenditure) | | | 109 | 122 |
| Exceptional item (Refer note 54) | | | 1,644 | - |
| **Profit before tax** | | | **6,824** | **4,625** |

Segment profit represents the profit before tax earned by each segment without allocation of central administration costs and directors' salaries, other income, as well as finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

**37.2 Segment assets and liabilities**

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Segment Assets** | | |
| Healthcare | 67,696 | 60,001 |
| Retail Pharmacy | 20,550 | 11,234 |
| **Total Segment Assets** | **88,246** | **71,234** |
| Unallocated | 13,196 | 13,049 |
| **Total assets** | **101,442** | **84,284** |
| **Segment liabilities** | | |
| Healthcare | 15,515 | 7,348 |
| Retail Pharmacy | 11,275 | 2,250 |
| **Total Segment liabilities** | **26,790** | **9,598** |
| Unallocated | 34,768 | 35,851 |
| **Total liabilities** | **61,558** | **45,449** |

**37.3 Other segment information**

| Particulars | Depreciation and Amortisation | | Addition to Non Current Assets | |
|---|---|---|---|---|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| Healthcare | 3,272 | 2,581 | 11,530 | 4,291 |
| Retail Pharmacy | 1,551 | 418 | 2,599 | 722 |
| **Total** | **4,823** | **2,999** | **14,129** | **5,013** |

For the purpose of monitoring segment performance and allocating resources between segments:

(i) all assets are allocated to reportable segments other than current and deferred tax assets under unallocable assets. Goodwill is allocated to reportable segments as described in note 7

(ii) all liabilities are allocated to reportable segments other than borrowings, interest accrued and not due on these borrowings, current and deferred tax liabilities which are grouped as unallocated liabilities.

Refer note 9 for information on investments in associates and joint ventures accounted under equity method.

## 38 Earnings per Share (EPS)

EPS is calculated by dividing the profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The earnings and the weighted average number of shares used in calculating basic and diluted earnings per share is as follows:

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **Basic and Diluted earnings per share ( Face value ₹5 per share)** | | |
| (i) Income :- | | |
| Profit for the year attributable to the owners of the Company | 4,703 | 3,028 |
| Earnings used in the calculation of basic earnings per share | 4,703 | 3,028 |
| (ii) Weighted average number of equity shares for the purposes of basic earnings per share | 139,125,159 | 139,125,159 |
| (iii) Earnings per share ( Face value ₹5 per share) | | |
| Basic and Diluted | 33.80 | 21.76 |

## Employee Benefit Plans

## 39 Defined contribution plans

The Company makes contributions towards provident fund and employees state insurance as a defined contribution retirement benefit fund for qualifying employees. The provident fund is operated by the regional provident fund commissioner. The amount recognised as expense towards contribution to provident fund amount was ₹561 (Previous year ₹436). The Employee state insurance is operated by the Employee State Insurance corporation. Under these schemes, the Company is required to contribute a specific percentage of the payroll cost as per the statute. The amount recognised as expense towards contribution to Employee State Insurance was ₹204 (Previous year ₹232 million).

The Company has no further obligations in regard of these contribution plans.

## 40 Defined benefit plans

**Gratuity**

The Company operates post-employment defined benefit plan that provide gratuity. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement/exit. The Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation carried out by an independent actuary using the projected unit credit method. The Company recognizes actuarial gains and losses immediately in other comprehensive income, net of taxes. The Company accrues gratuity as per the provisions of the Payment of Gratuity Act, 1972 as applicable as at the balance sheet date.

The Company contributes all ascertained liabilities towards gratuity to the Fund. The plan assets have been primarily invested in insurer managed funds. The company provides for gratuity , a defined benefit retiring plan covering eligible employees. The Gratuity plan provides a lump sum payment to the vested employees at retirement, death, incapacitation or termination of employment based on the respective employees salary and tenure of the employment with the company.

**Disclosures of Defined Benefit Plans based on actuarial valuation reports**

The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

| | |
|---|---|
| **Investment risk** | The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Plan investment is a mix of investments in government securities, and other debt instruments. |





| | |
|---|---|
| **Interest risk** | A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments |
| **Longevity risk** | The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability. |
| **Salary risk** | The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. |

**A. Change in Defined Benefit Obligation**

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Present value of defined benefit obligation as at the beginning of the year | 1,176 | 851 |
| Current service cost | 51 | 63 |
| Interest cost | 78 | 57 |
| Remeasurement (gains)/losses on account of change in actuarial assumptions | (7) | 280 |
| Benefits paid from the fund | (50) | (75) |
| Present value of defined benefit obligation as at the end of the year | 1,248 | 1,176 |

**B. Changes in Fair value of Plan Assets**

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Fair value of plan assets as at the beginning of the year | 836 | 681 |
| Interest income | 59 | 54 |
| Return on plan assets (excluding amounts included in net interest expense) | 5 | 7 |
| Contributions from the employer | 67 | 170 |
| Benefits paid from the fund | (50) | (75) |
| Fair value of plan assets as at the end of the year | 917 | 836 |

**C. Amount recognised in Balance Sheet**

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Present value of funded defined benefit obligation as at the end of the year | 1,248 | 1,176 |
| Fair value of plan assets as at the end of the year | (917) | (836) |
| Net liability arising from defined benefit obligation* | 331 | 340 |
| Restrictions on asset recognised | - | - |
| Others | - | - |
| Net liability arising from defined benefit obligation | 331 | 340 |
| *Included in Provision for gratuity and leave encashment disclosed under note 22. | | |

**D. Expenses recognised in statement of profit and loss**

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Service cost: | | |
| Current service cost | 51 | 63 |
| Past service cost and (gain)/loss from settlements | | - |
| Net interest expense | 19 | 4 |
| Total Expenses/ (Income) recognised in profit and loss* | 70 | 67 |

**E. Expenses recognised in Other Comprehensive Income**

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **Remeasurement on the net defined benefit liability:** | | |
| Return on plan assets (excluding amounts included in net interest expense) | (5) | (7) |
| Actuarial (gains) / losses arising from changes in demographic assumptions | - | (5) |
| Actuarial (gains) / losses arising from changes in financial assumptions | (26) | 12 |
| Actuarial (gains) / losses arising from experience adjustments | 20 | 272 |
| Components of defined benefit costs recognised in other comprehensive income | (11) | 273 |
| Remeasurement (gain)/ loss recognised in respect of other long term benefits | - | 173 |
| **Total of remeasurement (gain)/loss recognised in Other Comprehensive Income (OCI)** | **(11)** | **445** |

Included in Salaries & wages, contribution of provident and other funds refer note 31

**F. Significant Actuarial Assumptions**

| Particulars | Valuation as at | |
|---|---|---|
| | March 31, 2020 | March 31, 2019 |
| Discount rate(s) | 5.45% | 6.76% |
| Expected rate(s) of salary increase | Hospital - 0%(year 1) and 5% for the balance years | Hospital - 6.6% |
| | Pharmacy - 0%(year 1) and 5% for the balance years | Pharmacy - 5.8% |
| Attrition Rate | Hospital - 45% | Hospital - 45% |
| | Pharmacy - 32% | Pharmacy - 32% |
| Retirement Age | 58 years | 58 years |
| Pre-retirement mortality | Indian Assured Lives Mortality (2012-14) Ultimate | Indian Assured Lives Mortality (2012-14) Ultimate |

**G. Category of Assets**

The fair value of the plan assets as at the end of the reporting period for each category, are as follows

| Particulars | Fair value of plan assets as at | |
|---|---|---|
| | March 31, 2020 | March 31, 2019 |
| Insurer managed funds | 917 | 836 |

Each year Asset Liability matching study is performed in which the consequences of strategic investments policies are analysed in terms of risk and returns profiles. Investments and Contributions policies are integrated within this study.

### H. Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

| | March 31, 2020 | March 31, 2019 | 31-Mar-20 | 31-Mar-19 | 31-Mar-20 | 31-Mar-19 |
|---|---|---|---|---|---|---|
| Discount rate | +100 basis points | +100 basis points | | | 1,347 | 1,154 |
| | -100 basis points | -100 basis points | 1,399 | 1,198 | | |
| Salary growth rate | + 100 basis points | + 100 basis points | 1,393 | 1,193 | | |
| | - 100 basis points | - 100 basis points | | | 1,353 | 1,159 |
| Attrition rate | + 100 basis points | + 100 basis points | | | 1,371 | 1,174 |
| | - 100 basis points | - 100 basis points | 1,374 | 1,178 | | |

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

**I. Expected future contribution and estimated future benefit payments from the fund are as follows:**

| Particulars | Amount |
|---|---|
| Expected contribution to the fund during the year ended March 31, 2021 | 459 |
| Estimated benefit payments from the fund for the year ended March 31 | |
| 2021 | 335 |
| 2022 | 207 |
| 2023 | 130 |
| 2024 | 83 |
| 2025 | 51 |
| Thereafter | 82 |

## 41 Long Term Benefit Plans

**41.1 Leave Encashment Benefits**

The company pays leave encashment benefits to employees as and when claimed subject to the policies of the company. The company provides leave benefits through annual contributions to the fund managed by HDFC Life.

**The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows.**

| Particulars | Valuation as at | |
|---|---|---|
| | 31-Mar-20 | 31-Mar-19 |
| Discount rate(s) | 5.45% | 6.76% |
| Expected rate(s) of salary increase | Hospital - 0%(year 1) and 5% for the balance years | Hospital - 6.6% |
| | Pharmacy - 0%(year 1) and 5% for the balance years | Pharmacy - 5.8% |
| Attrition Rate | Hospital - 45% | Hospital - 45% |
| | Pharmacy - 32% | Pharmacy - 32% |

# 42. Financial instruments

### 42.1 Capital management

The Company manages its capital to ensure it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.The capital structure of the Company consists of net debt and total equity of the Company. The Company is not subject to any externally imposed capital requirements.

The Company's risk management committee reviews the capital structure of the Company on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The Company has a target gearing ratio of 100% of net debt determined as the proportion of net debt to total equity. The gearing ratio at March 31, 2020 of 71% (see below) was within the target range.

**Gearing ratio**

**The gearing ratio at end of the reporting period was as follows.**

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Debt (includes Borrowings , Current Maturities of Long term Debt and unpaid deposits - Refer Note 20.1) | 31,599 | 32,391 |
| Cash and Cash Equivalents (include other bank balances - Refer note 15 and 16) | 3,465 | 2,777 |
| Net Debt | 28,134 | 29,615 |
| Total Equity | 39,883 | 38,834 |
| **Net debt to equity ratio** | 71% | 76% |

### 42.2 Categories of financial instruments

**Financial assets**

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Measured at fair value through profit or loss (FVTPL)** | | |
| (i) Investments in Equity Instruments (Other than Subsidiaries, Joint Ventures and Associates) | 93 | 54 |
| (ii) Investments in Mutual Funds | 275 | 126 |
| (iii) Derivative Instruments | 67 | 288 |
| **Measured at amortised cost** | | |
| (i) Cash and Cash Equivalents (include other bank balances - Refer note 15 and 16) | 3,465 | 2,777 |
| (ii) Trade Receivables | 9,661 | 9,093 |
| (iii) Loans | 452 | 196 |
| (iv) Other Financial Assets | 2,830 | 3,392 |
| (v) Finance Lease receivables | 5 | 5 |
| (vi) Investments in debentures and preference shares | 426 | 426 |
| **Measured at Cost/Carrying value** | | |
| (i) Investments in Subsidiaries | 8,016 | 7,938 |
| (ii) Investments in Associates | 479 | 836 |
| (iii) Investments in Joint Ventures | 1,473 | 1,473 |
| **Financial liabilities** | | |
| **Measured at amortised cost** | | |
| (a) Trade Payables | 7,274 | 5,364 |
| (b) Borrowings | 29,566 | 30,530 |
| (c) Other Financial Liabilities | 19,191 | 4,300 |



### 42.3 Financial risk management objectives

The Company's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The company's exposure to credit risk is primarily from trade receivables which are in the ordinary course of business influenced mainly by the individual characteristic of each customer.

The company's exposure to currency risk is on account of borrowings and other credit facilities demoninated in currency other than Indian Rupees. The Company seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non -derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Corporate Treasury function reports quarterly to the Company's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

The Company's activities expose it to the financial risks of changes in foreign currency exchange rates and interest rates. For the purpose of managing its exposure to foreign currency and interest rate risk, the Company enters into a variety of derivative financial instruments, i.e. cross currency interest rate swaps.

### 42.4 Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk using currency cum interest swaps.

### 42.5 Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts

**The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.**

| Particulars | Liabilities as at | | Assets at | |
|---|---|---|---|---|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| Foreign Currency Borrowings ( in USD ) | 8 | 35 | - | - |
| Foreign Currency Borrowings ( in INR ) | 601 | 2,410 | - | - |
| Trade Payables (in EURO) | 7 | - | - | - |
| Trade Payables (in INR) | 568 | - | - | - |
| Trade Receivables ( in USD) | - | - | 0.69 | - |
| Trade Receivables ( in INR) | - | - | 48.63 | - |

**Foreign currency sensitivity analysis**

Of the above, The borrowings of USD 8 Million as at March 31, 2020 and USD 32.86 Million as at March 31, 2019 are completely hedged against foreign currency fluctuation using forward contracts and Interest rate swaps. Therefore the exposure of the company of foreign exchange risk is limited to unhedged borrowings and trade payables denominated in foreign currency for which below sensitivity is provided

The Company is mainly exposed to currency dollars for credit facilities and EURO in resepct of trade payables.

The following table details the Company's sensitivity to a 10% increase and decrease in the ₹against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the ₹strengthens 10% against the relevant currency. For a 10% weakening of the ₹against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

| Particulars | Impact of Foreign Currency | | | |
|---|---|---|---|---|
| | 2019-2020 | | 2018-2019 | |
| | +10% | (10%) | +10% | (10%) |
| Impact on Statements of profit and loss | (52) | 52 | (13) | 13 |
| Impact on Equity | (52) | 52 | (13) | 13 |

The Company has entered into derivative contracts with banks for its External Commercial Borrowings for interest and currency risk exposure to manage and mitigate its exposure to foreign exchange rates.

### 42.6 Interest rate risk management

The Company is exposed to interest rate risk because the Company borrow funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts and forward interest rate contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

**Interest rate sensitivity analysis**

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's:

Profit for the year ended March 31, 2020 would decrease/increase by ₹130 Million (Previous year- decrease/ increase by ₹115 million). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings

**Interest rate sensitivity analysis**

Under interest rate swap contracts, the Company agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts for borrowings in foreign currency. Such contracts enable the Company to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures on the issued variable rate debt. The average interest rate is based on the outstanding balances at the end of the reporting period.

### 42.7 Cross Currency Interest rate swap contracts

Under interest rate swap contracts, the Company agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Company to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures on the issued variable rate debt. The average interest rate is based on the outstanding balances at the end of the reporting period. The Cross Currency Interest Rate Swaps on External Currency Borrowings hedges the interest rate risk on the USD Borrowing.

| Outstanding Contracts | Average Exchange Rates | Foreign Currency | Nominal Amount | Fixed Interest Rate | Fair Value |
|---|---|---|---|---|---|
| Contract 1 | 66.41 | USD 8,000,000 | 531,280,000 | 9.20% | 67 |

### 42.8 Equity price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/lower:

• profit for the year ended March 31, 2020 would increase/decrease by ₹35 (previous year ₹39) as a result of the changes in fair value of equity investments which have been designated at FVTPL"

As at 31 March 2020 the company has quoted investments only in Indraprastha Medical Corporation Limited.

### 42.9 Credit risk management

Credit risk is a risk of financial loss to the Company arising from counterparty failure to repay according to contractual terms or obligations. Majority of the Company's transactions are earned in cash or cash equivalents. The Trade Receivables comprise mainly of receivables from Insurance Companies, Corporate customers, Public Sector Undertakings, State/Central Governments. The Insurance Companies are required to maintain minimum reserve levels and the Corporate Customers are enterprises with high credit ratings. Accordingly, the Company's exposure to credit risk in relation to trade receivables is considered low. Before accepting any new credit customer, the Company uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed annually. The outstanding with the debtors is reviewed periodically.

Refer Note 12 For the credit risk exposure , ageing of trade receivable and impairment methodology for financial assets

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

In addition to the aforementioned, the company also has credit risk exposure in respect of financial guarantee for a value of ₹35 Million issued to the bank on behalf of its subsidiary company, Future Parking Private Limited as a security to the financing facilities secured by the subsidiary company. As at March 31, 2020, an amount of ₹0.39 Million (Previous year ₹0.39 Million) has been recognised as the fair value through profit/loss.

### 43 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

### 43.1 Liquidity and interest risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

| Particulars | Weighted average effective interest rate( %) | Less than 1 year | 1 Year to 5 years | > 5 years |
|---|---|---|---|---|
| **March 31, 2020** | | | | |
| Non-interest bearing | | 10,212 | 50 | - |
| Variable interest rate instruments | 8.01% | 6,705 | 5,908 | 13,384 |
| Fixed interest rate instruments | 8.25% | 2 | 2,000 | 3,000 |
| Lease Liabilities | | 1,244 | 4,727 | 9,441 |
| Financial guarantee contracts | | - | - | - |
| **Total** | | **18,164** | **12,686** | **25,825** |
| **March 31, 2019** | | | | |
| Non-interest bearing | - | 7,762 | 42 | - |
| Variable interest rate instruments | 8.43% | 5,571 | 4,213 | 13,315 |
| Fixed interest rate instruments | 9.07% | 13 | 2,000 | 5,000 |
| Financial guarantee contracts | - | - | - | - |
| **Total** | | **13,347** | **6,254** | **18,316** |

Non Interest bearing includes Trade Payables, Current Financial Liabilities, Non Current Financial liabilities excluding current maturities of Long term debts

Variable interest rate instruments and Fixed Interest rate instruments includes Long Term and Short Term Borrowings and current maturities of long term debt

**The carrying amounts of the above are as follows:**

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Non-interest bearing | 10,262 | 7,803 |
| Variable interest rate instruments | 25,998 | 23,099 |
| Fixed interest rate instruments | 5,002 | 7,013 |
| Financial guarantee contracts | - | - |
| Financial Lease liability | 15,412 | - |
| **Total** | **56,675** | **37,916** |

The amounts included above for financial guarantee contracts represents the fair value. The maximum amounts the Company could be forced to settle under the arrangement for the full guaranteed amount is ₹35 miilion,if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.





The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non -derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

| Particulars | Less than 1 year | 1 Year to 5 years | > 5 years |
|---|---|---|---|
| **March 31, 2020** | | | |
| Non-interest bearing | 10,518 | - | 2,044 |
| Fixed Interest Rate Instruments | - | 382 | - |
| **Total** | **10,518** | **382** | **2,044** |
| **March 31, 2019** | | | |
| Non-interest bearing | 10,378 | - | 2,112 |
| Fixed Interest Rate Instruments | - | 196 | - |
| **Total** | **10,378** | **196** | **2,112** |

Non Interest bearing includes Trade Receivables, Current Financial assets and Non current financial assets

Fixed Interest Rate Instruments includes Loans

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

The following table details the Company's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

| Particulars | Less than 1 year | 1-5 years | 5+ years |
|---|---|---|---|
| **March 31, 2020** | | | |
| - Cross Currency interest rate swaps | 601 | - | - |
| **Total** | **601** | **-** | **-** |
| **March 31, 2019** | | | |
| - Cross Currency interest rate swaps | 1,279 | 999 | - |
| **Total** | **1,279** | **999** | **-** |

**43.2 Financing facilities**

The Company has access to financing facilities as described below. The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

| Particulars | As at 31-Mar-20 | As at 31-Mar-19 |
|---|---|---|
| **Secured bank loan facilities** | | |
| - amount used | 30,836 | 30,710 |
| - amount unused | 3,664 | 3,350 |
| **Total** | **34,500** | **34,060** |
| **Unsecured bank loan facilities:** | | |
| - amount used | 3,071 | 2,014 |
| - amount unused | 2,507 | 714 |
| **Total** | 5,578 | 2,728 |

# 44 Information on Related Party Transactions as required by Ind AS 24 - Related Party Disclosures for the year ended March 2020

| S.No | Name of the company | Country of Incorporation | % of Holding as at March 31, 2020 | % of Holding as at March 31, 2019 |
|---|---|---|---|---|
| **A)** | **Subsidiary Companies: (where control exists)** | | | |
| 1 | Apollo Home Healthcare (India) Limited | India | 100 | 100 |
| 2 | AB Medical Centres Limited | India | 100 | 100 |
| 3 | Apollo Health and Lifestyle Limited | India | 70.25 | 70.25 |
| 4 | Apollo Nellore Hospitals Limited | India | 80.87 | 79.44 |
| 5 | Imperial Hospitals and Research Centre Limited | India | 90 | 90 |
| 6 | Samudra Health Care Enterprises Limited | India | 100 | 100 |
| 7 | Western Hospitals Corporation (P) Limited | India | 100 | 100 |
| 8 | Apollo Hospitals (UK) Limited | United Kingdom | 100 | 100 |
| 9 | Sapien Biosciences Private Limited | India | 70 | 70 |
| 10 | Assam Hospitals Limited | India | 65.52 | 62.32 |
| 11 | Apollo Lavasa Health Corporation Limited | India | 51 | 51 |
| 12 | Apollo Rajshree Hospitals Private Limited | India | 54.63 | 54.63 |
| 13 | Total Health | India | 100 | 100 |
| 14 | Apollo Home Healthcare Limited | India | 70.75 | 58.12 |
| 15 | Apollo Healthcare Technology Solutions Limited | India | - | 40 |
| 16 | Apollo Hospitals International Limited | India | 50 | 50 |
| 17 | Future Parking Private Limited | India | 49 | 49 |
| 18 | Apollo Hospitals Singapore Private Limited | Singapore | 100 | 100 |
| 19 | Apollo Medicals Private Limited | India | 100 | 100 |
| **B)** | **Step Down Subsidiary Companies** | | | |
| 1 | Alliance Dental Care Limited | India | 69.54 | 69.54 |
| 2 | Apollo Dialysis Private Limited | India | 59.30 | 59.53 |
| 3 | Apollo Sugar Clinics Limited | India | 80 | 80 |
| 4 | Apollo Specialty Hospitals Pvt Ltd | India | 100 | 100 |
| 5 | Apollo CVHF Limited | India | 66.67 | 66.67 |
| 6 | Apollo Bangalore Cradle Limited | India | 100 | 100 |
| 7 | Kshema Health Care Private Limited | India | 100 | 100 |
| 8 | Apollo Pharmacies Limited | India | 100 | 100 |
| 9 | AHLL Diagnostics Limited | India | 100 | 100 |
| 10 | AHLL Risk Management Private Limited | India | 100 | 100 |
| **C)** | **Joint Ventures** | | | |
| 1 | Apollo Gleneagles Hospital Limited | India | 50 | 50 |
| 2 | Apollo Gleneagles PET-CT Private Limited | India | 50 | 50 |
| 3 | Apokos Rehab Private Limited | India | 50 | 50 |
| 4 | Medics International Lifesciences Limited | India | 50 | 50 |





| S.No | Name of the company | Country of Incorporation | % of Holding as at March 31, 2020 | % of Holding as at March 31, 2019 |
|---|---|---|---|---|
| **D)** | **Associates** | | | |
| 1 | Family Health Plan Insurance TPA Limited | India | 49 | 49 |
| 2 | Indraprastha Medical Corporation Limited | India | 22.03 | 22.03 |
| 3 | Apollo Munich Health Insurance Company Limited | India | - | 9.96 |
| 4 | Stemcyte India Therapeutics Private Limited | India | 24.50 | 24.50 |
| 5 | Apollo Amrish Oncology Services (P) Limited | India | 50 | 50 |
| **E)** | **Key Management Personnel** | | | |
| 1 | Dr. Prathap C Reddy | | | |
| 2 | Smt. Suneeta Reddy | | | |
| 3 | Smt. Preetha Reddy | | | |
| 4 | Smt. Sangita Reddy | | | |
| 5 | Smt. Shobana Kamineni | | | |
| 6 | Shri. Krishnan Akhileswaran | | | |
| 7 | Shri. S M Krishnan | | | |
| **F)** | **Directors** | | | |
| 1 | Shri. Vinayak Chatterjee | | | |
| 2 | Dr. T.Rajgopal | | | |
| 3 | Dr. Murali Doraiswamy | | | |
| 4 | Smt. V.Kavitha Dutt | | | |
| 5 | Shri. MBN Rao | | | |
| 6 | Shri. N.Vaghul | | | ( Refer note i) |
| 7 | Shri. Deepak Vaidya | | | ( Refer note ii) |
| 8 | Shri. BVR Mohan Reddy | | | (Refer note iii) |
| 9 | Shri. G.Venkatraman | | | (Refer note iv) |
| 10 | Shri. Sanjay Nayar | | | (Refer note v) |
| **G)** | **Enterprises over which key managerial personnel and their relatives are able to exercise significant influence / control / joint control** | | | |
| 1 | Adeline Pharma Private Limited | | | |
| 2 | AMG Healthcare Destination Private Limited | | | |
| 3 | Apollo Education Research Foundation | | | |
| 4 | Apollo Hospitals Educational Trust | | | |
| 5 | Apollo Institute of Medical Sciences And Research | | | |
| 6 | Apollo Medical Centre LLC | | | |
| 7 | Apollo Medskills Limited | | | |
| 8 | Apollo Shine Foundation | | | |
| 9 | Apollo Sindoori Hotels Limited | | | |
| 10 | Apollo Tele-health Services Private Limited | | | |
| 11 | Apollo Teleradiology Private Limited | | | |
| 12 | Apeejay Surrendra Park Hotels Limited | | | |

| S.No | Name of the company | Country of Incorporation | % of Holding as at March 31, 2020 | % of Holding as at March 31, 2019 |
|---|---|---|---|---|
| 13 | ATC Pharma Private Limited | | | |
| 14 | Dhruvi Pharma Private Limited | | | |
| 15 | Dynavision Limited | | | |
| 16 | Emedlife Insurance Broking Services Limited | | | |
| 17 | Faber Sindoori Management Services Private Limited | | | |
| 18 | Focus Medisales Private Limited | | | |
| 19 | Healthnet Global Limited | | | |
| 20 | Indian Hospital Corporation Limited | | | |
| 21 | Indo- National Limited | | | |
| 22 | IRIS Healthcare Technologies Private Limited | | | |
| 23 | Keimed Limited | | | |
| 24 | Kurnool Hospital Enterprise Limited | | | |
| 25 | Lifetime Wellness Rx International Limited | | | |
| 26 | Lucky Pharmaceuticals Private Limited - New Delhi | | | |
| 27 | Matrix Agro Private Limited | | | |
| 28 | Medihauxe Healthcare Private Limited | | | |
| 29 | Medihauxe International Private Limited | | | |
| 30 | Medihauxe Pharma Private Limited | | | |
| 31 | Medvarsity Online Limited | | | |
| 32 | Meher Distributors Private Limited | | | |
| 33 | Meher Distributors Private Limited - Mumbai | | | |
| 34 | Neelkanth Drugs Private Limited | | | |
| 35 | Olive & Twist Hospitality Private Limited | | | |
| 36 | P. Obul reddy & Sons | | | |
| 37 | Palepu Pharma Private Limited | | | |
| 38 | PCR Investments Limited | | | |
| 39 | Sanjeevani Pharma Distributors Private Limited | | | |
| 40 | Searchlight Health Private Limited | | | |
| 41 | Shree Amman Pharma Private Limited | | | |
| 42 | Srinivasa Medisales Private Limited | | | |
| 43 | Vardhaman Pharma Distributors Private Limited | | | |
| 44 | Vasu Agencies Hyderabad Private Limited | | | |
| 45 | Vasu Pharma Distributors Hyderabad Private Limited | | | |
| 46 | Vasu Vaccines & Speciality Drugs Private Limited | | | |

Note :-

(i) Shri N. Vaghul ceased to be a director wef 1st April 2019

(ii) Shri Deepak Vaidya resigned wef 5th September 2018

(iii) Shri BVR Mohan Reddy resigned wef 20th August 2018

(iv) Shri G. Venkatraman ceased to be a director wef 1st April 2019

(v) Shri Sanjay Nayar resigned wef 9th February 2019





**44.1 Details of Related Party Transactions during the year ended March 2020:**

| Entity Name | Type of transaction | As at and for the year ended March 31, 2020 | As and for the year ended March 31, 2019 |
|---|---|---|---|
| 1 Apollo Rajshree Hospitals Private Limited | Investments in equity | 327 | 327 |
| | Reimbursement of expenses | 0.26 | 1 |
| | Revenue from operations | 130 | 153 |
| | Trade receivable as at year end | 135 | 135 |
| 2 Kurnool Hospital Enterprises Limited | Investments in equity | 2 | 2 |
| | Revenue from operations | 1 | 1 |
| | Trade receivable as at year end | 2 | 8 |
| 3 Samudra Healthcare Enterprises Limited | Investments in equity | 251 | 251 |
| | Revenue from operations | 84 | 81 |
| | Reimbursement of expenses | 1 | 84 |
| | Other receivable as at year end | 34 | 50 |
| | Trade receivable as at year end | 87 | 91 |
| 4 Apollo Home Healthcare Limited | Investments in equity | 197 | 125 |
| | Investment in debentures | - | 72 |
| | Revenue from operations | 8 | 7 |
| | Loans given | 15 | - |
| | Reimbursement of expenses | 0.21 | 5 |
| | Interest receivable | 29 | 27 |
| | Interest Income | 3 | 10 |
| | Other receivable as at year end | 11 | 14 |
| | Trade receivable as at year end | 5 | 3 |
| 5 Apollo Gleneagles Hospital Limited | Investments in equity | 393 | 393 |
| | Revenue from operations | 1,326 | 1,173 |
| | Reimbursement of expenses | 42 | 59 |
| | Other receivable as at year end | 74 | 85 |
| | Trade receivable as at year end | 803 | 903 |
| 6 Apollo Healthcare Technology Solutions Limited | Investments in equity | - | 0.20 |
| 7 Apollo Sugar Clinics Limited | Rental Income | 12 | 14 |
| | Share of revenue from operations | 100 | 290 |
| | Lab cost | 109 | 127 |
| | Pharmacy income | 12 | 0.10 |
| | IT Cost | 1 | 19 |
| | Marketing Cost | - | 12 |
| | Consultancy fee to doctors | 2 | 6 |
| | Investigation Expenses | 7 | - |
| | Payable as at year end | 31 | 48 |

| Entity Name | Type of transaction | As at and for the year ended March 31, 2020 | As and for the year ended March 31, 2019 |
|---|---|---|---|
| 8 Apollo Hospital International Limited | Investments in equity | 480 | 480 |
| | Investments in preferences | 110 | 110 |
| | Reimbursement of expenses | 24 | 29 |
| | Revenue from operations | 1 | 1 |
| | Other receivable as at year end | 33 | 38 |
| | Trade receivable as at year end | 37 | 35 |
| 9 Apollo Medskills Limited | Investigation Income | 0.02 | 1 |
| | Loans given | 77 | - |
| | Reimbursement of expenses | 0.23 | 1 |
| | Other receivable as at year end | 5 | 0.07 |
| 10 Apollo Gleneagles PET-CT Private Limited | Investments in equity | 85 | 85 |
| | Services availed | 40 | 37 |
| | Revenue from operations | 3 | 4 |
| | Reimbursement of expense | 17 | 42 |
| | Receivable as at year end | 4 | 7 |
| 11 APOKOS Rehab Private Limited | Investments in equity | 85 | 85 |
| | Rental Income | 17 | 16 |
| | Reimbursement of expense | 16 | 11 |
| | Revenue from operations | 3 | 4 |
| | Other receivable as at year end | 21 | 12 |
| | Trade receivable as at year end | 1 | 0.33 |
| 12 Apollo Hospitals Education Research Foundation | Reimbursement of expenses | 22 | 34 |
| | Other receivable as at year end | 52 | 21 |
| 13 Medvarsity Online Limited | Reimbursement of expense | 4 | 1 |
| | Revenue from Operation during the year (Dem Course) | 2 | 1 |
| | Receivable as at year end | 4 | 5 |
| 14 Apollo Institute of Medical Sciences And Research | Rental Income | 12 | 13 |
| | Power charges paid | - | 18 |
| | Revenue from Operations | 3 | 1 |
| | Other receivable as at year end | 23 | 10 |
| 15 Lifetime Wellness Rx International Limited | Revenue from Operations | 55 | 20 |
| | Loan outstanding | 148 | 92 |
| | Reimbursement of expense | 19 | 30 |
| | Trade receivable as at year end | 22 | 147 |
| 16 Apollo Tele-health Services Private Limited | Revenue from Operations | 0.22 | 10 |
| | Reimbursement of expenses | 23 | 26 |
| | Payable as at year end | 9 | 9 |

| Entity Name | Type of transaction | As at and for the year ended March 31, 2020 | As and for the year ended March 31, 2019 |
|---|---|---|---|
| 17 Apollo Health & Lifestyle Limited | Investment in equity | 4,191 | 3,840 |
| | Pharmacy Income | 54 | 54 |
| | Commission on turnover | 2 | 10 |
| | Reimbursement of expense during the year | 3 | 2 |
| | Interest expenses | - | 12 |
| | Security deposit | 35 | 35 |
| | Interest payable | - | 12 |
| | Receivable as at year end | 43 | 20 |
| 18 Apollo Specialty Hospital Private Limited | Revenue from Operations (Lab Tests) | 14 | 111 |
| | Pharmacy Income | 189 | 123 |
| | Commission on turnover | 58 | 10 |
| | Sponsorship income | - | 2 |
| | Reimbursement of expenses | 31 | 1 |
| | Lease deposit | - | 13 |
| | Receivable as at year end | 217 | 160 |
| 19 Indraprastha Medical Corporation Limited | Dividend received | 32 | 30 |
| | Reimbursement of expenses | 25 | 178 |
| | Revenue of Operations | 1,869 | 1,711 |
| | Licence Fees | 12 | 12 |
| | Investment in equity | 394 | 394 |
| | Other receivable as at year end | 18 | 1 |
| | Trade receivable as at year end | 375 | 338 |
| 20 Imperial Cancer Hospital & Research Centre Limited | Investment in equity | 1,273 | 1,273 |
| | Reimbursement of expenses | 32 | 37 |
| | Revenue of Operations | 554 | 536 |
| | Other receivable as at year end | 178 | 135 |
| | Trade receivable as at year end | 173 | 190 |
| 21 Apollo Teleradiology Private Limited | Project revenue | 0.34 | 6 |
| | Payable as at year end | 0.09 | 4 |
| 22 Apollo Medical Centre LLC | Reimbursement of expense during the year (Travel) | - | 2 |
| | Receivable as at year end | 17 | 17 |
| 23 Family Health Plan Insurance TPA Limited | Investments | 5 | 5 |
| | Receivable as at year end | 58 | 17 |
| 24 Apollo Hospitals Educational Trust | Rental Income | 4 | 17 |
| | Receivable as at year end | 8 | (2) |

| Entity Name | Type of transaction | As at and for the year ended March 31, 2020 | As and for the year ended March 31, 2019 |
|---|---|---|---|
| 25 Apollo Sindoori Hotels Limited | Outsourcing Expenses - Food & Beverage | 1,063 | 992 |
| | Payable as at year end | 272 | 188 |
| 26 Healthnet Global Limited | Service Charges | 19 | - |
| | Other receivable as at year end | 36 | (1) |
| 27 Faber Sindoori Management Services Private Limited | Outsourcing Expenses - Housekeeping & others | 1,029 | 906 |
| | Payable as at year end | 126 | 139 |
| 28 Sapien Bio Sciences Private Limited | Investments in equity | 0.10 | 0.10 |
| | Investments in preference | 26 | 26 |
| | Reimbursement expenses | 2 | 2 |
| | Rent | - | 1 |
| | Interest receivable | - | 1 |
| | Receivable as at year end | 0.09 | 6 |
| 29 Apollo Munich Health Insurance Company Limited | Investments in equity | - | 357 |
| | Investments in debentures | 80 | 80 |
| | Interest receivable | - | 6 |
| | Interest income | - | 7 |
| | Group med claim expenses incurred | - | 109 |
| | Receivable as at year end | - | (2) |
| 30 Alliance Dental Care Limited | Share of revenue | 74 | 71 |
| | Payable as at year end | 8 | 20 |
| 31 Matrix Agro Private Limited | Power charges paid | 46 | 35 |
| | Payable as at year end | 0.43 | 3 |
| 32 Western Hospitals Corporation Private Limited | Investments In equity | 154 | 154 |
| | Reimbursement of expense during the year (Travel) | 2 | 0.06 |
| | Loan o/s | 137 | 88 |
| | Interest expenses | - | 1 |
| | Interest Income | 12 | 5 |
| | Interest receivable | 16 | 5 |
| | Payable as at year end | 4 | 0.06 |
| 33 Assam Hospitals Limited | Investments In equity | 739 | 699 |
| | Dividend received | 4 | 3 |
| | Management Fees | 26 | 21 |
| | Other receivable as at year end | 10 | 3 |
| | Trade receivable as at year end | 20 | 6 |
| 34 Stemcyte India Therapeutics Private Limited | Investments In equity | 80 | 80 |
| 35 Medics International Lifesciences Limited | Revenue from Operations | 41 | - |
| | Interest income | - | 13 |
| | Investments in equity | 910 | 910 |

| Entity Name | Type of transaction | As at and for the year ended March 31, 2020 | As and for the year ended March 31, 2019 |
|---|---|---|---|
| | Interest receivable | 12 | 12 |
| | Receivable as at year end | 40 | 2 |
| 36 Apollo Lavasa Health Corporation Limited | Investments in equity | 312 | 312 |
| | Reimbursement of expenses | 2 | 0.11 |
| | Rent expenses | - | 0.17 |
| | Receivable as at year end | 0.08 | 4 |
| | Departmental sales | 0.03 | 0.05 |
| 37 P. Obul reddy & Sons | Purchase of furniture and fixtures | 20 | 0.43 |
| 38 Future Parking Private Limited | Investments in equity | 24 | 24 |
| | Investments in preference | 210 | 210 |
| | Rental Expenses for the year | 29 | 26 |
| | Corporate Guarantee issued | 35 | 35 |
| | Right-of-Use Asset | 380 | - |
| | Prepaid lease rentals | - | 170 |
| | Lease liability | 210 | - |
| | Payable as at year end | 12 | 9 |
| 39 Total Health | Investments in equity | 5 | 5 |
| | Purchase of Jute bags | 1 | 3 |
| | Purchase of medicines | 1 | 1 |
| | CSR Expenses | 20 | 20 |
| | Receivable as at year end | 10 | 5 |
| 40 Apollo Nellore Hospitals Limited | Investments in equity | 54 | 54 |
| | Rent | 8 | 8 |
| | Lease deposit given | 8 | 8 |
| | Payable as at year end | 37 | 29 |
| 41 AB Medicals Centers Limited | Investments in equity | 22 | 22 |
| | Rent | 9 | 9 |
| | Payable as at year end | 53 | 46 |
| 42 Apollo Singapore Pte Ltd | Investments in equity | 1 | 1 |
| 43 Apollo Hospitals (UK) Ltd | Investments in equity | 0.39 | 0.39 |
| 44 Apollo Home Healthcare (I) Limited | Investments in equity | 297 | 297 |
| 45 Keimed Private Limited | Purchases | 6,552 | 6,111 |
| | Payable as at year end | 80 | 156 |
| 46 Sanjeevani Pharma Distributors Private Limited | Purchases | 3,277 | 2,799 |
| | Payable as at year end | 127 | 237 |
| 47 Palepu Pharma Private Limited | Purchases | 5,625 | 5,253 |
| | Payable as at year end | 83 | 87 |
| 48 Medihauxe International Private Limited | Purchases | 658 | 580 |
| | Payable as at year end | 58 | 53 |

| Entity Name | Type of transaction | As at and for the year ended March 31, 2020 | As and for the year ended March 31, 2019 |
|---|---|---|---|
| 49 Medihauxe Pharma Private Limited | Purchases | 297 | 264 |
| | Payable as at year end | 13 | 21 |
| 50 Vardhaman Pharma Distributors Private Limited | Purchases | 70 | 140 |
| | Payable as at year end | 28 | - |
| 51 Focus Medisales Private Limited | Purchases | 1 | 39 |
| | Payable as at year end | 0.01 | 0.08 |
| 52 Srinivasa Medisales Private Limited | Purchases | 3,402 | 2,814 |
| | Payable as at year end | 131 | 137 |
| 53 Meher Distributors Private Limited | Purchases | 1,001 | 780 |
| | Payable as at year end | 77 | 35 |
| 54 Lucky Pharmaceuticals Private Limited | Purchases | 1,215 | 1,057 |
| | Payable as at year end | 119 | 42 |
| 55 Neelkanth Drugs Private Limited | Purchases | 2,097 | 1,823 |
| | Payable as at year end | 125 | 87 |
| 56 Dhruvi Pharma Private Limited | Purchases | 1,125 | 850 |
| | Payable as at year end | 114 | 60 |
| 57 Apollo Amrish Oncology Services Private Limited | Pharmacy income | 0.02 | 0.01 |
| 58 Apollo Shine Foundation | Pharmacy Income | 1 | 0.50 |
| | Loan | 6 | 16 |
| | Payable as at year end | 2 | 0.50 |
| 59 Adeline Pharma Private Limited | Purchases | 584 | 513 |
| | Payable as at year end | 52 | 39 |
| 60 Indian Hospital Corporation Limited | Rent Income | 0.12 | 0.12 |
| | Receivable at year end | 0.01 | 0.01 |
| 61 PCR Investments Limited | Rent Income | 0.12 | 0.12 |
| | Receivable at year end | 0.01 | 0.01 |
| 62 Apollo Bangalore Cradle Limited | Revenue from operations | 25 | 26 |
| | Receivable at year end | 65 | 65 |
| 63 Medihauxe Healthcare Private Limited | Purchases | 111 | 92 |
| | Payable as at year end | 6 | 4 |
| 64 Emedlife Insurance Broking Services Limited | Receivable at year end | 0.09 | 0.18 |
| 65 Indo- National Limited | Purchases | 32 | 1 |
| | Payable as at year end | 6 | - |
| 66 Apollo Dialysis Private Limited | Share of revenue | 173 | 65 |
| | Pharmacy income | 0.15 | 0.25 |
| | Payable as at year end | 17 | 4 |
| 67 Vasu Agencies Hyderabad Private Limited | Purchases | 2,586 | 2,263 |
| | Payable as at year end | 160 | 75 |

| Entity Name | Type of transaction | As at and for the year ended March 31, 2020 | As and for the year ended March 31, 2019 |
|---|---|---|---|
| 68 Vasu Vaccines & Speciality Drugs Private Limited | Purchases | 49 | 26 |
| | Payable as at year end | 4 | 4 |
| 69 Vasu Pharma Distributors Hyderabad Private Limited | Purchases | 1 | 1 |
| | Payable as at year end | 0.05 | 0.03 |
| 70 ATC Pharma Private Limited | Purchases | 27 | - |
| | Payable as at year end | 6 | - |
| 71 Apollo Medicals Private Limited | Advance Paid | 9 | - |
| | Receivable at year end | 9 | - |
| 72 Shree Amman Pharma Private Limited | Purchases | 11 | - |
| | Payable as at year end | 2 | - |
| 73 Dynavision Limited | Rent | 72 | 66 |
| | Payable as at year end | 6 | 6 |
| 74 Searchlight Health Private Ltd | Advertisement Charges | 29 | 9 |
| | Payable as at year end | 3 | 4 |
| 75 Olive & Twist Hospitality Private Limited | Outsourcing Expenses | 17 | - |
| | Payable as at year end | 0.22 | - |
| 76 Dr. Prathap C Reddy | Remuneration Paid | 121 | 97 |
| 77 Smt. Preetha Reddy | Remuneration Paid | 47 | 40 |
| 78 Smt. Suneeta Reddy | Remuneration Paid | 47 | 40 |
| 79 Smt. Sangita Reddy | Remuneration Paid | 47 | 40 |
| 80 Smt. Shobana Kamineni | Remuneration Paid | 47 | 40 |
| 81 Shri Krishnan Akhileswaran | Remuneration Paid | 25 | 20 |
| 82 Shri S M Krishnan | Remuneration Paid | 7 | 7 |
| 83 Shri Sanjay Nayar | Remuneration paid | - | 1 |
| 84 Shri Vinayak Chatterjee | Remuneration paid | 2 | 2 |
| 85 Shri N. Vaghul | Remuneration paid | - | 2 |
| 86 Shri Deepak Vaidya | Remuneration paid | - | 1 |
| 87 Shri BVR Mohan Reddy | Remuneration paid | - | 1 |
| 88 Dr T. Rajgopal | Remuneration paid | 2 | 2 |
| 89 Shri Mr. G. Venkatraman | Remuneration paid | - | 2 |
| 90 Dr. Murali Doraiswamy | Remuneration paid | 2 | 1 |
| 91 Smt. V. Kavitha Dutt | Remuneration paid | 1 | 0.27 |
| 92 Shri. MBN Rao | Remuneration paid | 2 | 0.32 |

## 45 Fair Value Measurements

**Fair Value of Company's financial assets and liabilities that are measured at fair value on a recurring basis**

The following guidance has been followed for classification and measurement of financial assets that are measured at fair value

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

| Financial Assets / Financial Liabilities | Fair Value as at | | Fair Value Hierarchy | Valuation technique and key inputs | Significant unobservable inputs | Relationship of unobservable inputs to fair value |
|---|---|---|---|---|---|---|
| | March 31, 2020 | March 31, 2019 | | | | |
| Derivative Financial Instruments (Assets) | 67 | 288 | Level 2 | Discount cash flow, Future Cash Flows are estimated based on forward exchange rates and contract forward rates discounted at a rate that reflects the credit risk of various counterparties. | - | - |
| Investments in Mutual Funds | 275 | 126 | Level 1 | Fair value is determined based on the Net asset value published by respective funds. | | |
| Investments in equity Instruments (Refer note (i)) | 93 | 54 | Level 3 | Discounted Cash Flow– Income approach | Discount rate, Risk free Return, Long term Market rate of return are the assumptions used | A slight change in assumptions will change the Fair value of the Investment |

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair-value of the financial-instruments factor the uncertainties arising out of COVID-19, where applicable.

**Fair Value of Financial Assets and Financial Liabilities that are not measured at fair value (but fair value disclosure are required)**

The company considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements at amortized cost will reasonably approximate their fair values.

**Reconciliation of Level 3 Fair Value Measurements**

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Opening Balance | 54 | 55 |
| Purchase/sale | 51 | - |
| Gain/ (Loss) | (11) | (1) |
| Closing Balance | 93 | 54 |

# 46 Leases

**46.1 Financial impact of initial application of Ind AS 116**

**Company as a Lessee**

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The lease term considered by the company for measurement of Right-of-use assets and lease liabilities range from 2 years to 60 years and the incremental borrowing rate considered for measurement of lease liability is 9%.

The tables below show amount of impact on financial statements on initial application of standard:

| Particulars | |
|---|---|
| **Retained earnings** | |
| Adjustment on account of modified retrospective approach | 2,791 |
| De-recognition of pre-operative expenses earlier capitalised as per Ind AS 16 | 451 |
| Deferred tax impact on above | (1,133) |
| **Total** | 2,109 |
| **Statement of Profit and Loss** | |
| Interest on lease liabilities | 1,273 |
| Depreciation of Right-of-use assets | 1,535 |
| Reversal of rent expense as per erstwhile standard | (2,258) |
| Deferred tax impact on above | (192) |
| **Total** | 358 |
| **Earnings per share (EPS)** | |
| Basic and Diluted EPS prior to adoption of Ind AS 116 | 36.37 |
| Basic and Diluted post prior to adoption of Ind AS 116 | 33.80 |
| Impact | 2.57 |

**Statement of Cash Flows**

Under Ind AS 116, the company has presented i) Short-term lease payments, payments for leases of low value assets and variable lease payments not included in the measurement of the lease liability as part of operating activities;ii) Cash paid for the interest and principal portion of lease liability as financing activities

Under Ind AS 17, all lease payments on operating leases were presented as part of cash flows from operating activities. Consequently, the net cash generated by operating activities has increased by ₹2,258 million and net cash used in financing activities increased by the same amount.

The adoption of Ind AS 116 did not have an impact on net cash flows.

The difference between the lease obligation disclosed as of March 31, 2019 under Ind AS 17 and the value of the lease liabilities as of April 1, 2019 is primarily on account of assessment of lease tenure considering all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term, significant leasehold improvements made and importance of the underlying asset to lessee's operations.

Reconciliation between operating lease commitment disclosed as per Ind AS 17 and lease liability recognised as at April 1, 2019 is given below:

| Particulars | |
|---|---|
| Operating lease commitment as at March 31,2019 | 3,659 |
| Discounted at incremental borrowing rate at April 1,2019 | 1,915 |
| Recognition exemption for short term lease* | - |
| Extension and termination options reasonable certain to be exercised | 12,356 |
| **Lease liabilities as at April 1,2019** | **14,271** |

* The company has not considered any lease commitment in case of short term leases in the previous period and these lease have also not been considered under Ind AS 116. Hence, there is no adjustment on account of short term leases.

| Particulars | |
|---|---|
| **Movement in Lease Liabilities** | |
| **Lease liability as on April 1, 2019** | **14,271** |
| Additions | 2,221 |
| Deletions | (96) |
| Finance Cost accrued during the period | 1,273 |
| Payment of lease liabilities* | (2,258) |
| **Balance at March 31, 2020** | **15,412** |

* Includes repayment of both principal and interest

Refer note 6 for movement in Right-of-use assets from April 1, 2019 to March 31, 2020

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(Refer Note 43.1 Liquidity and Interest risk tables for maturity pattern of lease payments)

**The Company has made use of the following practical expedients available in its transition to Ind AS 116:**

a) The Company has not re-assessed whether whether a contract is, or contains, a lease at April 1, 2019 and has applied the standard to all contracts that were previously identified as leases applying Ind AS 17, Leases.

b) The company has applied single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment). Consequently, the Company has recorded its lease liability using the present value of remaining lease payments, discounted using the incremental borrowing rate at the date of initial application and the right-of-use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted using the incremental borrowing rate at the date of initial application.

   The Company's incremental borrowing rate as in the date of initial application is at 9%, which has been used for measurement of lease liabilities.

c) The company has excluded the initial direct costs from measurement of the Right-of-use asset.

d) The Company does not recognize Right-of-use assets and lease liabilities for leases with less than twelve months of lease term and low value assets on the date of initial application.

## 47 Commitments

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Commitments to contribute funds for the acquisition of property, plant and equipment | 1,182 | 2,891 |
| Commitments to contribute funds towards Equity | 416 | 416 |

## 48 Contingent liabilities

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| a) Claims against the Company not acknowledged as debt | 3,115 | 1,940 |
| b) Letters of Comfort (Refer note (ii) below) | 3,461 | 2,836 |
| c) Other money for which the company is contingently liable | | |
| Customs Duty | 309 | 100 |
| Service Tax | - | 4 |
| Provident Fund | 22 | - |
| Value Added Tax | 1 | 1 |
| Income Tax (Refer note (i) below) | 182 | 379 |
| **Total** | **7,090** | **5,260** |

**Contingent Assets**

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Consideration receivable as part of disposal of investment in associate | 81 | - |

Note (i) With respect to the proceedings pending before the relevant income tax authority for the assessment years 2009-10 to 2016-17, the Company is of the opinion that no additional provision for tax expense is considered necessary in the financial statements.

Note (ii) : Details of comfort letters issued on behalf of related parties are as follows:

| Particulars | Beneficiary | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| Alliance Dental Care Limited | ICICI Bank Limited | 371 | 371 |
| Apollo Health and Lifestyle Limited | Yes Bank Limited | 300 | 200 |
| Apollo Health and Lifestyle Limited | HDFC Bank Limited | 610 | 610 |
| Apollo Rajshree Hospital Private Limited | Axis Bank Limited | 60 | 60 |
| Future Parking Private Limited | ICICI Bank Limited | 55 | 55 |
| Apollo Specialty Hospital Limited | HDFC Bank Limited | 650 | 300 |
| Apollo Specialty Hospital Limited | Federal Bank Ltd | 100 | - |
| Imperial Hospital and Research Centre Limited | Axis Bank Limited | 1,295 | 1,220 |
| Apollo Home Healthcare Limited | HDFC Bank Limited | 20 | 20 |
| **Total** | | **3,461** | **2,836** |

The purpose of the above comfort letters issued was towards securing financing facilities to the above mentioned related parties.

Note (iii): Out of the total amount of contingent liability disclosed against income tax and value added tax, ₹73 million has been deposited before the respective statutory authorities as at March 31, 2020 and ₹96 million as at March 31, 2019.

## 49 Expenditure in foreign currency

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **a. CIF Value of Imports** | | |
| Machinery and Equipment | 1,141 | 105 |
| Stores and Spares | 30 | - |
| Other Consumables | 33 | 66 |
| **b. Expenditure** | | |
| Travelling Expenses | 57 | 106 |
| Professional Charges | 77 | 87 |
| Royalty | 6 | 13 |
| Advertisement | 4 | 3 |
| Others | 33 | 10 |
| **c. Dividends** | | |
| Amount remitted during the year in foreign currency on account of dividends excluding the payment of dividends directly to the share-holder's Non-resident external bank account. | 2 | 3 |
| Non-Residents shareholders to whom remittance was made (Nos.) | 136 | 144 |
| Shares held by non-resident share-holders on which dividend was paid (Nos.) | 557,395 | 609,795 |

## 50. Earnings in foreign currency

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Hospital Fees | 855 | 951 |
| Project Consultancy Services | 35 | 21 |
| Pharmacy Sales | 18 | 18 |
| **Total** | **908** | 990 |

## 51 The disclosures pursuant to Regulation 34(3) read with para A of Schedule V to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Principal amounts outstanding as at the year-end were:**

| Company Particulars (Relationship) | | |
|---|---|---|
| Loans and Advances in the nature of loans to subsidiaries, joint ventures and associates | Refer Note 10 | Refer Note 10 |
| Investments to subsidiaries, joint ventures and associates | Refer Note 9 | Refer Note 9 |

## 52 Particulars of Loans, Guarantees & Investments

Details of loans, Guarantees and Investments covered under the provisions of section 186 of the Companies Act, 2013 are provided in notes 9,10,11 and 45, to the financial statements.

## 53 Intangible assets under development (internally generated)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **Opening Balance** | - | - |
| Addtions | 265 | - |
| Deletions | - | - |
| **Closing balance** | **265** | - |

## 54 Exceptional items

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Profit on sale of investments (Refer footnote (i)) | 1,965 | - |
| Impairment of long term investments and advances (Refer footnote (ii)) | (321) | - |
| **Total** | **1,644** | - |

(i) The Company, after meeting the closing conditions for the sale of investments in an associate, Apollo Munich Health Insurance Company Limited (AMHI) to Housing Development Finance Corporation Limited, in the quarter ended March 31, 2020 has recognised the sale and recorded a profit of ₹1,965 million (net of transaction costs and after considering indemnity related deductions), which has been disclosed under Exceptional Items. The amounts unpaid on account of indemnity related deductions have been disclosed as part of contingent assets

(ii) The Company has impaired its equity investment and advance receivable in its subsidiary Apollo Lavasa Health Corporation Limited, aggregating to ₹321 million disclosed under Exceptional Items consequent to continuing constraints faced at the Lavasa Hill Station coupled with further uncertainties arising out of COVID-19 pandemic.

## 55 Scheme of arrangement

**55.1** The Board of Directors of the Company, at their meeting held on November 14, 2018 had approved a Scheme of Arrangement ("the Scheme") between Apollo Hospitals Enterprise Limited ("AHEL") and Apollo Pharmacies Limited ("APL") and their respective shareholders in accordance with the provisions of Sections 230 to 232 of the Companies Act, 2013, for the transfer of the front-end retail pharmacy business carried out in the standalone pharmacy segment to APL by way of slump sale, subject to necessary approvals by stock exchanges, shareholders, the National Company Law Tribunal and all other requisite regulatory authorities

The Company received no objection letters from National Stock Exchange of India Limited and BSE Limited. Further, the Company obtained approvals from the Competition Commission of India (CCI) and from the equity shareholders in October 2019. The petition seeking sanction of the Scheme, is pending before the National Company Law Tribunal (NCLT). The Scheme would become effective upon filing of the Scheme as sanctioned by the NCLT, with the Registrar of Companies

Further, the Company based on the assessment carried out in accordance with Ind AS 105, Non-current assets held for sale and discontinued operations has considered front-end retail pharmacy business does not constitute a separate component and hence does not qualify to be a discontinued operation.

**55.2** The Board of Directors of the Company at their meeting held on February 13, 2020 approved the proposal for merger of the following wholly owned subsidiary companies with the Company.

a. Apollo Home Healthcare (India) Limited and

b. Western Hospitals Corporation Private Limited

The Company is in the process of submitting an application to the National Company Law Tribunal (NCLT), Chennai seeking exemption for convening the shareholders/creditors meeting of the Company.

## 56 Even after the Reporting period

There are no subsequent events after the reporting period

For and on behalf of the Board of Directors

**Krishnan Akhileswaran**
Chief Financial Officer

**Dr. Prathap C Reddy**
Executive Chairman

**S M Krishnan**
Vice President - Finance
& Company Secretary

**Preetha Reddy**
Executive Vice Chairperson

Place : Chennai
Date : June 25, 2020

**Suneeta Reddy**
Managing Director

# TEN years Financial Performance at a Glance (Standalone)

(₹ in million)

| Financial Highlights for the year ended | Ind AS | | | I GAAP | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 31st Mar 2020 | 31st Mar 2019 | 31st Mar 2018 | 31st Mar 2017 | 31st Mar 2016 | 31st Mar 2015 | 31st Mar 2014 | 31st Mar 2013 | 31st Mar 2012 | 31st Mar 2011 |
| **Balance Sheet** | | | | | | | | | | |
| **Sources** | | | | | | | | | | |
| Share Capital | 695.63 | 695.63 | 695.63 | 695.63 | 695.63 | 695.63 | 695.63 | 695.63 | 672.33 | 623.55 |
| Preferential issue of equity share warrants | | | - | | - | - | - | - | 387.05 | 685.07 |
| Reserves and Surplus | 39,187.60 | 38,138.53 | 36,239.36 | 35,094.51 | 32,459.74 | 30,915.08 | 28,951.61 | 26,580.34 | 22,463.28 | 16,413.02 |
| **Networth** | **39,883.23** | **38,834.16** | **36,934.99** | **35,790.14** | **33155.37** | **31,610.71** | **29,647.24** | **27,275.97** | **23,522.66** | **17,721.64** |
| Loans (including long term liabilities and provisions) | 39,214.51 | 26,014.79 | 25,568.96 | 26,300.95 | 20,080.49 | 14,609.49 | 10,079.98 | 8,825.42 | 6,921.47 | 7,689.40 |
| Deferred Tax Liability | 2,913.29 | 3,103.73 | 2,466.06 | 2,336.74 | 5,251.57 | 4,019.46 | 3,288.58 | 2,394.11 | 1,700.85 | 1,071.06 |
| **Applications** | | | | | | | | | | |
| Gross Block (incl. ROU, Goowill & WIP) | 83,458.31 | 59,926.86 | 53,716.18 | 45,750.36 | 39,923.22 | 37,139.45 | 31,438.71 | 26,427.74 | 21,196.95 | 17,968.91 |
| Accumulated Depreciation | 20,900.17 | 12,040.69 | 9,118.02 | 6,474.75 | 3,953.47 | 7,742.41 | 6,742.13 | 5,785.31 | 4,827.51 | 3,987.44 |
| Net Block | 62,558.14 | 47,886.17 | 44,598.16 | 39,275.61 | 35,969.75 | 29,397.04 | 24,696.58 | 20,642.43 | 16,369.44 | 13,984.47 |
| Investments | 10,762.76 | 10,852.73 | 9,002.73 | 10,637.66 | 8,771.76 | 7,130.21 | 6,900.27 | 8,960.35 | 7,641.18 | 6,241.12 |
| Long Term Loans and Advances | 4,981.12 | 5,640.03 | 4,741.57 | 5,434.49 | 7,355.45 | 5,850.63 | 4,876.08 | 3,227.58 | 5,103.33 | 4,521.44 |
| **Current Assets, Loans & Advances** | | | | | | | | | | |
| Inventory | 7,074.06 | 5,611.46 | 5,386.82 | 4,425.04 | 3,814.21 | 3,325.04 | 2,649.74 | 2,053.88 | 1,827.09 | 1,505.21 |
| Debtors | 9,661.23 | 9,093.18 | 7,499.36 | 6,635.92 | 5,460.81 | 5,495.45 | 4,684.51 | 4,266.09 | 3,537.70 | 2,696.43 |
| Cash & Bank Balances | 3464.97 | 2,776.57 | 2945.6 | 2,727.48 | 2,557.57 | 2,492.28 | 2,088.98 | 2,554.66 | 1,869.55 | 1,414.40 |
| Loans & Advances | 2675.29 | 2,423.36 | 3,946.45 | 2,795.31 | 4,447.17 | 4,508.94 | 2,669.73 | 1,838.90 | 1,234.94 | 1,193.53 |
| (A) | 22,875.56 | 19,904.57 | 19,778.23 | 16,583.75 | 16,279.76 | 15,821.71 | 12,092.96 | 10,713.53 | 8,469.28 | 6,809.37 |
| **Current Liabilities & Provisions** | | | | | | | | | | |
| Creditors | 7,273.52 | 5,364.29 | 4,733.85 | 3,920.18 | 4,012.80 | 3,201.00 | 2,487.23 | 1,763.42 | 1,709.36 | 1,794.01 |
| Other Liabilities | 11,073.28 | 10,006.20 | 7,741.68 | 2,965.12 | 5,284.84 | 3,454.56 | 1,746.51 | 2,130.62 | 2,955.67 | 2,593.45 |
| Provisions | 1,084.40 | 960.35 | 675.15 | 618.68 | 591.65 | 1,304.37 | 1,316.35 | 1,154.35 | 773.22 | 684.04 |
| (B) | 19,431.20 | 16,330.84 | 13,150.68 | 7,503.07 | 9,889.29 | 7,959.93 | 5,550.09 | 5,048.39 | 5,438.25 | 5,071.50 |
| Net Current Assets (A - B) | 3,444.36 | 3,573.73 | 6,627.55 | 9,080.07 | 6,390.47 | 7,861.78 | 6,542.87 | 5,665.14 | 3,031.03 | 1,738.07 |
| **Miscellaneous Expenditure** | | | | | - | - | - | - | - | - |
| **Key Indicators** | | | | | | | | | | |
| O P M % | 14.54 | 12.34 | 11.71 | 12.64 | 13.82 | 15.6 | 16.38 | 17.46 | 17.41 | 16.93 |
| N P M % | 4.80 | 3.63 | 3.24 | 4.51 | 5.94 | 7.47 | 8.51 | 9.23 | 8.17 | 7.72 |

(₹ in million)

| Financial Highlights for the year ended | Ind AS | | I GAAP | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 31st Mar 2020 | 31st Mar 2019 | 31st Mar 2018 | 31st Mar 2017 | 31st Mar 2016 | 31st Mar 2015 | 31st Mar 2014 | 31st Mar 2013 | 31st Mar 2012 | 31st Mar 2011 |
| Collection Growth % | 17.44 | 16.03 | 13.73 | 12.56 | 21.19 | 19.41 | 15.98 | 18.42 | 20.36 | 26.61 |
| OP Growth (%) | 38.41 | 22.33 | 5.30 | 2.97 | 7.4 | 13.67 | 8.85 | 18.76 | 24.6 | 30.16 |
| Earnings Per Share (₹) (Basic) | 33.80 | 21.76 | 16.76 | 20.5 | 24 | 24.91 | 23.77 | 22.43 | 17.72 | 14.66 |
| Capital Employed | 71,483 | 71,212 | 66,848 | 63,382 | 56,693 | 48,421 | 40,443 | 36,954 | 29,693 | 25,132 |
| Book value per Share | 286.67 | 279.13 | 265.48 | 257.25 | 238.31 | 227.24 | 220 | 196 | 172.05 | 136.61 |
| ROI (PBIT/AV.CE) % | 13.23 | 10.58 | 8.75 | 9.32 | 10.5 | 12.39 | 13.1 | 14.42 | 14.63 | 13.83 |
| RONW % | 11.79 | 7.80 | 6.31 | 7.97 | 10.07 | 11.32 | 11.62 | 12.17 | 11.2 | 10.97 |
| Employee Cost to Collections % | 15.49 | 15.51 | 15.55 | 14.88 | 14.87 | 15.54 | 15.71 | 15.66 | 15.15 | 15.18 |
| Debt/Equity Ratio | 0.82 | 0.88 | 0.84 | 0.77 | 0.71 | 0.52 | 0.35 | 0.35 | 0.29 | 0.43 |

| Profit & Loss Account | Ind AS | | | | | | I GAAP | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 31st Mar 2020 | | 31st Mar 2019 | | 31st Mar 2018 | | 31st Mar 2017 | | 31st Mar 2016 | | 31st Mar 2015 | | 31st Mar 2014 | | 31st Mar 2013 | | 31st Mar 2012 | | 31st Mar 2011 | |
| | | % | | % | | % | | % | | % | | % | | % | | % | | % | | % |
| Income | 98,053.39 | | 83,488.96 | | 71,955.99 | | 63,271.46 | | 56,210.40 | | 46,380.62 | | 38,840.00 | | 33,488.18 | | 28,279.20 | | 23,495.65 | |
| Operative Expenses | 51,819.85 | 52.85% | 43,689.81 | 52.33% | 38,012.94 | 52.83% | 33,639.63 | 53.17 | 28,650.92 | 50.97 | 24,239.55 | 52.26 | 20,018.93 | 51.54 | 17,198.23 | 51.36 | 14,554.76 | 61.95 | 12,275.73 | 52.25 |
| Salaries and Wages | 15,191.78 | 15.49% | 12,950.86 | 15.51% | 11,188.06 | 15.55% | 9,417.79 | 14.88 | 8,357.29 | 14.87 | 7,209.58 | 15.54 | 6,102.23 | 15.71 | 5,243.99 | 15.66 | 4,285.07 | 18.24 | 3,572.00 | 15.2 |
| Administrative Expenses | 16,780.29 | 17.11% | 16,544.46 | 19.82% | 14,331.84 | 19.92% | 12,215.00 | 19.3 | 11,433.64 | 20.34 | 7,698.03 | 16.6 | 6,356.58 | 16.37 | 5,200.16 | 15.53 | 4,516.91 | 19.22 | 3,697.38 | 15.74 |
| Operating Profit | 14,261.47 | 14.54% | 10,303.83 | 12.34% | 8,423.15 | 11.71% | 7,999.04 | 12.64 | 7,768.55 | 13.82 | 7,233.46 | 15.6 | 6,363.14 | 16.38 | 5,845.80 | 17.46 | 4,922.46 | 20.95 | 3,950.54 | 16.81 |
| Financial Expenses | 4,258.79 | 4.34% | 2,680.22 | 3.21% | 2,401.74 | 3.34% | 2,003.88 | 3.17 | 1,335.79 | 2.38 | 832.88 | 1.8 | 870.68 | 2.24 | 726.25 | 2.17 | 636.03 | 2.71 | 551.45 | 2.35 |
| Depreciation | 4,822.60 | 4.92% | 2,998.95 | 3.59% | 2,720.04 | 3.78% | 2,405.91 | 3.8 | 2,005.00 | 3.57 | 1,580.41 | 3.41 | 1,290.78 | 3.32 | 1,085.20 | 3.24 | 911.28 | 3.88 | 705.85 | 3 |
| Exceptional / | 1,643.53 | | | | | | | | | | | | | | | | | | | |
| Extraordinary Items | | | | | | | | | 256.78 | 0.46 | 146.88 | 0.32 | - | - | 45.45 | - | - | - | - | - |
| PBT | 6,823.61 | 6.96% | 4,624.67 | 5.54% | 3,301.37 | 4.59% | 3,589.25 | 5.67 | 4,170.98 | 7.42 | 4,673.29 | 10.08 | 4,201.68 | 10.82 | 4,079.80 | 12.18 | 3,375.15 | 14.36 | 2,693.24 | 11.46 |
| Tax - Current | 1,182.48 | 1.21% | 805.31 | 0.96% | 743.5 | 1.03% | 756.58 | 1.19 | 979.21 | 1.74 | 476.46 | 1.03 | - | | 295.45 | 0.88 | 435.46 | 1.85 | 556.45 | 2.37 |
| Deferred | 938.62 | 0.96% | 791.78 | 0.95% | 225.87 | 0.31 | (18.85) | (0.03) | (147.72) | (0.26) | 730.88 | 1.58 | 894.48 | 2.3 | 693.26 | 2.07 | 629.79 | 2.68 | 319.61 | 1.36 |
| PAT | 4,702.50 | 4.80% | 3,027.58 | 3.63% | 2332 | 3.24% | 2,851.46 | 4.51 | 3,339.49 | 5.94 | 3,465.95 | 7.47 | 3,307.20 | 8.51 | 3,091.09 | 9.23 | 2,309.90 | 9.83 | 1,817.18 | 7.73 |
| Dividend | 1,551.44 | 1.58% | 837.23 | 1.00% | 225.87 | 0.31% | 834.75 | | 1,967.55 | | 799.97 | | 799.97 | | 765.19 | | 537.87 | | 467.67 | |



# Form AOC-1

## Statement containing salient features of the financial statements of Subsidiaries/Associate Companies/ Joint Ventures

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

### Part "A": Subsidiaries

(₹ in million)

| Sl. No | Name of the subsidiary | Reporting Currency | Share Capital | Reserves & Surplus | Total Assets | Total Liabilities (Excluding Capital and Reserves) | Invest ments | Turn over | Profit before taxation | Provision for Taxation | Profit after Taxation | Other Comprehensive Income | Total Comprehensive Income | Proposed Dividend | % of share holding |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| 1 | Apollo Home Healthcare (I) Limited | INR | 298.23 | 30.29 | 328.74 | 0.22 | 313.25 | 0.43 | (4.05) | 1.04 | (3.01) | - | (3.01) | - | 100.00 |
| 2 | AB Medical Centers Limited | INR | 16.80 | 59.44 | 78.54 | 2.30 | - | 8.23 | 7.97 | 1.45 | 6.52 | - | 6.52 | - | 100.00 |
| 3 | Apollo Health and Lifestyle Limited | INR | 1,193.74 | (1,515.54) | 8,612.00 | 8,933.80 | 74.46 | 7,096.12 | (774.77) | (47.37) | (727.40) | 4.98 | (722.42) | - | 70.25 |
| 4 | Samudra Healthcare Enterprise Limited | INR | 125.00 | 119.14 | 408.74 | 164.61 | - | 376.05 | 10.27 | 8.56 | 1.71 | 0.54 | 2.25 | - | 100.00 |
| 5 | Western Hospitals Corporation Pvt Limited | INR | 180.00 | 12.11 | 350.91 | 158.80 | 262.60 | 6.21 | (8.63) | - | (8.63) | - | (8.63) | - | 100.00 |
| 6 | Total Health | INR | 5.00 | 63.17 | 84.69 | 16.53 | - | 35.35 | (10.63) | - | (10.63) | - | (10.63) | - | 100.00 |
| 7 | Apollo Medicals Pvt Limited | INR | 0.10 | (2.02) | 7.02 | 8.94 | - | | (1.65) | | (1.65) | | (1.65) | | 100.00 |
| 8 | Apollo Hospital (UK) Limited | INR | 0.47 | (7.28) | 0.47 | 7.29 | - | | (0.79) | | (0.79) | | (0.79) | - | 100.00 |
| | | GBP | 0.01 | (0.08) | 0.01 | 0.08 | | | (0.08) | | (0.08) | | (0.08) | - | |
| 9 | Apollo Hospitals Singapore Pte Limited | INR | 194.78 | (42.44) | 150.34 | (2.00) | - | - | (18.41) | | (18.41) | | (18.41) | - | 100.00 |
| | | USS | 2.61 | | 2.01 | (0.59) | | | (0.25) | | (0.25) | | (0.25) | - | |
| 10 | Imperial Hospital & Research Centre Limited | INR | 299.45 | 871.67 | 2,871.79 | 1,700.67 | 0.50 | 2,744.22 | 293.70 | 87.78 | 205.92 | 1.40 | 204.52 | - | 90.00 |
| 11 | Apollo Nellore Hospital Limited | INR | 13.97 | 16.59 | 40.39 | 9.83 | - | 8.17 | 7.93 | 1.45 | 6.48 | | 6.48 | - | 80.87 |
| 12 | Apollo Rajshree Hospitals Pvt Limited | INR | 196.87 | (153.90) | 543.18 | 500.21 | - | 753.01 | 25.90 | 0.67 | 25.23 | (1.00) | 24.23 | - | 54.63 |
| 13 | Sapien Bio-Sciences Pvt Limited | INR | 0.14 | (19.38) | 15.21 | 34.44 | - | 31.43 | 11.80 | 0.62 | 11.18 | (0.13) | 11.05 | - | 70.00 |
| 14 | Apollo Lavasa Health Corporation Limited | INR | 12.79 | 427.86 | 734.10 | 293.45 | - | 2.82 | (41.69) | - | (41.69) | - | (41.69) | - | 51.00 |
| 15 | Apollo Home Healthcare Limited | INR | 238.69 | (352.95) | 57.77 | 172.04 | - | 450.99 | (36.83) | (0.55) | (36.28) | | (36.28) | - | 70.75 |
| 16 | Assam Hospitals Limited | INR | 84.30 | 1060.12 | 1,927.43 | 783.01 | 391.95 | 1,550.61 | 81.45 | 30.92 | 50.53 | (6.67) | 43.86 | - | 65.52 |
| 17 | Future Parking Pvt Limited | INR | 49.00 | 106.09 | 314.22 | 159.13 | - | 47.63 | (18.06) | 2.65 | (15.41) | | (15.41) | - | 100.00 |
| 18 | Apollo Hospitals International Limited | INR | 1,006.03 | 18.74 | 2,564.70 | 1,539.93 | - | 2,076.88 | 23.14 | 50.94 | (27.80) | 2.01 | (25.79) | - | 50.00 |
| 19 | Alliance Dental Care Limited * | INR | 43.71 | (113.54) | 365.43 | 435.26 | 18.60 | 300.32 | (31.23) | (9.88) | (21.35) | (0.23) | (21.57) | - | 69.54 |
| 20 | Apollo Dialysis Private Limited * | INR | 48.10 | (49.33) | 412.72 | 413.95 | | 252.66 | (17.49) | (0.08) | (17.42) | 0.23 | (17.19) | | 59.30 |
| 21 | Apollo Speciality Hospitals Private Limited * | INR | 2.52 | (137.43) | 4,940.54 | 5,075.45 | | 3,682.94 | (380.73) | | (380.73) | 4.01 | (376.73) | - | 100.00 |
| 22 | Apollo Sugar Clinics Limited * | INR | 36.68 | 282.34 | 441.79 | 122.77 | - | 291.34 | 2.09 | 6.70 | (4.61) | 0.59 | (4.02) | - | 80.00 |
| 24 | Apollo Bangalore Cradle Limited ** | INR | 27.32 | (46.76) | 581.80 | 379.71 | - | 360.26 | 3.94 | (1.81) | 5.75 | (0.48) | 5.27 | | 100.00 |
| 25 | Kshema Healthcare Private Limited ** | INR | 17.53 | 28.00 | 45.71 | 0.18 | 45.54 | - | - | - | - | - | - | - | 100.00 |
| 26 | AHLL Diagnostics Limited * | INR | 0.50 | (0.13) | 0.38 | 0.01 | - | | (0.05) | | (0.05) | - | (0.05) | - | 100.00 |
| 27 | AHLL Risk Management Private Limited * | INR | 6.50 | (3.01) | 6.13 | 2.64 | - | 0.05 | (2.80) | - | (2.80) | - | (2.80) | - | 100.00 |
| 28 | Apollo CVHF Limited # | INR | 150.00 | (123.59) | 633.20 | 606.80 | - | 136.48 | (132.74) | - | (132.74) | - | (132.74) | | 66.67 |
| 29 | Apollo Pharmacies Limited ## | INR | 0.50 | (1.90) | 6.59 | 7.98 | - | - | (1.54) | - | (1.54) | - | (1.54) | - | 100.00 |

* Subsidiaries of Apollo Health and Lifestyle Limited

** Step down subsidiaries of Apollo Health and Lifestyle Limited

Reporting period for the subsidiary concerned, if different from the holding company's reporting period

Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.

Notes: The following information shall be furnished at the end of the statement:

1 Names of subsidiaries which are yet to commence operations - Apollo Hospital (UK) Limited and Apollo Hospitals Singapore PTE Limited

2 Names of subsidiaries which have been liquidated or sold during the year - Apollo Healthcare Tehnology Solutions Ltd had applied for striking off name with Ministry of Corporte Affairs

# Part "B": Associates and Joint Ventures

## Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in million)

| Sl.No. | Name of Associates/Joint Ventures | Latest Audited Balance Sheet Date | Number of shares | Amount of Investment in Associates /Joint Venture (₹ in million) | Extent of Holding % | Description of how there is significant influence | Reason why the associate/joint venture is not consolidated | Networth attributable to Shareholding as per latest audited Balance Sheet (₹ in million) | Profit / Loss for the year (₹ in million) | i. Considered in Consolidation (₹ in million) | -ii. Not Considered (₹ in million) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Associates** | | | | | | | | | | |
| 1 | Family Health Plan Insurance (TPA) Limited | 31st Mar, 2020 | 490,000 | 4.90 | 49.00 | Ref Note.1 | - | 463.47 | 125.52 | 61.50 | |
| 2 | Indraprastha Medical Corporation Limited | 31st Mar, 2020 | 20,190,740 | 393.72 | 22.03 | Ref Note.1 | - | 589.96 | 436.24 | 96.10 | - |
| 3 | Stemcyte Therapautics India Pvt Limited | 31st Mar, 2020 | 240,196 | 80.00 | 24.50 | Ref Note.1 | - | (28.34) | (46.64) | (11.43) | - |
| | **Joint Ventures** | | | | | | | | | | |
| 4 | Apollo Gleneagles Hospitals Limited | 31st Mar, 2020 | 54,675,697 | 393.12 | 50.00 | Ref Note.1 | - | 1149.04 | 114.83 | 57.41 | - |
| 5 | Apollo Gleneagles PET-CT Pvt Limited | 31st Mar, 2020 | 8,500,000 | 85.00 | 50.00 | Ref Note.1 | - | 42.44 | 2.33 | 1.16 | - |
| 7 | Apkos Rehab Pvt. Limited | 31st Mar, 2020 | 8,475,000 | 84.75 | 50.00 | Ref Note.1 | - | 57.12 | (14.81) | (7.40) | - |
| 8 | Medics International Lifesciencs Limited | 31st Mar, 2020 | 55,000,000 | 910.25 | 50.00 | Ref Note.1 | - | 457.65 | (242.80) | (121.40) | - |

Note:

1 There is a significant influence due to control over the board and % of shareholding.

2 The above statement also indicates performance and financial position of each JV/Associate.

3 Names of Associates or Joint Ventures which are yet to commence operations - Nil.

4 Names of Associates or Joint Ventures which have been liquidated or sold during the year - Apollo Munich Health Insurance Co Ltd.,

For and on behalf of the Board of Directors

**Krishnan Akhileswaran**
Chief Financial Officer

**S M Krishnan**
Vice President - Finance
& Company Secretary

Place : Chennai
Date :June 25, 2020

**Dr. Prathap C Reddy**
Executive Chairman

**Preetha Reddy**
Executive Vice Chairperson

**Suneeta Reddy**
Managing Director





# INDEPENDENT AUDITOR'S REPORT

## To The Members of Apollo Hospitals Enterprise Limited

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of Apollo Hospitals Enterprise Limited ("the Company"/ "Parent Company") and its subsidiaries, (the Company and its subsidiaries together referred to as "the Group") which includes Group's share of profit /loss in its associates and joint ventures, which comprise the Consolidated Balance Sheet as at 31 March 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries, associates and joint ventures referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Emphasis of Matter

We draw attention to Note 5 (iv) to the consolidated financial statements in respect of proceedings initiated against the company's subsidiary, Imperial Hospital & Research Centre Limited, by the Government of Karnataka. The above matter has also been reported in the Emphasis of Matter paragraph in the Audit report of the standalone financial statements of the said subsidiary company audited by other auditors.

### Our opinion is not modified in respect of this matter.

### Key Audit Matters

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

| Key Audit Matters | Auditor's Response |
|---|---|
| **Adoption of IND AS 116 on Leases ('new standard') relating to the Parent**<br><br>The Parent adopted the new accounting Indian Accounting Standard IND AS 116 on "Leases" with effect from April 1, 2019. This standard requires lessees to recognise Right-of-use assets and a financial lease liability. Leases are capitalized as Right-of-use assets based on the present value of lease payments and are depreciated over the lease term. Interest on lease liability is recognised in statement of profit and loss at a constant rate over the lease term.<br><br>The Parent adopted modified retrospective method except for one lease arrangement for which the modified prospective approach has been used and the cumulative effect of initial application is recognised in retained earnings as at April 1, 2019. The comparative figures have not been restated.<br><br>The first time adoption of this standard has resulted in a significant impact on the opening retained earnings and also on the interest cost and depreciation in the current year. Refer Note 52 for the disclosure on leases which includes ₹ 2,109 million impact on opening retained earnings, ₹ 1,273 million of interest cost and ₹ 1,535 million depreciation recognised in current year relating to the Parent.<br><br>Accounting for leases under IND AS 116 involves use of judgements, estimates and assumptions that impact the amounts recognized as right-of-use assets and lease liabilities, which include:<br>• Assessment of the lease term including extension options<br>• Discount rates used<br><br>Considering the significant judgments involved as mentioned above and that the Parent has a large number of leases with different contractual terms, we identified the adoption of IND AS 116 as a key audit matter. | We performed the following key audit procedures:<br>1. Tested the design and implementation and the operating effectiveness of controls relating to the adoption of the new standard including controls over identification of leases, assessment of the lease term and the computation of lease liability and recognition of right-of-use assets<br>2. Understood the process by which the management compiled the lease agreements and the nature of the various lease agreements entered into by the Parent<br>3. Tested the completeness and nature of lease agreements included for measurement under the new standard by review of the rental schedules, scrutiny of general ledger accounts, enquiries with the operations teams and review of the key terms of the contract with the underlying lease agreements, on a sample basis, for each nature of lease<br>4. In addition to review of underlying lease agreements on a sample basis, we assessed the reasonableness of the lease term considered by the management, by additionally considering the significant leasehold improvements undertaken and the importance of the underlying asset to the lessee's operations<br>5. Tested the calculation of the initial recognition of the right-of-use assets and lease liabilities by re-performing the calculation on a sample basis and tested the appropriateness of the discount rate applied on initial recognition (the incremental borrowing rate)<br>6. With respect to the new lease agreements entered into during the year, we tested the key terms of the contract by review of the underlying lease agreements and analysed the accounting impact of the same, including the appropriateness of the discount rate applied (the incremental borrowing rate)<br>7. Tested the calculation of interest expense on lease liability and depreciation charge for the right-of-use asset by re-performing the calculation on a sample basis<br>8. Assessed whether the related disclosures as per Note 52 and note 6 are consistent with the requirements of the new standard. |

| Key Audit Matters | Auditor's Response |
|---|---|
| **Existence of inventories as at the year end of the Parent**<br><br>(Refer Note 15 to the consolidated financial statements of which ₹ 7,074 million relates to the Parent)<br><br>The Parent has its inventory spread across its hospitals, pharmacies (standalone pharmacies and hospital based pharmacies including hospitals where the Parent operates pharmacies under pharmacy medical license) and distribution centers.<br><br>The Parent has a policy of performing periodic cycle counts of its inventory at the pharmacies and distribution centers, which are performed either by an independent team or by internal auditors (external firms of chartered accountants). The physical verification of inventory at hospitals is being performed on a half yearly basis.<br><br>The year-end verification is being performed by the Parent in a phased manner, under the supervision of the internal auditors (external firm of chartered accountants) considering the high volume of the number pharmacies and distribution centers.<br><br>Due to the lockdown imposed by the Government on account of the COVID-19 pandemic, the Parent was not able to complete the physical verification of all the locations before the year end and have performed physical verification of inventory at majority of its distribution centers and certain hospitals after the year end by engaging the internal auditors (external firms of chartered accountants) or by engaging other firms of chartered accountants to attend the physical verification. We were not able to participate in the physical verification of inventory conducted by the Management subsequent to the year end and have performed alternate procedures to audit the existence of inventory as prescribed by the Standards on Auditing and have therefore identified this as a key audit matter. | With respect to existence of inventories at the locations of the Parent not visited by us as at the year end, we performed the following procedures:<br>1. Understood and evaluated the management's internal controls process to establish the existence of inventory such as (a) the process of periodic physical verification carried out by the Management, the scope and coverage of the periodic verification programme, the results of such verification including analysis of discrepancies, if any; (b) reports of the independent chartered accountants appointed by the Management to physically verify the inventory of the Parent located at pharmacies and distribution centers; (c) maintenance of stock records at all locations<br>2. Understood and evaluated the competence, independence and objectivity of the internal auditors and the other firms of chartered accountants engaged by the Management of the Parent.<br>3. Issued instructions to the internal auditors and other firms of chartered accountants engaged by the Management of the Parent on the procedures to be performed on attending the physical verification and issued reporting deliverables to be provided to us after the inventory counts.<br>4. On a sample basis virtually participated the observation of the physical verification conducted by the Management of the Parent subsequent to the year end.<br>5. Performed appropriate roll back procedures from the date of the physical verification to the year end. |

| Key Audit Matters | Auditor's Response |
|---|---|
| **Allowances for credit losses (Parent)**<br><br>As stated in Note 13, the Parent has determined the allowance for credit loss based on historical loss experience which is adjusted to reflect current and estimated future economic conditions. The historical loss experience model required revisions considering the overall economic conditions and its impact on the customers' business operations/ability to pay dues.<br><br>Based on such analysis the Parent has recorded an allowance aggregating to ₹ 719 million out of ₹ 1,193 million as included in Note 13 of the consolidated financial statements.<br><br>We identified allowance for credit losses as a key audit matter because the Company exercises significant judgment in calculating the expected credit losses. | We performed the following key audit procedures:<br><br>1. We tested the design and implementation and operating effectiveness of controls over (a) development of methodology for the allowance for credit losses, including consideration of the overall economic conditions (b) completeness and accuracy of information used in estimation of the probability of default (c) computation of the expected credit loss allowances.<br><br>2. For a sample of customers under each category, verified publicly available credit reports and other information relating to the Company's customers to test if the Management of the Parent had correctly considered the adjustments to credit risk.<br><br>3. Recomputed the expected credit loss allowance considering the above determined input data and compared the amounts so recomputed with the amounts recorded by the Management to determine if there were any material differences individually or in the aggregate |

**Information Other than the Financial Statements and Auditor's Report Thereon**

- The Parent Company's Board of Directors is responsible for other information. The other information comprises the information included in the Corporate Review, Management Discussion and Analysis, Directors' Report to the shareholders including Annexures to Directors' Report, Business Responsibility Report, Corporate Governance Report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries, associates and joint ventures audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, associates and joint ventures is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the Consolidated Financial Statements**

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associates and joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

**Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of the Group and its associates and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial information included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors,

such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Other Matters**

(a) We did not audit the financial statements of 20 subsidiaries, whose financial statements reflect total assets of ₹ 14,257 million as at March 31, 2020, total revenues of ₹ 8,289 million, and net cash inflows amounting to ₹ 127 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss after tax of ₹ 77 million for the year ended March 31, 2020, as considered in the consolidated financial statements, in respect of 3 associates and 3 joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on the reports of the other auditors.

(b) The consolidated financial statements also include 3 subsidiaries whose financial statements reflect total assets of ₹ 158 million as at March 31, 2020 and total revenue of ₹ Nil and net cash outflows of ₹ 0.14 million for the year ended March 31, 2020 whose financial statements have not been audited by us. The Group's share of net loss after tax of ₹ 11 million for the year ended March 31, 2020, as considered in the consolidated financial statements, in respect of 1 associate, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements and other information of the subsidiaries, associates and joint ventures referred to in the Other Matters section above we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent Company as on March 31, 2020 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture companies incorporated in India, none of the directors of the Group companies, its associate companies and joint venture companies incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent Company, subsidiary companies, associate companies and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies. With respect to the associate, Stemcyte India Therapeutics Private Limited, a Private Limited Company incorporated in India, covered by the exemption under notification number GSR 464(E) dated June 5, 2015 as amended by notification number GSR 583(E) dated June 13, 2017, reporting on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 is not applicable for the year ended March 31, 2020, based on the corresponding report of the auditor of the said associate.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures;

ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent Company and its subsidiary companies, associate companies and joint venture companies incorporated in India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018

**Vikas Bagaria**
Partner
Membership No. 060408
(UDIN 20060408AAAABQ6617)

Place : Bengaluru
Date : July 24, 2020

# ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (f) under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Apollo Hospitals Enterprise Limited (hereinafter referred to as "Company"/"Parent Company") and its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Parent, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary companies, associates companies and joint ventures, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent Company, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 14 subsidiary companies, 2 associate companies and 3 joint ventures, which are incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

**Our opinion is not modified in respect of the above matters.**

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018

**Vikas Bagaria**
Partner
Membership No. 060408
(UDIN 20060408AAAABQ6617)

Place : Bengaluru
Date : July 24, 2020

# CONSOLIDATED BALANCE SHEET

**Consolidated Financial Statements for the year ended March 31, 2020**

**(All amounts are in ₹ Million unless otherwise stated)**

| Particulars | Note | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| (a) Property, Plant and Equipment | 5 | 54,044 | 45,938 |
| (b) Right-of-use assets | 6 | 16,474 | - |
| (c) Capital work-in-progress | 5.1 | 2,091 | 8,218 |
| (d) Investment Property | 7 | 59 | 65 |
| (e) Goodwill | 8 | 3,462 | 3,462 |
| (f) Other Intangible assets | 9 | 282 | 351 |
| (g) Intangible assets under development | | 265 | - |
| (h) Financial Assets | | | |
| (i) Investments in Equity Accounted Investee | 10 | 3,242 | 3,654 |
| (ii) Other Investments | 11 | 350 | 274 |
| (iii) Loans | 12 | 231 | 108 |
| (iv) Other financial assets | 14 | 2,337 | 2,351 |
| (i) Deferred Tax Asset | 25 | 496 | 174 |
| (j) Income Tax Asset (Net) | 27 | 2,811 | 2,539 |
| (k) Other non-current assets | 18 | 772 | 1,879 |
| **Total Non - Current Assets** | | **86,916** | **69,014** |
| **Current assets** | | | |
| (a) Inventories | 15 | 7,378 | 5,848 |
| (b) Financial assets | | | |
| (i) Investments | 11 | 749 | 688 |
| (ii) Trade receivables | 13 | 10,272 | 10,232 |
| (iii) Cash and cash equivalents | 16 | 3,807 | 2,862 |
| (iv) Bank balances | 17 | 861 | 607 |
| (v) Loans | 12 | 70 | 80 |
| (vi) Other financial assets | 14 | 1,018 | 552 |
| (c) Contract assets | | 663 | 735 |
| (d) Other current assets | 18 | 1,651 | 1,213 |
| **Total Current Assets** | | **26,469** | **22,817** |
| **Total Assets** | | **113,384** | **91,831** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| (a) Equity Share capital | 19 | 696 | 696 |
| (b) Other equity | 20 | 32,695 | 32,639 |
| Equity attributable to owners of the Company | | 33,391 | 33,335 |
| Non-Controlling Interest | 21 | 1,307 | 1,355 |
| **Total Equity** | | **34,698** | **34,689** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 22 | 28,520 | 29,521 |
| (ii) Other financial liabilities | 23 | 23,749 | 4,774 |
| (b) Provisions | 24 | 101 | 114 |
| (c) Deferred tax liabilities (Net) | 25 | 2,942 | 3,149 |
| (d) Other non-current liabilities | 29 | 1 | 30 |
| **Total Non - Current Liabilities** | | **55,313** | **37,588** |
| **Current liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 22 | 4,975 | 4,982 |
| (ii) Trade payables | 26 | | |
| (a) total outstanding dues of micro enterprises and small enterprises | | 100 | 104 |
| (b) total outstanding dues of creditors other than micro enterprises and small enterprises | | 8,988 | 7,027 |
| (iii) Other financial liabilities | 23 | 6,191 | 4,961 |
| (b) Other current liabilities | 29 | 1,887 | 1,448 |
| (c) Provisions | 24 | 1,230 | 1,022 |
| (d) Current Tax Liabilities (Net) | 28 | 2 | 11 |
| **Total Current Liabilities** | | **23,373** | **19,554** |
| **Total Liabilities** | | **78,686** | **57,142** |
| **Total Equity and Liabilities** | | **113,384** | **91,831** |

The accompanying notes form an integral part of these consolidated financial statements

As per our report of even date attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018

**Vikas Bagaria**
Partner
Membership No. 060408

Place : Bengaluru
Date : July 24, 2020

For and on behalf of the Board of Directors

**Krishnan Akhileswaran**
Chief Financial Officer

**Dr. Prathap C Reddy**
Executive Chairman

**S M Krishnan**
Vice President - Finance
& Company Secretary

**Preetha Reddy**
Executive Vice Chairperson

Place : Chennai
Date : June 25,2020

**Suneeta Reddy**
Managing Director



# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

**Statement of Profit and Loss for the period ended March 31 ,2020**

**All amounts are in ₹ Million except for earnings per share information**

| Particulars | Note | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|---|
| **Income** | | | |
| Revenue from Operations | 30 | 112,468 | 96,174 |
| Other Income | 31 | 269 | 314 |
| **Total Income** | | **112,737** | **96,489** |
| **Expenses** | | | |
| Cost of materials consumed | 32 | 18,092 | 16,449 |
| Purchases of Stock-in-trade | | 37,967 | 30,876 |
| Changes in inventory of stock-in-trade | 33 | (1,070) | (716) |
| Employee benefits expense | 34 | 18,529 | 15,982 |
| Finance costs | 35 | 5,328 | 3,270 |
| Depreciation and amortisation expense | 36 | 6,197 | 3,955 |
| Other expenses | 37 | 23,077 | 22,947 |
| **Total expenses** | | **108,120** | **92,763** |
| **Profit before exceptional items, share of net profits of investments accounted for using equity method and tax** | | **4,617** | **3,726** |
| **Exceptional Items (Refer note 64)** | | **1,983** | **-** |
| **Profit before share of net profits of investments accounted for using equity method and tax** | | **6,600** | **3,726** |
| **Tax expense** | | | |
| (1) Current tax (including tax expense of prior year) | 38 | 1,309 | 993 |
| (2) Deferred tax | 38 | 943 | 741 |
| **Total tax expenses** | | **2,252** | **1,734** |
| **Profit after tax** | | **4,349** | **1,992** |
| Share of net profit/ (loss) of associates and joint ventures accounted for using the equity method | | (31) | 10 |
| **Profit for the year** | | **4,317** | **2,002** |
| **Other Comprehensive Income** | | | |
| Items that will not be reclassified to profit or loss (Net of tax of ₹7; Previous year of ₹160) | | | |
| (a) Remeasurement of the defined benefit plans | 40 | (5) | (288) |
| (b) Change in fair value of financial instruments measured at FVTOCI | 49 | (1) | (3) |
| **Total Other Comprehensive Income** | | **(6)** | **(291)** |
| **Total comprehensive income for the Year** | | **4,312** | **1,710** |
| **Profit/(loss) for the year attributable to:** | | | |
| Owners of the Company | | 4,548 | 2,360 |
| Non-Controlling Interest | | (231) | (359) |
| **Other Comprehensive Income/ (expense) for the year attributable to:** | | | |
| Owners of the Company | | (6) | (292) |
| Non-Controlling Interest | | - | 1 |
| **Total Comprehensive Income/(loss) for the year attributable to:** | | | |
| Owners of the Company | | 4,544 | 2,069 |
| Non-Controlling Interest | | (232) | (358) |
| **Earnings per equity share of par value of ₹5 each** | | | |
| Basic (in ₹) | 42 | 32.70 | 16.97 |
| Diluted (in ₹) | 42 | 32.70 | 16.97 |

The accompanying notes form an integral part of these consolidated financial statements

As per our report of even date attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018

**Vikas Bagaria**
Partner
Membership No. 060408

Place : Bengaluru
Date : July 24, 2020

For and on behalf of the Board of Directors

**Krishnan Akhileswaran**
Chief Financial Officer

**Dr. Prathap C Reddy**
Executive Chairman

**S M Krishnan**
Vice President - Finance
& Company Secretary

**Preetha Reddy**
Executive Vice Chairperson

Place : Chennai
Date : June 25, 2020

**Suneeta Reddy**
Managing Director

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## a. Equity share capital

| | Amount |
|---|---|
| **Balance at April 1, 2018** | **696** |
| Changes in equity share capital during the year | - |
| **Balance at March 31, 2019** | **696** |
| Changes in equity share capital during the year | - |
| **Balance at March 31, 2020** | **696** |

## b. Other Equity

| | General reserve | Securities Premium Reserve | Capital Reserves | Other reserve # | Share Options Outstanding | Retained earnings | Items of Other Comprehensive Income (OCI) | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Equity instruments through OCI | Defined benefit obligation | Non Controlling Interest | |
| **Balance at April 1, 2018** | **11,250** | **17,139** | **30** | **1,195** | **19** | **2,602** | **(5)** | **(410)** | **1,324** | **33,144** |
| Profit for the year and Other comprehensive income for the year, net of income tax | - | - | - | - | - | 2,360 | (3) | (289) | (358) | 1,710 |
| Payment of dividends (Including dividend distribution tax of ₹142 Million) | | | | | | (837) | | | | (837) |
| Gross Obligation over written Put Option on Non-controlling Interest (Refer note 58) | | | | | | (382) | | | 382 | - |
| Adjustments towards Non Controlling Interest | | | | | | (13) | | | 13 | - |
| Transfer to Reserves | | | | | | - | | | | - |
| Share-based compensation expense | | | | | 9 | | | | 4 | 13 |
| Movement on account of change in shareholding of existing subsidiaries | | | | | | (26) | | | (10) | (36) |
| **Balance at March 31, 2019** | **11,250** | **17,139** | **30** | **1,195** | **28** | **3,704** | **(7)** | **(699)** | **1,355** | **33,994** |
| Adjustment on adoption of Ind AS 116 (Refer note 52) | | | | | | (2,699) | | | | (2,699) |
| Adjusted balance as at April 1, 2019 | 11,250 | 17,139 | 30 | 1,195 | 28 | 1,005 | (7) | (699) | 1,355 | 31,295 |
| Profit for the year and Other comprehensive income for the year, net of income tax | | | | | | 4,549 | (1) | (5) | (232) | 4,312 |
| Dividends paid (including dividend distribution tax of ₹264) | | | | | | (1,555) | | | | (1,555) |
| Gross Obligation over written Put Option on Non-Controlling Interest (Refer note 58) | | | | | | (211) | | | 211 | - |
| Adjustments towards Non Controlling Interest | | | | | | - | | | (14) | (14) |
| Transfer to Retained Earnings from Debenture Redemption Reserve | | | | (500) | | 500 | | | - | - |
| Share-based compensation expense | | | | | 2 | | | | 1 | 3 |
| Movement on account of change in shareholding of existing subsidiaries | | | | | | (25 | | | (14) | (39) |
| **Balance at March 31, 2020** | **11,250** | **17,139** | **30** | **695** | **30** | **4,263** | **(8)** | **(703)** | **1,307** | **34,002** |

# Other reserves includes Debenture Redemption Reserve, Revaluation reserve, Capital Redemption Reserve and Reserves arising on transition from Previous GAAP to IND AS which are not available for distribution.

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018

**Vikas Bagaria**
Partner
Membership No. 060408

Place : Bengaluru
Date : July 24, 2020

**Krishnan Akhileswaran**
Chief Financial Officer

**S M Krishnan**
Vice President - Finance
& Company Secretary

Place : Chennai
Date : June 25, 2020

For and on behalf of the Board of Directors

**Dr. Prathap C Reddy**
Executive Chairman

**Preetha Reddy**
Executive Vice Chairperson

**Suneeta Reddy**
Managing Director



# Consolidated Statement of Cash Flows

**Consolidated Financial Statements for the year ended March 31, 2020**
**(All amounts are in ₹ Millions unless otherwise stated)**

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| **Cash flow from Operating Activities** | | |
| Profit for the year | 4,317 | 2,002 |
| Adjustments for: | | |
| Depreciation and amortisation expense | 6,197 | 3,955 |
| Loss on Sale of Property Plant & Equipment | 37 | 15 |
| Profit on Sale of Investments (net) | (1,988) | - |
| Income tax expense | 2,252 | 1,734 |
| Finance costs | 5,328 | 3,270 |
| Interest income | (173) | (145) |
| Dividend income | - | (4) |
| Expected Credit Loss on trade receivables | 752 | 657 |
| Provision written back | (51) | (35) |
| Net gain/(loss) arising on financial assets designated as at FVTPL | (32) | (32) |
| Share-based compensation expense | 3 | 13 |
| Unrealised foreign exchange loss (net) | 51 | 7 |
| **Operating Cash Flow before working capital changes** | **16,693** | **11,436** |
| (Increase)/decrease in operating assets | | |
| Inventories | (1,531) | (189) |
| Trade receivables | (845) | (2,642) |
| Other financial assets - Non current | (207) | 180 |
| Other financial assets - Current | (524) | 806 |
| Other non-current assets | 353 | (298) |
| Other current assets | (465) | 129 |
| Contract assets | 72 | (83) |
| | (3,147) | (2,098) |
| Increase/(decrease) in operating liabilities | | |
| Trade payables | 1,905 | 1,076 |
| Other financial liabilities-Non current | 299 | 53 |
| Other financial liabilities-Current | (480) | (16) |
| **Provisions** | 240 | 27 |
| Other Non-Current Liabilities | (1) | - |
| **Other Current Liabilities** | 480 | 497 |
| | 2,443 | 1,638 |
| Cash generated from operations | 15,990 | 10,976 |
| **Net income tax paid** | **(3,061)** | **(1,924)** |
| **Net cash generated from operating activities (A)** | **12,928** | **9,052** |
| **Cash flow from Investing Activities** | | |
| Purchase of Property Plant & Equipment | (5,130) | (6,789) |
| Proceeds from sale of Property Plant and Equipment | 24 | 69 |
| Investment in Bank Deposits | (253) | 502 |

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Purchase of investments in Joint Venture | - | (910) |
| Purchase of Investments | (1,199) | (333) |
| Proceeds from sale of current investments | 669 | 207 |
| Proceeds from sale of investment in associate | 2,826 | - |
| Proceeds from current loan | 10 | - |
| Proceeds from Non-current loan | 10 | - |
| Interest received | 154 | 145 |
| Dividend Received | 0.06 | 4 |
| **Net cash used in Investing Activities (B)** | **(2,888)** | **(7,106)** |
| **Cash flow from Financing Activities** | | |
| Proceeds from Borrowings | 7,518 | 5,624 |
| Repayment of Borrowings | (8,089) | (3,276) |
| Finance costs (including interest on lease liability) | (5,645) | (3,621) |
| Acquisition of Non-Controlling Interest in a subsidiary | (39) | (36) |
| Dividend paid on equity shares (including Dividend Distribution tax) | (1,551) | (837) |
| Payment towards lease liability | (1,289) | - |
| **Net cash used in Financing Activities (C)** | **(9,095)** | **(2,147)** |
| Net Increase in cash and cash equivalents (A+B+C) = (D) | 945 | (201) |
| Cash and cash equivalents at the beginning of the year (E) | 2,862 | 3,063 |
| **Cash and cash equivalents at the end of the year (D) + (E)** | **3,807** | **2,862** |

**Cash and non cash changes in liabilities arising from financing activities**

| Particulars | April 1, 2019 | Cash flow | Non-cash changes | | | March 31, 2020 |
|---|---|---|---|---|---|---|
| | | | Ind AS 116 adoption | Addition to lease liabilities | Foreign exchange movements | |
| Borrowings (inlcuding bank overdraft) | 36,746 | (571) | - | - | (219) | 35,957 |
| Lease Liabilities | - | (2,983) | 19,132 | 4,102 | - | 20,250 |

| Particulars | April 1, 2018 | Cash flow | Non-cash changes | March 31, 2019 |
|---|---|---|---|---|
| | | | Foreign exchange movements | |
| Borrowings (including bank overdraft) | 34,363 | 2,347 | 36 | 36,746 |

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018

**Vikas Bagaria**
Partner
Membership No. 060408

Place : Bengaluru
Date : July 24, 2020

**Krishnan Akhileswaran**
Chief Financial Officer

**S M Krishnan**
Vice President - Finance
& Company Secretary

Place : Chennai
Date : June 25, 2020

**Dr. Prathap C Reddy**
Executive Chairman

**Preetha Reddy**
Executive Vice Chairperson

**Suneeta Reddy**
Managing Director

# Notes to the consolidated financial statements for the year ended March 31, 2020

## 1 General Information

Apollo Hospitals Enterprise Limited ('the Group' or 'the Company') is a public company incorporated in India. The address of its registered office and principal place of business is at 19, Bishop Gardens, Raja Annamalaipuram, Chennai, Tamilnadu. The main business of the Group is to enhance the quality of life of patients by providing comprehensive, high-quality hospital services on a cost-effective basis and providing / selling high quality pharma and wellness products through a network of pharmacies. The principal activities of the Group and its subsidiaries (hereinafter referred to as 'the group') include operation of multidisciplinary private hospitals, clinics,diagonostic centers and pharmacies.

### Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of the Consolidated financial statements. These policies have been consistently applied to all the years presented unless otherwise stated.

## 2 Application of new and revised Ind ASs

The Group has applied all the Ind ASs notified by the MCA.

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method (except for one lease contract where modified prospective method is used) has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019. On transition, the adoption of the new standard resulted in recognition of 'Right-of-Use' asset and a lease liability as at April 1, 2019. The cumulative effect of applying the standard was debited to retained earnings, net of taxes.

The financial impact on initial application of this standard on the consolidated financial statements is disclosed as part of Note 52.

### Appendix C to Ind AS 12 - Uncertainty over income tax treatments

Appendix C to Ind AS 12 clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. The adoption of Appendix C to Ind AS 12 did not have any material impact on the consolidated financial statements.

### Amendment to Ind AS 19 - Plan Amendment, Curtailment or Settlement

The Ministry of Corporate Affairs issued amendments to Ind AS19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements requiring an entity to determine the current service costs and the net interest for the period after the remeasurement using the assumptions used for the remeasurement; and determine the net interest for the remaining period based on the remeasured net defined benefit liability or asset. The adoption of amendment to Ind AS 19 did not have any material impact on the consolidated financial statements.

### Amendment to Ind AS 12 – Income Taxes

The Ministry of Corporate Affairs issued amendments to IndAS 12 – Income Taxes. The amendments clarify that an entity shall recognize the income tax consequences of dividends on financial instruments classified as equity according to where the entity originally recognized those past transactions or events that generated distributable profits were recognized. The adoption of amendment to Ind AS 12 did not have any material impact on the consolidated financial statements.

## 2.1 New Accounting Standard not yet adopted

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

## 3.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act 2013 (the Act) and other relevant provisions of the act.

The financial statements were authorised for issue by the Group's Board of Directors on June 25 , 2020

## 3.2 Basis of preparation and presentation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

The Signficant accounting policies are set out below.

## 3.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Group and its subsidiaries. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated. Profits and losses on items of property, plant and equipment and inventory acquired from other group entities are also eliminated.

The following subsidiaries were consolidated as at March 31, 2020:

| Name of the Subsidiary/Step down Subsidiary | Country of Incorporation | % of holding | |
|---|---|---|---|
| | | As at March 31, 2020 | As at March 31, 2019 |
| Apollo Home Healthcare (India) Limited | India | 100.00% | 100.00% |
| Apollo Home Healthcare Limited | India | 70.75% | 58.12% |
| AB Medical Centers Limited | India | 100.00% | 100.00% |
| Apollo Health and Lifestyle Limited | India | 70.25% | 70.25% |
| Samudra Healthcare Enterprise Limited | India | 100.00% | 100.00% |
| Imperial Hospital & Research Centre Limited | India | 90.00% | 90.00% |
| Apollo Hospital (UK) Limited | United Kingdom | 100.00% | 100.00% |
| Apollo Nellore Hospitals Limited | India | 80.87% | 79.44% |
| Apollo Rajshree Hospitals Private Limited | India | 54.63% | 54.63% |
| Apollo Lavasa Health Corporation Limited | India | 51.00% | 51.00% |
| Western Hospitals Corporation Private Limited | India | 100.00% | 100.00% |
| Apollo Hospitals Singapore Pte Ltd, Singapore | Singapore | 100.00% | 100.00% |
| Sapien Biosciences Private Limited | India | 70.00% | 70.00% |

| Name of the Subsidiary/Step down Subsidiary | Country of Incorporation | % of holding | |
|---|---|---|---|
| | | As at March 31, 2020 | As at March 31, 2019 |
| Total Health | India | 100.00% | 100.00% |
| Apollo Healthcare Technology Solutions Ltd | India | 40.00% | 40.00% |
| Assam Hospitals Limited | India | 65.52% | 62.32% |
| Apollo Hospitals International Ltd | India | 50.00% | 50.00% |
| Future Parking Private Limited | India | 49.00% | 49.00% |
| Apollo Medicals Private Limited | India | 100.00% | 100.00% |
| **Step down subsidiaries** | | | |
| Apollo CVHF Limited | India | 66.67% | 66.67% |
| Apollo Dialysis Private Limited | India | 59.30% | 59.53% |
| Alliance Dental Care Limited | India | 69.54% | 69.54% |
| Apollo Sugar Clinics Limited | India | 80.00% | 80.00% |
| Apollo  Specialty Hospitals Private Limited | India | 100.00% | 100.00% |
| Apollo Bangalore Cradle Limited | India | 100.00% | 100.00% |
| Apollo Pharmacies Limited | India | 100.00% | 100.00% |
| Kshema healthcare Private Limited | India | 100.00% | 100.00% |
| AHLL Diagnostics Limited | India | 100.00% | 100.00% |
| AHLL Risk Management Private Limited | India | 100.00% | 100.00% |

### 3.4 Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in statement of profit and loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit and loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

### 3.5 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition-related costs are generally recognised in  Statement of profit and loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

a) deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;

b) liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payment at the acquisition date

c) assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard

On acquisition, the Group assesses the classification of the acquiree's assets and liabilities and reclassifies them where the classification is inappropriate for Group purposes.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in  Statement of  statement of profit and loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to  Statement of  statement of profit and loss where such treatment would be appropriate if that interest were disposed of.

### 3.6 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note 3.4 above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit and loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described at note 3.7 and impairment of goodwill is descried in 3.18.1

### 3.7 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but does not denote control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of profit and loss and other comprehensive income of the associate or joint venture. Distributions received from an associate or a joint venture reduce the carrying amount of the investment. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

| Particulars | Place of Incorporation | % of holding | |
|---|---|---|---|
| | | 31-Mar-20 | 31-Mar-19 |
| Indraprastha Medical Corporation Limited | India | 22.03% | 22.03% |
| Stemcyte India Therapeutics Private Limited | India | 24.50% | 24.50% |
| Apollo Munich Health Insurance Company Limited | India | - | 9.96% |
| Family Health Plan Insurance TPA Limited | India | 49.00% | 49.00% |

### 3.8 Revenue recognition

The group earns revenue primarily by providing healthcare services and sale of pharmaceutical products. Other sources of revenue include revenue earned through Operation and Management (O&M) contracts, brand license agreements and contracts for clinical trials.

Effective April 1, 2018, the Group has applied Ind AS 115 - Revenue from Contract with customers which establishes a comprehensive framework for revenue recognition. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Group has adopted Ind AS 115 using the cumulative effect method(modified retrospective approach). The effect of initially applying this standard was recognised at the date of initial application (i.e. April 1, 2018). The impact of the adoption of the standard on the financial statements of the Group was insignificant.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services. When there is uncertainty on ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

### 3.8.1 Healthcare Services

The Healthcare services income include revenue generated from outpatients, which mainly consist of activities for physical examinations, treatments, surgeries and tests, as well as that generated from inpatients, which mainly consist of activities for clinical examinations and treatments, surgeries, and other fees such as room charges, and nursing care. The performance obligations for this stream of revenue include food & beverage, accommodation, surgery, medical/ clinical professional services, supply of equipment, investigation and supply of pharmaceutical and related products.

The patient is obligated to pay for healthcare services at amounts estimated to be receivable based upon the Company's standard rates or at rates determined under reimbursement arrangements. The reimbursement arrangements are generally with third party administrators. The reimbursement is also made through national, international or local government programs with reimbursement rates established by statute or regulation or through a memorandum of understanding.

Revenue is recognised at the transaction price when each performance obligation is satisfied at a point in time when inpatient/ outpatients has actually received the service except for few specific services in the dialysis and oncology specialty where the performance obligation is satisfied over a period of time.

Revenue from healthcare patients, third party payors and other customers are billed at our standard rates net of disallowances, discounts or rebates to reflect the estimated amounts to be receivable from these payors."

Heathcare Services performed for patients where the collection of the billed amount or a portion of the billed amount cannot be determined at the time services are performed the Company concludes that the consideration is variable ("implicit price concession") and records the difference between the billed amount and the amount estimated to be collectible as a reduction to healthcare services revenue. Implicit price concessions include such items as amounts due from patients without adequate insurance coverage, patient co-payment and deductible amounts due from patients with healthcare coverage. The Company determines implicit price concessions primarily upon past collection history. Upon receipt of new information relevant for the determination of the implicit price concession, the Company constrains, or adjusts the constraints for the variable consideration of the transaction price.

### 3.8.2 Pharmaceutical Products

In respect of sale of pharmaceutical products, where the performance obligation is satisfied at a point in time, revenue is recognised when the control of goods is transferred to the customer.

### 3.8.3 Project Consultancy Income

In respect of project consultancy income, i.e. the revenue arising from the Operating & Maintenance (O&M) contracts where the performance obligation is satisfied over time, revenue is recognised along the period when the services are received and accepted by the customer.

### 3.8.4 Clinical trials

In respect of clinical trials, where the performance obligation is satisfied at a point in time, revenue is recognised when the service has been received and accepted by the customer.

### 3.8.5 Other Services

(i) Hospital Project Consultancy income is recognised as and when it becomes due, on percentage completion method, on achievement of milestones.

(ii) Income from Clinical Trials on behalf of Pharmaceutical Companies is recognized on completion of the service, based on the terms and conditions specified to each contract.

(iii) One-time franchise license fees is recognised based on achievement of the milestones as per the terms of the contract and where ever there is no bifurcation of total fee then over the period of the agreement.

(iv) Other Franchisee license fee is recognised on accrual basis as per the terms of the contracts.

(v) Other services fee is recognized on basis of the services rendered and as per the terms of the agreement.

(vi) Royalty income is recognised on an accrual basis in accordance with the terms of the relevant agreement.

### 3.8.6 Contract assets and liabilities

Revenue recognised by the Company where services are rendered to the customer and for which invoice has not been raised (which we refer as unbilled revenue) are classified as contract assets. Amount collected from the customer and services have not yet been rendered are classified as contract liabilities.

### 3.8.7 Transaction Price

Revenue is measured based on the transaction price, which is the fixed consideration adjusted for discounts, estimated disallowances, amounts payable to customer in the nature of commissions, principal versus agent considerations, loyalty credits and any other rights and obligations as specified in the contract with the customer. Revenue also excludes taxes collected from customers and deposited back to the respective statutory authorities. Subsequent changes resulting from a patient's ability to pay are recorded as bad debt expense, which is included as an expense in the consolidated statements of profit and loss.

#### Principal versus agent considerations

The Group is a principal and records revenue on a gross basis when the Group is primarily responsible for fulfilling the service, has discretion in establish pricing and controls the promised service before transferring that service to customers.

In limited instances, the patient services are provided by visiting consultants, who are doctors/medical experts and not considered as the Group's employees. As the visiting consultants have the discretion to take their patients to other hospital for the required treatment and set their own consultation fee charged to patients, the Group is an agent in such arrangement. The Group collects fees on behalf of the visiting consultants and records revenue at the net amounts as commissions.

Sometimes the Group engages third-party providers to provide medical examination and disease screening services. The Group evaluates the services provided by third parties to determine whether to recognize the revenues on a gross or net basis. The determination is based upon an assessment as to whether the Group acts as a principal or agent when providing the services. Some of the revenues involving third-party providers providing medical examination or disease screening services are accounted for on a net basis since the third-party providers are the primary obligor, have the latitude in establishing prices, and the customer has discretion in third-party provider selection.

### 3.8.8 Contract modifications

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the stand alone selling price. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

### 3.8.9 Revenue from Insurance business

#### a. Premium:

Premium (net of service tax) is recognized as income over the contract period or period of risk, whichever is appropriate. Any subsequent revision or cancellation of premium is accounted for in the year in which they occur.

#### b. Commission on Reinsurance Premium:

Commission on reinsurance ceded is recognized as income in the year of cession of reinsurance premium. Profit commission under reinsurance treaties, wherever applicable, is recognized in the year of determination of the profits and as intimated by the reinsurer.

#### c. Premium Deficiency:

Premium deficiency is recognized whenever the ultimate amount of expected claims, related expenses and maintenance costs exceeds the related sum of premium carried forward to the subsequent accounting period as reserve for unexpired risk.

#### d. Reserve for Unexpired Risk:

Reserve for unexpired risk represents that part of the net premium (premium net of reinsurance ceded) attributable to the succeeding accounting period subject to a minimum amount of reserves as required by Section 64V (1) (ii) (b) of the Insurance Act, 1938.

#### e. Interest / Dividend Income:

Interest income is recognized on accrual basis. Dividend is recognized when the right to receive the dividend is established.

#### f. Accretion / Amortization of Discounts/ Premium

Accretion of discounts and amortization of premium relating to debt securities is recognized over the holding / maturity period.

### 3.8.10 Revenue from Third Party Administrator (TPA)

Inpatient services rendered to TPA are paid according to a fee-for-service schedule. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. Inpatient services generated through TPA are recorded on an accrual basis in the period in which services are provided at established rates.

The Group determines the transaction price on the TPA contracts based on established billing rates reduced by contractual adjustments provided to TPAs. Contractual adjustments and discounts are based on contractual agreements, discount policies and historical experience. Implicit price concessions are based on historical collection experience. Most of our TPA contracts contain variable consideration. However, it is unlikely a significant reversal of revenue will occur when the uncertainty is resolved, and therefore, the Company has included the variable consideration in the estimated transaction price.

### 3.8.11 Trade accounts and other receivables and allowance for doubtful accounts

Trade receivables from healthcare services are recognized and billed at amounts estimated to be collectable under government reimbursement programs, reimbursement arrangements with third party administrators and contracutal arrangements with corporates including public sector undertakings. The billing on government reimbursement programs are at pre-determined net realizable rates per treatment that are established by statute or regulation. Revenues for non-governmental payors with which the Group has contracts are recognized at the prevailing contract rates. The remaining non-governmental payors are billed at the Group's standard rates for services and a contractual adjustment is recorded to recognize revenues based on historic reimbursement. The contractual adjustment and the allowance for doubtful accounts are reviewed quarterly for their adequacy. The collectability of receivables is reviewed on a regular basis.

Receivables where the expected credit losses are not assessed individually are grouped based on similar credit characteristics and the impairment is assessed based on historical default rates and macroeconomic indicators. Write offs are taken on a claim-by-claim basis. Due to the fact that a large portion of its reimbursement is provided by public healthcare organizations and private insurers, the Company expects that most of its accounts receivables will be collectible. A significant change in the Company's collection experience, deterioration in the aging of receivables and collection difficulties could require that the Company increases its estimate of the allowance for doubtful accounts. Any such additional bad debt charges could materially and adversely affect the Company's future operating results. When all efforts to collect a receivable have been exhausted, and after appropriate management review, a receivable deemed to be uncollectible is considered a bad debt and written off.

## Other Income

### 3.8.12 Revenue from export benefit schemes

Under the "Served from India Scheme" introduced by the Government of India, an exporter of service is entitled to certain export benefits on foreign currency earned. The revenue in respect of export benefits is recognized on the basis of the foreign exchange earned at the rate at which the said entitlement accrues to the extent there is no significant uncertainty as to the amount of consideration that would be derived and as to its ultimate collection.

### 3.8.13 Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### 3.8.14 Rental income

The Group's policy for recognition of revenue from operating leases is described under note 3.9.1 below.

### 3.9 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

### 3.9.1 The Group as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

### 3.9.2 The Group as lessee

The Group enters into an arrangement for lease of land, buildings, plant and machinery including computer equipment and furnitures. Such arrangements are generally for a fixed period but may have extension or termination options. The Group assesses, whether the contract is, or contains, a lease, at its inception. A contract is, or contains, a lease if the contract conveys the right to –
(a) control the use of an identified asset,

(b) obtain substantially all the economic benefits from use of the identified asset, and

(c) direct the use of the identified asset. The Group determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Company is reasonably certain to exercise that option

The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. This expense is presented within 'other expenses' in statement of profit and loss.

#### Lease Liabilities:

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:
i) fixed lease payments (including in-substance fixed payments), less any lease incentives;

ii) variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

iii) the amount expected to be payable by the lessee under residual value guarantees;
iv) lease payments in optional renewal periods, where exercise of extension options is reasonably certain, and
v) payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the Balance Sheet under “”Other Financial Liabilities””. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Lease liability payments are classified as cash used in financing activities in the Statement of cash flows.”

#### Right-of-Use Assets:

The Group recognises right-of-use asset at the commencement date of the respective lease. Right-of-use asset are stated at cost less accumulated depreciation. Upon initial recognition, cost comprises of:

- the initial lease liability amount,
- initial direct costs incurred when entering into the lease,
- (lease) payments before commencement date of the respective lease, and
- an estimate of costs to dismantle and remove the underlying asset,
- less any lease incentives received.

Prepaid lease payments (including the difference between nominal amount of the deposit and the fair value) are also included in the initial carrying amount of the right of use asset.

They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated on a straight line basis over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the Right-of-use asset reflects that the Group expects to exercise a purchase option, the related Right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease

The Right-of-use assets are presented as a separate line in the Balance Sheet.
The Group applies Ind AS 36 to determine whether a ROU asset is impaired and accounts for any identified impairment loss as described in the impairment of non-financial assets below.

The Group incurs obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease. The Group has assessed that such restoration costs are negligible and hence no provision under Ind-AS 37 has been recognised. “

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the Right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “other expenses” in the statement of profit and loss.

#### Lease policy applicable before April 1, 2019

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

### 3.10 Foreign currencies

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

### 3.11 Borrowings and Borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit and loss over the period of the borrowings using the effective interest rate method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

### 3.12 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated balance sheet and transferred to statement of profit and loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in statement of profit and loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

### 3.13 Employee benefits

#### 3.13.1 Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected in retained earnings and is not reclassified to statement of profit and loss. Past service cost is recognised in statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Group presents the first two components of defined benefit costs in statement of profit and loss in the line item 'Employee benefits expense'.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

#### 3.13.2 Short-term and other long-term employee benefits

**Leave Encashment**

The employees of the Company are entitled to encash the unutlised leave. The employees can carry forward a portion of the unutilized accumulating leave and utilize it in future periods or receive cash as per the Companies policy upon accumulation of minimum number of days. The Company records an obligation for leave encashment in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of leave encashment as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognizes accumulated leave entitlements based on actuarial valuation using the projected unit credit method. Non-accumulating leave balances are recognized in the period in which the leaves occur.

**Other short term employee benefits**

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

### 3.14 Share-based payment arrangements

#### 3.14.1 Share-based payment transactions

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in the notes to accounts.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is re-measured, with any changes in fair value recognised in profit and loss for the year.

### 3.15 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

### 3.15.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Advance taxes and provisions for current income taxes are presented in the Balance Sheet after off-setting advance tax paid and income tax provision

### 3.15.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

### 3.15.3 Current and deferred tax for the year

Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in accounting for the business combination.

### 3.16 Property, plant and equipment

Land and buildings mainly comprise of hospitals and offices. Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Expenses in the nature of general repairs and maintenance , i.e. in the nature of day to day service costs are charged to income statement during the financial period in which they are incurred.

Parts of some items of property, plant and equipment may require replacement at regular intervals and this would enhance the life of the asset. The Group recognises these in the carrying value of property, plant & equipment and amortised over the period which is lower of replacement period and its useful life. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of Ind AS 16.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

The management believes that these estimated useful lives that reflect fair approximation of the period over which the assets are likely to be used.

#### Estimated useful lives of the assets are as follows:

| Category of assets | Useful Life (in years) |
|---|---|
| Buildings (Freehold) | 60 years |
| Buildings (Leasehold) | Over the lease term |
| Plant and Machinery | 15 Years |
| Electrical Installation and Generators | 10 Years |
| Medical Equipment | 13 Years |
| Surgical Instruments | 3 Years |
| Furnitures and Fixtures | 10 Years |
| Vehicles | 8 Years |
| Office Equipments | 5 Years |
| Computers | 3 Years |
| Servers | 6 Years |

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit and loss.

### 3.17 Intangible assets

### 3.17.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimates being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Intangible assets with finite useful lives are evaluated for impairment when events have occurred that may give rise to an impairment.

### 3.17.2 Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

### 3.17.3 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit and loss when the asset is derecognised.

### 3.17.4 Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

| Category of assets | Useful Life (in years) |
|---|---|
| Software License | 3 years |
| Non Compete Fees | 3 years |
| Trademarks | 3 years |

### 3.17.5 Review of useful life and method of depreciation

Estimated useful lives are periodically reviewed, and when warranted, changes are made to them. The effect of such change in estimates are accounted for prospectively.

### 3.17.6 Capital work in progress

Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date are recognized as capital advance and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work- in-progress

Commencement of Depreciation related to property, plant and equipment classified as Capital work in progress (CWIP) involves determining when the assets are available for their intended use. The criteria the Group uses to determine whether CWIP are available for their intended use involves subjective judgments and assumptions about the conditions necessary for the assets to be capable of operating in the intended manner.

### 3.17.7 Internally generated intangibles

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use the software and the costs can be measured reliably. The costs which can be capitalized include the cost of material, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use.

### 3.18 Impairment of tangible and intangible assets other than goodwill

The carrying values of property plant and equipment and intangible assets with finite life are reviewed for possible impairment whenever events, circumstances or operating results indicate that the carrying amount of an asset may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit and loss.

If at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment losses previously recognized are reversed such that the asset is recognized at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognized initially. An impairment in respect of goodwill is not reversed.

### 3.18.1 Impairment of Goodwill and indefinite useful lives

Goodwill and identifiable intangibles with indefinite useful lives are not amortized but tested for impairment annually or when an event becomes known that could trigger an impairment.

To perform the annual impairment test of goodwill, the Company identified its groups of cash generating units (CGUs) and determined their carrying value by assigning the assets and liabilities, including the existing goodwill and intangible assets, to those CGUs. CGUs reflect the lowest level on which goodwill is monitored for internal management purposes.

For the purpose of goodwill impairment testing, all corporate assets and liabilities are allocated to the CGUs. At least once a year, the Group compares the recoverable amount of each CGU to the CGU's carrying amount.

To evaluate the recoverability of intangible assets with indefinite useful lives, the Group compares the fair values of intangible assets with their carrying values.

### 3.19 Inventories

Inventories of medical consumables, drugs and stores & spares are valued at lower of cost or net realizable value. Net Realizable Value represents the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

Cost is determined as follows:

a. 'Medicines' under healthcare segment is valued on First in First Out (FIFO) basis.

b. 'Stock in Trade' under retail pharmacies segment is valued on weighted average rates.

c. 'Stores and spares' is valued on First in First Out (FIFO) basis.

d. 'Other consumables (including laboratory consumables)' is valued on First in First Out (FIFO) basis.

### 3.20 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### 3.20.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

### 3.21 Financial instruments

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value are recognised immediately in the consolidated statement of profit and loss.

### 3.21.1 Financial assets

The Company classifies its financial instruments in accordance with Ind AS 109 in the following measurement categories: at amortized cost, at fair value through profit and loss ("FVPL") and at fair value through other comprehensive income ("FVOCI").

Financial assets are classified depending on the business model in which the financial assets are held and the contractual terms of the cash flows. Financial assets are only reclassified when the business model for managing those assets changes. During the reporting period no financial instruments were reclassified. Purchases and sales of financial assets are accounted for on the trading day. The Company does not make use of the fair value option, which allows financial liabilities to be classified at FVPL upon initial recognition. At initial recognition financial asset and financial liabilities are measured at fair value.

Excluded are trade accounts receivables. At initial recognition trade accounts receivables (in accordance with Ind AS 115) are measured at their transaction price.

#### Subsequent measurement is either at cost, FVPL or FVOCI.

In general, financial liabilities are classified and subsequently measured at amortized cost, with the exception of contingent considerations resulting from a business combination, noncontrolling interests subject to put provisions as well as derivative financial liabilities.

Investments in equity instruments are recognized and subsequently measured at fair value. The Company's equity investments are not held for trading. In general, changes in the fair value of equity investments are recognized in the income statement. However, at initial recognition the Company elected, on an instrument-by-instrument basis, to represent subsequent changes in the fair value of individual strategic equity investments in other comprehensive income (loss) ("OCI").

The Group's investment in debt securities with the objective to achieve both collecting contractual cash flows and selling the financial assets, and initially measured at fair value. Some of these securities give rise on specified dates to cash flows that are solely payments of principle and interest. These securities are subsequently measured at FVOCI. Other securities are measured at FVPL.

#### Amortised Cost and Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit and loss and is included in the "Other income" line item.

#### Instruments at FVTOCI

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to statement of profit and loss on disposal of the investments.

#### A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognised in profit and loss when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in the consolidated statement of profit and loss are included in the 'Other income' line item.

#### 3.21.2 Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

The expected credit loss approach requires that all impacted financial assets will carry a loss allowance based on their expected credit losses. Expected credit losses are a probability-weighted estimate of credit losses over the contractual life of the financial assets.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 Revenue from Contracts with customers, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

The impairment provisions for trade receivables is based on reasonable and supportable information including historic loss rates, present developments such as liquidity issues and information about future economic conditions, to ensure foreseeable changes in the customer-specific or macroeconomic environment are considered.

#### 3.21.3 Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

#### 3.21.4 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in statement of profit and loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- Net gain / (loss) on foreign currency transactions and translation during the year recognised in the consolidated statement of Profit and Loss account is presented under Other income.

### 3.22 Financial liabilities and equity instruments

#### 3.22.1 Classification as debt or equity

Debt and equity instruments issued by a Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### 3.22.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in statement of profit and loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

### 3.22.3 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

**3.22.4** Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a Group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit and loss. The net gain or loss recognised in profit and loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for not-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit and loss, in which case these effects of changes in credit risk are recognised in profit and loss. The remaining amount of change in the fair value of liability is always recognised in profit and loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit and loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group as at fair value through profit and loss are recognised in profit and loss.

### 3.22.5 Financial liabilities subsequently measured at amortised cost

The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### 3.22.6 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.



Financial guarantee contracts issued by a group entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

### 3.22.7 Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit and loss.

### 3.22.8 Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative

The change in fair value of derivatives is recorded in the statement of profit and loss.

Derivatives embedded in host contracts are accounted for as separate derivatives if their economic characteristics and risks are not closely related to those of the host contracts. These embedded derivatives are measured at fair value with changes in fair value recognized in the statement of profit and loss.

### 3.23 Put Options

The Group has issued written put option to non-controlling interests in certain subsidiaries of the Group in accordance with the terms of underlying agreement with such option holders. Should the option be exercised, the Group has to settle such liability by payment of cash.Accounting on Initial Recognition: The amount that may become payable under the option on exercise is recognised as a financial liability at fair value on the transaction date with a corresponding charge directly to the shareholders' equity.

#### Subsequent Measurement:

The liability is subsequently accreted through finance charges recognised under finance cost in the Statement of Profit and Loss up to the redemption amount that is payable at the date on which the option first becomes exercisable. In the event that the option expires unexercised, the liability is derecognised with a corresponding adjustment to equity.

### 3.24 Segment reporting

In accordance with Ind AS 108, Segment Reporting, the Group's chief operating decision maker ("CODM") has been identified as the board of directors. The Group's CODM evaluates segment performance based on revenues and profit by the hospital, pharmacy and clinic segments.

### 3.25 Non Current Asset Held for Sale

The Group classifies non-current assets held for sale if their carrying amounts will be principally recovered through a sale rather than through continuing use of assets and action required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

### 3.25.1 Discontinued operations

A discontinued operation is a 'component' of the group business that represents a separate line of business that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

The group considers the guidance in Ind AS 105 Non-Current assets held for sale and discontinued operations to assess whether a divestment asset would qualify the definition of 'component' prior to classification into discontinued operation.

### 3.26 Dividend

A final dividend, including tax thereon, on equity shares is recorded as a liability on the date of approval by the shareholders. An interim dividend, including tax thereon, is recorded as a liability on the date of declaration by the board of directors.

### 3.27 Contingent liabilities

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with Ind AS 37 and the amount initially recognised less cumulative amortisation recognised in accordance with Ind AS 115 Revenue from contracts with customers.

## 4 Critical accounting judgements and key sources of estimation uncertainty

### Use of estimates

The preparation of consolidated financial statements in conformity with Ind AS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the balance sheet dates and the reported amounts of revenues and expenses during the reporting periods. Significant estimates and assumptions reflected in the Company's financial statements include, but are not limited to, expected credit loss, impairment of goodwill, useful lives of property, plant and equipment and leases, realization of deferred tax assets, unrecognized tax benefits, incremental borrowing rate of right-of-use assets and related lease obligation, the valuation of the Group's acquired equity investments. Actual results could materially differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### 4.1 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### 4.1.1 Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use is determined using a discounted cash flow approach based upon the cash flow expected to be generated by the CGU. In case that the value in use of the CGU is less than its carrying amount, the difference is at first recorded as an impairment of the carrying amount of the goodwill.

### 4.1.2 Impairment of Financial Assets

The impairment provisions for trade receivables is based on assumptions about risk of default and expected loss rates. The Group uses judgements in making certain assumptions and selecting inputs to determine impairment of these trade receivables, based on on reasonable and supportable information including historic loss rates, present developments such as liquidity issues and information about future economic conditions, to ensure foreseeable changes in the customer-specific or macroeconomic environment are considered.

### 4.1.3 Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The business acquisitions made by the Group are also accounted at fair values.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group's engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

### 4.1.4 Employee Benefits - Defined benefit obligations

The cost of the defined benefit plans are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

### 4.1.5 Litigations

The amount recognised as a provision shall be the best estimate of the expenditure required to settle the present obligation arising during the reporting period.

### 4.1.6 Revenue Recognition

The Group's contracts with customers could include promises to render multiple services to a customer. The Group assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is applied in the assessment of principal versus agent considerations with respect to contracts with customers and doctors which is determined based on the substance of the arrangement.

Judgement is also applied to determine the transaction price of the contract. The transaction price shall include a fixed amount of customer consideration and components of variable consideration which constitutes amounts payable to customer, discounts, commissions , disallowances and redemption patterns of loyalty customers. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

### 4.1.7 Useful lives of property plant and equipment

The Group depreciates property, plant and equipment on a straight-line basis over estimated useful lives of the assets. The charge in respect of periodic depreciation is derived based on an estimate of an asset's expected useful life and the expected residual value at the end of its life. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The estimated useful life is reviewed at least annually.

### 4.1.8 Point of Capitalisation

Management has set in parameters in respect of its medical Equipments specific to the stability and reaching the contractual availability goals. The Property, plant & equipment shall be capitalised upon reaching these parameters at which stage the asset is brought to the location and condition necessary for it to be capable of operating in the manner intended by management

### 4.1.9 Impairment of Non - Financial Assets

Determining whether the asset is impaired requires to assess the recoverable amount of the asset or Cash Generating Unit (CGU) which is compared to the carrying amount of the asset or CGU, as applicable. Recoverable amount is the higher of fair value less costs of disposal and value in use. Where the carrying amount of an asset or CGU exceeds the recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

### 4.1.10 Income Taxes

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Group reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcomes which could lead to significant adjustment to the amounts reported in the financial statements.

### 4.1.11 Leases

Ind AS 116 defines a lease term as the non-cancellable period for which the lessee has the Right-to- use an underlying asset including optional periods, when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Group considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term. The option to extend the lease term is included in the lease term, if it is reasonably certain that the lessee would exercise the option. The Group reassesses the option when significant events or changes in circumstances occur that are within the control of the lessee.

### 4.1.12 Uncertainty relating to the global health pandemic on COVID-19

In assessing the recoverability of receivables including contract assets, goodwill, intangible assets, and certain investments, the Company has considered internal and external information up to the date of approval of these standalone financial statements including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used herein. Based on the current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets.

The impact of COVID-19 remains uncertain and may be different from what we have estimated as of the date of approval of these consolidated financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

## 5 Property, Plant and Equipment and Capital Work-in-progress

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Land | | |
| Buildings (Freehold) | 4,704 | 4,704 |
| Buildings (Leasehold) | 17,630 | 17,201 |
| Plant and Machinery | 7,522 | 3,854 |
| Medical Equipment & Surgical Instruments | 4,285 | 4,269 |
| Furniture and Fixtures | 15,615 | 11,884 |
| Office equipment | 3,023 | 2,989 |
| Computers | 430 | 392 |
| Vehicles | 335 | 340 |
| | 500 | 305 |
| | **54,044** | **45,938** |
| 5.1 Capital Work-in-progress (Refer Note v) | 2,091 | 8,218 |
| **Total** | **56,135** | **54,156** |





## Gross Block

| Particulars | Land (Refer note iv) | Buildings (Freehold) | Buildings (Leasehold) | Plant and Machinery@ | Medical Equipment* | Furniture and Fixtures | Office equipments | Computers# | Vehicles | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **Balance as at April 1, 2018** | **3,606** | **21,157** | **1,495** | **7,614** | **14,745** | **4,046** | **1,063** | **1,275** | **732** | **55,733** |
| Additions | 1,107 | 255 | 1,024 | 518 | 2,046 | 699 | 101 | 192 | 42 | 5,983 |
| Disposals | (10) | (2) | (6) | (30) | (66) | (53) | (8) | (14) | (9) | (199) |
| Adjustment/Reclassification | - | (2,913) | 2,866 | (699) | 766 | (76) | (43) | (63) | (2) | (164) |
| **Balance at March 31, 2019** | **4,704** | **18,497** | **5,379** | **7,402** | **17,490** | **4,615** | **1,113** | **1,391** | **763** | **61,353** |
| Additions | - | 796 | 4,409 | 589 | 5,518 | 623 | 185 | 165 | 271 | 12,556 |
| Disposals | - | - | | (45) | (243) | (46) | (23) | (30) | (6) | (393) |
| Impact on adoption of Ind AS 116 (Refer note 52) | - | - | (395) | (67) | - | (129) | - | - | - | (590) |
| **Balance at March 31, 2020** | **4,704** | **19,292** | **9,393** | **7,879** | **22,765** | **5,064** | **1,275** | **1,525** | **1,028** | **72,925** |

## Accumulated depreciation and impairment

| Particulars | Land (Refer note iv) | Buildings (Freehold) | Buildings (Leasehold) | Plant and Machinery@ | Medical Equipment* | Furniture and Fixtures | Office equipments | Computers# | Vehicles | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **Balance as at April 1, 2018** | **-** | **1,001** | **1,116** | **2,698** | **3,966** | **1,232** | **599** | **941** | **395** | **11,947** |
| Disposals | - | - | (2) | (18) | (48) | (28) | (7) | (12) | (5) | (119) |
| Depreciation expense | - | 322 | 413 | 560 | 1,645 | 452 | 135 | 147 | 71 | 3,746 |
| Adjustment/Reclassification | - | (28) | (3) | (107) | 42 | (30) | (6) | (24) | (3) | (159) |
| **Balance at March 31, 2019** | **-** | **1,296** | **1,524** | **3,133** | **5,606** | **1,627** | **721** | **1,051** | **457** | **15,415** |
| Disposals | - | | - | (35) | (218) | (27) | (20) | (28) | (5) | (332) |
| Depreciation expense | - | 366 | 397 | 540 | 1,761 | 463 | 144 | 168 | 75 | 3,915 |
| Impact on adoption of Ind AS 116 (Refer note 52) | - | - | (49) | (44) | - | (23) | - | - | - | (117) |
| **Balance at March 31, 2020** | **-** | **1,662** | **1,872** | **3,594** | **7,150** | **2,041** | **844** | **1,191** | **527** | **18,881** |
| **Carrying amount as on March 31, 2019** | **4,704** | **17,201** | **3,854** | **4,269** | **11,884** | **2,989** | **392** | **340** | **305** | **45,938** |
| **Carrying amount as on March 31, 2020** | **4,704** | **17,630** | **7,522** | **4,285** | **15,615** | **3,023** | **430** | **335** | **500** | **54,044** |

@ Includes electrical installation and generators
* Includes surgical equipments
# Includes Servers

Notes:

(i) Refer Note 22 for information on Property, Plant & Equipment pledged as security by the Company for securing financing facilities from banks and financial institutions.

(ii) Refer Note 53 for the contractual capital commitments for purchase of Property, plant & equipment.

(iii) Refer note 35 for details of interest capitalised during the year under Capital Work in Progress.

(iv) Land and Building of ₹190 million and ₹813 million for the year ended March 31, 2020 and March 31, 2019 respectively relate to one of the subsidiary company Imperial Hospitals and Research Center Limited which is under dispute with Government of Karnataka alleging non-compliance of certain conditions associated with the allotment of land, which has been stayed by the High court of Karnataka on April 27, 2018. Based on legal opinion, the management is of the opinion that it has complied with applicable conditions and therefore the proceedings are not sustainable.

(v) Capital work in progress includes ₹47.26 million in respect of land alloted by Andhra Pradesh Industrial Infrastructure Corporation, which is yet to be registered in the name of the Company as at March 31,2020

## 6 Right-of-Use Asset

| Particulars | Land | Buildings | Plant and Machinery | Medical Equipment | Total |
|---|---|---|---|---|---|
| Right-of-use asset recognised on adoption of IND AS 116 as at April 1, 2019 | 2,176 | 20,054 | - | 67 | 22,297 |
| Additions | - | 2,514 | 17 | - | 2,531 |
| Disposals/ Deletions | - | (361) | - | - | (361) |
| Balance at March 31, 2020 | 2,176 | 22,207 | 17 | 67 | 24,467 |

## Accumulated depreciation

| Particulars | Land | Buildings | Plant and Machinery | Medical Equipment | Total |
|---|---|---|---|---|---|
| Accumulated depreciation on Right-of-Use assets recognised on adoption of IND AS 116 as at April 1, 2019 | 28 | 6,144 | - | 44 | 6,216 |
| Disposals/ Deletions | - | (245) | - | - | (245) |
| Depreciation expense * | 40 | 1,968 | 2 | 11 | 2,021 |
| Balance at March 31, 2020 | 67 | 7,867 | 2 | 56 | 7,993 |
| **Carrying amount as on March 31, 2020** | **2,108** | **14,340** | **15** | **12** | **16,474** |

* Depreciation expenses amounting to ₹5.08 million is capitalised to Capital work in progress

## 7. Investment Property

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Carrying amounts of:** | | |
| Building (Multi-level Car Park) | 59 | 65 |
| **Total** | **59** | **65** |

| Particulars | Amount |
|---|---|
| Balance at beginning of the year | 84 |
| Additions | - |
| Disposals | - |
| **Balance as at March 31, 2019** | **84** |
| Additions | - |
| Disposals | - |
| **Balance as at March 31, 2020** | **84** |
| Accumulated depreciation and impairment | |
| Balance at beginning of year | 12 |
| Amortisation expense | 6 |
| Disposals | - |
| **Balance as at March 31, 2019** | **19** |
| Amortisation expense | 6 |
| Disposals | |
| Adjustment/Reclassification | |
| Balance as at March 31, 2020 | 25 |
| **Carrying amount as on March 31, 2019** | **65** |
| **Carrying amount as on March 31, 2020** | **59** |

* Depreciation expenses amounting to ₹5.08 million

The land associated to this investment property (building - Multi-level Car Park) is granted to the Group by virtue of a concessionaire agreement executed between Corporation of Chennai and Consortium of MARG Limited and Apollo Hospitals Enterprise Limited for a period of 20 years starting from September 22, 2010 expiring on September 21, 2030.

### Fair Value of investment Property

The fair value of the investment property as at March 31, 2020 is ₹275 Million on the basis of valuation carried out by independent valuers. The guideline value as pronounced by the government has been considered as a basis for fair valuation.

## 8. Goodwill

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Opening Balance | 3,462 | 3,462 |
| Additions | - | - |
| Accumulated impairment losses | - | - |
| **Total** | **3,462** | **3,462** |

**(i) Allocation of goodwill to cash generating units:**

Goodwill has been allocated for impairment testing purposes to the following cash-generating unit. The following table presents the allocation of goodwill to reportable segments:

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Standalone Pharmacy | 948 | 948 |
| Healthcare | 2,062 | 2,062 |
| Clinics | 384 | 384 |
| Others | 68 | 68 |
| **Total** | **3,462** | **3,462** |

**(ii) Key assumptions used for value-in-use calculations**

The Group tests whether the goodwill has been impaired on an annual basis or on arise of impairment indicators whichever is earlier. For the purpose of testing of impairment, the carrying amount of goodwill is allocated to a Cash Generating Unit (CGU) representing the lowest level at which the goodwill is monitored for internal management purposes and is not higher than the Company's operating segments

The recoverable amount of the CGUs have been assessed based on its value-in-use. Value-in-use is determined by discounting the future cash flows to be generated from the continuing use of the CGU. Key assumptions on which the Group has based its determinations of value-in-use include:

| Key Assumptions | Standalone Pharmacy | Healthcare | Clinics |
|---|---|---|---|
| Discount Rate | 13.50% | 12% | 16% |
| Long term Growth Rate (used for determining Terminal Value) | 3.50% | 3.5% - 5% | 5% |

a. These calculations use cash flow projections over a period of five years to seven years as applicable based on internal management budgets and estimates.

b. Terminal value is arrived by using last year's forecasted cash flows to perpetuity using a constant long-term growth rate. This long-term growth rate takes into consideration external macroeconomic sources of data.

c. The discount rates used are based on the Company's weighted average cost of capital of a comparable market participants, which is adjusted for specific risks.

Based on the assessment, the management has concluded that there is no impairment of goodwill in respect of the CGU's. The management believes that any reasonably possible further change in key assumptions on which recoverable amount is based would not cause the carrying amount of the goodwill related to each of the significant units to exceed its recoverable amount.

The Group has performed sensitivity analysis for all key assumptions, including the cash flow projections consequent to the change in estimated future economic conditions arising from the possible effects due to COVID-19 and is unlikely to cause the carrying amount of the CGU exceed its estimated recoverable amount.

## 9 Other Intangible assets

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Carrying amounts of: | | |
| Software Licence | 282 | 347 |
| Trademark | - | - |
| Non Compete Fee | - | 4 |
| **Total** | **282** | **351** |

### Gross block

| Particulars | Software License | Trademark | Non Compete Fee | Total |
|---|---|---|---|---|
| **Balance as at April 1, 2018** | **911** | **66** | **68** | **1,046** |
| Additions | 145 | - | - | 145 |
| Disposals | - | - | - | - |
| Adjustment/Reclassification | (11) | - | | (11) |
| **Balance at March 31, 2019** | **1,045** | **66** | **68** | **1,180** |
| Additions | 188 | | | 188 |
| Disposals | | | | - |
| Adjustment/Reclassification | | | | - |
| **Balance at March 31, 2020** | **1,233** | **66** | **68** | **1,367** |
| **Accumulated Amortisation and impairment** | | | | |
| **Balance as at April 1, 2018** | **519** | **64** | **53** | **636** |
| Amortisation expense | 189 | 2 | 11 | 202 |
| Disposals | - | - | - | - |
| Adjustment/Reclassification | (9) | - | - | -9 |
| **Balance at March 31, 2019** | **699** | **66** | **64** | **829** |
| Amortisation expense | 253 | | 4 | 257 |
| Disposals | | | | - |
| Adjustment/Reclassification | | | | - |
| **Balance at March 31, 2020** | **951** | **66** | **68** | **1,086** |
| **Carrying amount as on March 31, 2019** | **347** | **-** | **4** | **351** |
| **Carrying amount as on March 31, 2020** | **282** | **-** | **-** | **282** |

## 10 Investment in Equity Accounted Investee

| Name of the Body Corporate | Associate/ Joint Venture | Quoted / Unquoted | As at March 31,2020 | | As at March 31,2019 | |
|---|---|---|---|---|---|---|
| | | | Quantity | Amount | Quantity | Amount |
| Carrying amount determined using equity method of accounting: | | | | | | |
| Indraprastha Medical Corporation Limited | Associate | Quoted | 20,190,740 | 749 | 20,190,740 | 690 |
| Stemcyte India Therapeutics Private Limited | Associate | Unquoted | 240,196 | 50 | 240,196 | 62 |
| Apollo Munich Health Insurance Company Limited | Associate* | Unquoted | - | - | 35,709,000 | 443 |
| Family Health Plan Insurance TPA Limited | Associate | Unquoted | 490,000 | 449 | 490,000 | 391 |
| Apollo Gleneagles Hospitals Limited | Joint Venture | Unquoted | 54,675,697 | 1,210 | 54,675,697 | 1,158 |
| Apollo Gleneagles PET-CT Private Limited | Joint Venture | Unquoted | 8,500,000 | 43 | 8,500,000 | 42 |
| ApoKos Rehab Private Limited | Joint Venture | Unquoted | 8,475,000 | 59 | 8,475,000 | 66 |
| Medics International Life sciences Limited | Joint Venture | Unquoted | 55,000,000 | 680 | 55,000,000 | 804 |
| **Total** | | | | **3,242** | | **3,654** |

* Refer note 64 in respect of disposal of investment in Apollo Munich Health Insurance Company Limited. The Group has ceased to have significant influence in this associate company with effect from January 1, 2020 in which date the closing conditions required to complete the sale have been completed and consideration for the sale has been received, the investment has been de-recognised from the books with effect from January 1, 2020

| | | |
|---|---|---|
| Aggregate book value of quoted investments | 749 | 690 |
| Aggregate market value of quoted investments | 685 | 774 |
| Aggregate carrying value of unquoted investments | 2,493 | 2,965 |

### 10.1 Details of material associates

The Group has interest in the following companies. The Group has significant influence either by virtue of shareholding being more than 20% or through Board representation. However the Group does not have control or joint control over any of them.

| Name | Principal Activity | Place of Incorporation and Principal place of Business | Proportion of ownership interest / voting rights held by the Group | |
|---|---|---|---|---|
| | | | As at March 31, 2020 | As at March 31, 2019 |
| Indraprastha Medical Corporation Limited | Healthcare and services | India | 22.03% | 22.03% |

| Name | Principal Activity | Place of Incorporation and Principal place of Business | Proportion of ownership interest / voting rights held by the Group | |
|---|---|---|---|---|
| | | | As at March 31, 2020 | As at March 31, 2019 |
| Stemcyte India Therapeutics Private Limited | Healthcare and services | India | 24.50% | 24.50% |
| Apollo Munich Health Insurance Company Limited | Health Insurance | India | - | 9.96% |
| Family Health Plan Insurance TPA Limited | Health Insurance | India | 49.00% | 49.00% |

### 10.2 Summarised financial information of material associates

The summarised financial information below represents amounts shown in the material's associate financial statements prepared in accordance with Ind ASs adjusted by the Group for equity accounting purposes.

#### 10.2.1 Indraprastha Medical Corporation Limited (IMCL)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Non-current assets | 3,075 | 2,868 |
| Current assets | 1,415 | 1,356 |
| Non-current liabilities | (416) | (542) |
| Current liabilities | (1,396) | (1,241) |
| Impact on adoption of IND AS 116 | (1) | - |
| Net Assets | 2,677 | 2,440 |
| Ownership held by the Group | 22.03% | 22.03% |
| Group's Share of Net Assets | 590 | 538 |
| Add: Goodwill on acquistion | 160 | 160 |
| Add: Others | (1) | (8) |
| Less:Dividend received elimnated on consolidation | (30) | - |
| Carrying amount of Group's interest in IMCL | 719 | 690 |

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Revenue | 8,308 | 7,882 |
| Profit from continuing operations (after tax) | 436 | 284 |
| Other comprehensive income for the year | (20) | (1) |
| Total comprehensive income for the year | 416 | 283 |
| Proportion of the Group's ownership interest in Total Comprehensive Income * | 92 | 62 |

* The share of loss of associate accounted using equity method of accounting was considered till June 30, 2019. With effect from July 1, 2019 the investment in this associate company is classified as held for sale.

#### 10.2.2 Family Health Plan Insurance TPA Limited (FHPTL)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Non-current assets | 909 | 799 |
| Current assets | 631 | 464 |
| Non-current liabilities | (350) | (199) |
| Current liabilities | (245) | (236) |
| **Net Assets** | **946** | **828** |

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Ownership held by the Group | 49% | 49% |
| Group's Share of Net Assets | 463 | 406 |
| Capital reserve | (15) | (15) |
| **Carrying amount of Group's interest in FHPTL** | **449** | **391** |

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Revenue | 1,380 | 1,232 |
| Profit from continuing operations (after tax) | 126 | 79 |
| Other comprehensive income for the year | (7) | 3 |
| Total comprehensive income for the year | 118 | 83 |
| Proportion of the Group's ownership interest in Total Comprehensive Income | 58 | 41 |

#### 10.2.3 Apollo Munich Health Insurance Company Limited

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Net Assets | - | 4,446 |
| Ownership held by the Group | - | 9.96% |
| Group's Share of Net Assets | - | 443 |
| **Carrying amount of Group's interest in Apollo Munich** | **-** | **443** |

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Revenue | 8,097 | 19,793 |
| Profit from continuing operations (after tax) | (1,075) | 69 |
| Other comprehensive income for the year | 29 | 15 |
| Total comprehensive income for the year | (1,046) | 84 |
| **Proportion of the Group's ownership interest in Total Comprehensive Income** | **(104)** | **8** |

### 10.3 Investments in joint ventures

#### 10.3.1 Details of material joint ventures

The Group has interest in the following companies. This has been accounted for using the equity method in the consolidated financial statements. The Group has joint control by virtue of contractual arrangements.

| Name | Principal Activity | Place of Incorporation and Principal place of Business | Proportion of ownership interest / voting rights held by the Group | |
|---|---|---|---|---|
| | | | As at March 31, 2020 | As at March 31, 2019 |
| Apollo Gleneagles Hospitals Limited | Healthcare and services | India | 50% | 50% |
| Apollo Gleneagles Hospitals PET CT Private Limited | Healthcare and services | India | 50% | 50% |
| ApoKos Rehab Private Limited | Healthcare and services | India | 50% | 50% |
| Medics International Life Sciences Limited | Healthcare and services | India | 50% | 50% |

### 10.3.2 Summarised financial information of material joint ventures

The summarised financial information below represents amounts shown in the joint venture company's financial statements prepared in accordance with Ind ASs adjusted by the Group for equity accounting purposes.

### 10.3.3 Apollo Gleneagles Hospital Limited (AGHL)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Non-current assets | 3,590 | 3,494 |
| Current assets | 1,876 | 1,811 |
| Non-current liabilities | (591) | (453) |
| Current liabilities | (2,576) | (2,627) |
| Impact on adoption of IND AS 116 | 32 | - |
| **Net Assets** | **2,330** | **2,225** |
| Ownership held by the Group | 50% | 50% |
| Group's Share of Net Assets | 1,165 | 1,112 |
| Add: Goodwill on acquistion | 45 | 45 |
| **Carrying amount of group's interest in AGHL** | **1,210** | **1,158** |

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Revenue | 7,162 | 6,388 |
| Profit/(Loss) from continuing operations (after tax) | 115 | 44 |
| Other comprehensive income for the year | (9) | (3) |
| Total comprehensive income for the year | 105 | 41 |
| Proportion of the Group's ownership interest in Total Comprehensive Income | 53 | 21 |

### 10.3.4 ApoKos Rehab Private Limited (ApoKos)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| ApoKos Rehab Private Limited (ApoKos) | | |
| Non-current assets | 87 | 94 |
| Current assets | 107 | 74 |
| Non-current liabilities | (2) | (2) |
| Current liabilities | (75) | (34) |
| Net Assets | 117 | 132 |
| Ownership held by the Group | 50% | 50% |
| Group's Share of Net Assets | 59 | 66 |
| **Carrying amount of Group's interest in ApoKos Rehab Private Limited** | **59** | **66** |

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Revenue | 135 | 94 |
| Profit/(Loss) from continuing operations (after tax) | (15) | (8) |
| Other comprehensive income for the year | - | - |
| Total comprehensive income for the year | (15) | (8) |
| Proportion of the Group's ownership interest in Total Comprehensive Income | (7) | (4) |

### 10.3.5 Medics International Life Sciences Limited

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Non-current assets | 2,926 | 2,789 |
| Current assets | 189 | 96 |
| Non-current liabilities | (1,562) | (1,290) |
| Current liabilities | (637) | (432) |
| Net Assets | 915 | 1,162 |
| Ownership held by the Group | 50% | 50% |
| Group's Share of Net Assets | 458 | 581 |
| Goodwill | 223 | 223 |
| Carrying amount of Group's interest in Medics International Life Sciences Limited | 680 | 804 |

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Revenue | 1,151 | 140 |
| Profit/(Loss) from continuing operations (after tax) | (243) | (212) |
| Other comprehensive income for the year | (4) | (1) |
| Total comprehensive income for the year | (247) | (213) |
| Proportion of the Group's ownership interest in Total Comprehensive Income | (124) | (106) |

10.4 The Group's share of commitment and contingent liabilities in respect of its associates and joint venture is disclosed as part of Note 53 and Note 54.

## 11 Other Investments

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | Non Current | Current | Non Current | Current |
| Investment carried at Fair Value through Profit and Loss* | | | | |
| Mutual Funds (Liquid and short term funds) | - | 749 | - | 688 |
| Other Investments | 269 | - | 191 | - |
| Investments in equity instruments at FVTOCI* | | | | |
| Investment in Equity instruments | 2 | - | 3 | - |
| Investments carried at amortised cost | | | | |
| Investment in debentures | 80 | - | 80 | - |
| **Total** | **350** | **749** | **274** | **688** |

*Refer note 51 for information and disclosure in respect of fair value measurements

| | | | | |
|---|---|---|---|---|
| Aggregate amount of unquoted investments | 350 | 749 | 274 | 688 |

### 11.1 Investment carried at Fair Value through Profit and Loss

| Name of the Entity | Quoted/ Unquoted | Partly paid/ Fully paid | Amount March 31,2020 | Amount March 31,2019 |
|---|---|---|---|---|
| **Investments in mutual funds (Liquid and short term funds)** | | | | |
| SBI Magnum Ultra Short Duration Fund | Unquoted | Fully paid | 151 | - |
| ICICI Prudential STP - Growth | Unquoted | Fully paid | 63 | 58 |

| Name of the Entity | Quoted/ Unquoted | Partly paid/ Fully paid | Amount March 31,2020 | Amount March 31,2019 |
|---|---|---|---|---|
| Aditya Birla Sun Life Short Term Fund | Unquoted | Fully paid | 60 | 55 |
| SBI STD Fund - Reg plan Growth | Unquoted | Fully paid | 59 | 54 |
| ICICI Equity Arbitrage Fund | Unquoted | Fully paid | 58 | 54 |
| SBI Liquid Fund | Unquoted | Fully paid | 50 | - |
| Canara Robeco Short Term Fund | Unquoted | Fully paid | 43 | 5 |
| Kotak Floater Short Term | Unquoted | Fully paid | 40 | 37 |
| IDFC All Seasons Bond Fund | Unquoted | Fully paid | 26 | 23 |
| Kotak Bond Short Term | Unquoted | Fully paid | 26 | 24 |
| HDFC Short Term Oppurtunities Fund | Unquoted | Fully paid | 24 | 22 |
| Axis Short Term Fund | Unquoted | Fully paid | 24 | 22 |
| ICICI Short Term Plan Growth | Unquoted | Fully paid | 24 | 22 |
| Kotak Equity Arbitrage Fund | Unquoted | Fully paid | 23 | 22 |
| IDFC Arbitrage Fund Growth | Unquoted | Fully paid | 23 | 22 |
| HDFC Debt Fund for Cancer Cure 2014 | Unquoted | Fully paid | 20 | 20 |
| SBI Liquid Fund Regular Growth | Unquoted | Fully paid | 10 | |
| Birla SunLife | Unquoted | Fully paid | 9 | 10 |
| Kotak Flexi Debt | Unquoted | Fully paid | 7 | 6 |
| UTI Floating rate fund | Unquoted | Fully paid | 5 | 4 |
| Relaince Income Fund | Unquoted | Fully paid | 2 | 0.03 |
| Reliance Short Term Fund - Growth | Unquoted | Fully paid | 1 | 0.49 |
| DHFL Pramerica Insta Cash Fund | Unquoted | Fully paid | - | 138 |
| Reliance Short Term Fund | Unquoted | Fully paid | - | 82 |
| Trade Investment with ICB | Unquoted | Fully paid | - | - |
| The Karur Vysya Bank Limited | Unquoted | Fully paid | - | 6 |
| **Total** | | | **749** | **688** |

**11.2 Investments carried at Fair value through Profit and loss**

| Name of the Entity | Face value | Quoted/ Unquoted | Partly paid/ Fully paid | March 31,2020 | | March 31,2019 | |
|---|---|---|---|---|---|---|---|
| | | | | Quantity | Amount | Quantity | Amount |
| HealthXCapital, L.P. | 10 | Unquoted | Fully Paid | - | 148 | - | 110 |
| Immuneel Therapeutics Private Limited | 10 | Unquoted | Fully Paid | 500,000 | 50 | - | - |
| Impact Guru Technology Venture Private Limited | 10 | Unquoted | Fully Paid | - | 25 | - | 25 |
| Clover energy Private Limited | 10 | Unquoted | Fully Paid | 1,642,935 | 16 | 1,929,250 | 14 |
| Tirunelveli Vayu Energy Generation Private Limited | 1000 | Unquoted | Fully Paid | 36 | 14 | 36 | 14 |
| Searchlight Health Private Limited | 10 | Unquoted | Fully Paid | 406,514 | 5 | 406,514 | 16 |
| Citron ECO power private limited | 10 | Unquoted | Fully Paid | 232,850 | 2 | 436,125 | 4 |
| Kurnool Hospitals Enterprise Limited | 10 | Unquoted | Fully Paid | 157,500 | 2 | 157,500 | 2 |
| The Karur Vysya Bank Ltd | 10 | Unquoted | Fully Paid | 82,203 | 2 | - | - |
| Connect Wind India Private Limited | 10 | Unquoted | Fully Paid | 1,599,375 | 2 | - | - |
| Leap Green Energy Private Limited | 10 | Unquoted | Fully Paid | 97,600 | 1 | 97,600 | 1 |
| Cholamandalam Finance | 10 | Unquoted | Fully Paid | 5,000 | 1 | 5,000 | 1 |
| VMA Wind Energy India Private Limited | 10 | Unquoted | Fully Paid | 60,000 | 1 | 60,000 | 1 |
| Matrix Agro Private Limited | 10 | Unquoted | Fully Paid | 50,000 | 1 | 50,000 | 1 |
| Morgan securities & credit private limited | 10 | Unquoted | Fully Paid | 5,000 | - | 5,000 | 0.05 |
| National Savings Certificate - Unquoted | | Unquoted | Fully Paid | - | - | - | 0.02 |
| CWRE Power Private Limited | 10 | Unquoted | Fully Paid | 1,625 | - | - | - |
| Iris Ecopower Venture Private Limited | 10 | Unquoted | Fully Paid | 100 | - | - | 2 |
| Indo wind power Private Limited | 10 | Unquoted | Fully Paid | 10,650 | - | 10,650 | - |
| Array land developers Private Limited | 10 | Unquoted | Fully Paid | | - | 50,000 | 1 |
| **Total** | | | | | **269** | | **191** |

**11.3 Investments carried at Amortised Cost**

**Investments in debentures**

| Name of the Entity | Face value | Quoted/ Unquoted | Partly/ Fully paid | March 31,2020 | | March 31,2019 | |
|---|---|---|---|---|---|---|---|
| | | | | Quantity | Amount | Quantity | Amount |
| Apollo Munich Health Insurance Company Limited (Redeemable non convertible debentures) | 1,000,000 | Unquoted | Fully Paid | 80 | 80 | 80 | 80 |
| **Total** | | | | | **80** | | **80** |

**11.4 Investments in equity instruments at FVTOCI**

**Investment in equity instruments**

| Name of the Entity | Face value | Quoted/ Unquoted | Partly paid/ Fully paid | March 31,2020 | | March 31,2019 | |
|---|---|---|---|---|---|---|---|
| | | | | Quantity | Amount | Quantity | Amount |
| Searchlight Health Private Limited | 10 | Unquoted | Fully Paid | 201,000 | 2 | 201,000 | 3 |
| Sunrise Medicare Private Limited | 10 | Unquoted | Fully Paid | 78 | - | 78 | - |
| **Total** | | | | **201,078** | **2** | **201,078** | **3** |

## 12 Loans - Non current

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| Carried at amortised cost | | | | |
| Loans to Related parties | 231 | - | 108 | - |
| Loans to others | | 70 | | 80 |
| **Total** | **231** | **70** | **108** | **80** |

Particulars of related parties, rate of interest and repayment terms have been summarised below:

| Particulars | March 31,2020 | March 31,2019 | Interest rate | Terms of repayment |
|---|---|---|---|---|
| Lifetime Wellness Rx International Limited | 148 | 92 | 10% | Repayable in five equated installments by September 30, 2024 |
| Apollo Shine Foundation | 6 | 16 | 10% | Repayable in three equated installments by March 31, 2022 |
| Apollo Medskills Limited | 77 | - | 10% | Repayable in three equated installments by March 31, 2021 |
| **Total** | **231** | **108** | | |

## 13 Trade receivables

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| | Current | Current |
| Unsecured | | |
| (a) Considered good | 10,940 | 10,946 |
| Less: Expected Credit Loss on above | (668) | (714) |
| (b) Considered doubtful | 525 | 722 |
| Less: Expected Credit Loss on above | (525) | (722) |
| **Total** | **10,272** | **10,232** |

Trade receivables represent the amount outstanding on sale of pharmaceutical products, hospital and other healthcare allied services which are considered as good by the management.In addition the group has also considered credit reports and other credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19. The Group believes that the carrying amount of allowance for expected credit loss with respect to trade receivables is adequate.

Majority of the Groups' transactions are earned in cash or cash equivalents. The trade receivables comprise mainly of receivables from Insurance Companies, Corporate customers and Government Undertakings.

### Average credit Period

The average credit period on sales of services is 30-60 days.

### Customer Concentration

No single customer represents 10% or more of the group's total revenue during the year ended March 31, 2020 and March 31, 2019.

### Impairment Methodology

The Group has used a practical expedient by computing the expected credit loss allowance for receivables. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information considering reasonable and supportable information that is available without undue cost or effort as at the reporting date. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix.

### 13.3 Movement in the expected credit loss allowance

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Balance at beginning of the year | 1,436 | 1,075 |
| Add: Movement during the year, net* | (242) | 361 |
| Balance at end of the year | 1,193 | 1,436 |

* Includes ₹752 million (previous year ₹657 million) of provision created and ₹994 million (previous year ₹296 million) has been written off against the provision available.

Refer note 60.1 for information on amounts receivable from related parties

Refer note 22.1 for the receivables provided as security against borrowings

## 14 Other Financial Assets

(Unsecured, considered good unless otherwise stated)

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | Non-Current | Current | Non-Current | Current |
| (a) Operating lease receivables | | 183 | | 89 |
| (b) Other Receivables | 2 | 674 | - | 275 |
| (c) Advances to employees | - | 95 | - | 141 |
| (d) Fair value of derivative financial instruments | 67 | - | 288 | - |
| (e) Interest Receivable | - | 66 | - | 47 |
| (f) Security Deposits | 2,263 | - | 2,058 | - |
| (g) Finance lease receivables ( Refer 14.1 & 14.2 below) | 5 | - | 5 | - |
| **Total** | **2,337** | **1,018** | **2,351** | **552** |

### 14.1 Leasing arrangements

The Company entered into finance lease arrangements with Apollo Hospitals Education and Research Foundation (AHERF) for its Building in Hyderabad. The lease is denominated in Indian Rupees. The average term of finance lease entered into is 99 years.

### 14.2 Amounts receivable under finance leases

| Particulars | Minimum lease payments | | Present value of minimum lease payments | |
|---|---|---|---|---|
| | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| Not later than one year | 0.54 | 0.54 | - | - |
| Later than one year and not later than five years | 2 | 2 | - | - |
| Later than five years | 47 | 47 | 5 | 5 |
| Less: unearned finance income | 42 | 43 | - | - |
| Present value of minimum lease payments receivable | 5 | 5 | - | - |
| Allowance for uncollectible lease payments | | | | |
| **Net Total** | **5** | **5** | **5** | **5** |

The interest rate inherent in the leases is considered as the average incremental borrowing rate which is approximately 12% per annum (as at March 31, 2019: 12% per annum).

## 15 Inventories

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Inventories (lower of cost and net realisable value)** | | |
| (a) Medicines | 677 | 469 |
| (b) Stores and Spares | 473 | 264 |
| (c) Lab Materials | 40 | 24 |
| (d) Other Consumables | 154 | 126 |
| (e) Stock in Trade (in respect of goods acquired for trading) | | |
| - Pharmaceutical products (including surgical and generics) | 3,602 | 3,110 |
| - FMCG products | 1,808 | 1,490 |
| - Private label and other categories | 623 | 364 |
| **Total** | **7,378** | **5,848** |

## 16 Cash and cash equivalents

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| (a) Balances with Banks (Including deposits with original maturity upto 3 months) | | |
| (i) In Current Accounts | 3,306 | 2,361 |
| (ii) In Fixed Deposits | 281 | 130 |
| (b) Cash on hand | 215 | 256 |
| (c) Cheques on Hand | 5 | 114 |
| **Total** | **3,807** | **2,862** |

## 17 Bank balances

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Balances with Bank in earmared accounts** | | |
| (a) Unclaimed Dividend Accounts | 38 | 35 |
| (b) Term deposits held as Margin money | 650 | 572 |
| (b) Deposits account | 173 | - |
| **Total** | **861** | **607** |

## 18 Other Assets

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | Non-Current | Current | Non-Current | Current |
| (a) Capital Advances | 478 | - | 553 | - |
| (b) Advance to suppliers | 5 | 801 | 5 | 572 |
| (c) Prepaid Expenses | 100 | 571 | 266 | 494 |
| (d) Prepayment towards leasehold land (Refer Note (ii) | - | - | 681 | 12 |
| (e) Balances with Statutory Authorities (Refer Note (i) | 185 | 1 | 337 | 1 |
| (f) Others | 3 | 278 | 38 | 133 |
| **Total** | **772** | **1,651** | **1,879** | **1,213** |

Note (i) Refer note 54 for amounts deposited with the statutory authorities in respect of disputed dues.

(ii) The upfront lease premium paid to the City and Industrial Corporation of Maharashtra Limited ('CIDCO') for granting the leasehold rights for a period of 60 years for developing a multi-speciality hospital in Navi Mumbai has been reclassified to Right-of-use asset during the year on account of adoption to Ind AS 116, Leases.

## 19 Equity Share Capital

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Equity share capital** | | |
| Authorised Share capital : | | |
| 200,000,000 (2018-19 : 200,000,000) Equity Shares of ₹5/- each | 1,000 | 1,000 |
| 1,000,000 (2018-19 : 1,000,000) Preference Shares of ₹100/- each | 100 | 100 |
| **Issued** | | |
| 139,658,177 ( 2018-19: 139,658,177) Equity shares of ₹5/- each | 698 | 698 |
| **Subscribed and Paid up capital comprises:** | | |
| 139,125,159 fully paid equity shares of ₹5 each (as at March 31, 2019: 139,125,159) | 696 | 696 |
| **Total** | **696** | **696** |

### 19.1 Fully paid equity shares

| Particulars | Number of shares | Share capital Amount |
|---|---|---|
| Balance at April 1, 2019 | 139,125,159 | 696 |
| Movement during the year 2019-20 | - | - |
| Balance at March 31, 2020 | 139,125,159 | 696 |

### 19.2 Rights, Preferences and restrictions attached to equity shares

The Company has equity shares having a nominal value of ₹5 each. All equity shares rank equally with regard to dividend and share in the Company's residual assets. Each holder of equity shares is entitled to one vote per share. The equity shares are entitled to receive dividend as declared from time to time. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

### 19.3 Details of shares held by each shareholder holding more than 5% shares

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | Number of Shares held | % holding of equity shares | Number of Shares held | % holding of equity shares |
| **Fully paid equity shares** | | | | |
| PCR Investments Limited | 27,223,124 | 19.57 | 27,223,124 | 19.57 |
| Life Insurance Corporation of India | - | - | 7,900,314 | 5.68 |

The Company had issued 9,000,000 Global Depository Receipts of ₹10 (now 18,000,000 Global Depository Receipts of ₹5 each) with two-way fungibility during the year 2005-06. Total GDRs converted into underlying Equity shares during the year ended on March 31, 2020 is 121,840 (2018-19: 2,95,009) of ₹5 each and total Equity shares converted back to GDR during the year ended March 31, 2020 is 32,224 (2018-19: 1,850) of ₹5 each.

## 20 Other equity

| Particulars | Note | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| General reserve | 20.1 | 11,250 | 11,250 |
| Securities premium reserve | 20.2 | 17,139 | 17,139 |
| Capital Reserves | 20.3 | 30 | 30 |
| Retained earnings | 20.4 | 4,263 | 3,704 |
| Capital redemption reserve | 20.5 | 60 | 60 |
| Debenture redemption reserve | 20.6 | 1,250 | 1,750 |
| Revaluation Reserve | 20.7 | 78 | 78 |
| Shares Options Outstanding Account | 20.8 | 30 | 28 |
| Remeasurement of defined benefit obligation through other comprehensive income | 20.9 | (703) | (699) |
| Fair value changes on equity instruments through other comprehensive income | 20.10 | (8) | (7) |
| IND AS Transition reserve | 20.11 | (693) | (693) |
| **Balance at the end of the year** | | **32,695** | **32,639** |

### 20.1 General reserve

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Balance at beginning of year | 11,250 | 11,250 |
| Transfer from Profit and Loss | - | - |
| **Balance at the end of the year** | **11,250** | **11,250** |

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit and loss.

### 20.2 Securities premium

| Particulars | As at March 31, 2019 | As at March 31, 2019 |
|---|---|---|
| Balance at beginning of year | 17,139 | 17,139 |
| Share issue costs | - | - |
| **Balance at the end of the year** | **17,139** | **17,139** |

Securities premium is used to record premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013 (the "Companies Act").

### 20.3 Capital Reserves

| Particulars | As at March 31, 2019 | As at March 31, 2019 |
|---|---|---|
| Balance at beginning of year | 30 | 30 |
| Movement | - | - |
| **Balance at the end of the year** | **30** | **30** |

### 20.4 Retained earnings

| Particulars | As at March 31, 2019 | As at March 31, 2019 |
|---|---|---|
| Balance at beginning of year | 3,704 | 2,602 |
| Gross obligation over written put option | (211) | (382) |
| Profit attributable to owners of the Company | 4,549 | 2,360 |
| Impact of Ind AS 116 attributable to Owners ( refer note 52) | (2,699) | |
| Movement on account of change in shareholding of existing subsidiaries | (25) | (26) |
| Adjustment towards Non-controlling interest | - | (13) |
| Transfer from debenture redemption reserve | 500 | - |
| Dividends paid (including dividend distribution tax) | (1,555) | (837) |
| **Balance at the end of the year** | **4,263** | **3,704** |

In respect of the year ended March 31, 2020, the company declared an interim dividend of ₹ 3.25 per share be paid on fully paid equity shares in addition to the interim dividend ₹ 2.75 per share is declared in the current year. For the previous year, dividend of ₹6 per share was paid.

### 20.5 Capital Redemption reserve

| Particulars | As at March 31, 2019 | As at March 31, 2019 |
|---|---|---|
| Balance at beginning of year | 60 | 60 |
| Movement during the year | - | - |
| **Balance at the end the of year** | **60** | **60** |

The Companies Act requires that where a Company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet. The capital redemption reserve account may be applied by the Company, in paying up unissued shares of the Company to be issued to shareholders of the Company as fully paid bonus shares.

### 20.6 Debenture Redemption reserve

| Particulars | As at March 31, 2019 | As at March 31, 2019 |
|---|---|---|
| Balance at beginning of year | 1,750 | 1,750 |
| Movement during the year | (500) | - |
| **Balance at the end the of year** | **1,250** | **1,750** |

Debenture Redemption Reserve is created out of the profits of the company available for the payment of dividends and such reserve shall be utilised only for the redemption of debentures

### 20.7 Revaluation Reserve

| Particulars | As at March 31, 2019 | As at March 31, 2019 |
|---|---|---|
| Balance at beginning of year | 78 | 78 |
| Movement during the year | - | - |
| **Balance at the end of the year** | **78** | **78** |

### 20.8 Share Options Outstanding Account

| Particulars | As at March 31, 2019 | As at March 31, 2019 |
|---|---|---|
| Balance at beginning of year | 28 | 19 |
| Movement during the year | 2 | 9 |
| **Balance at the end the of year** | **30** | **28** |

Shares options outstanding account relates to share options granted by the company to its employees under its employees share option plan. These will be transformed to retained earnings after the exercise of the underlying options.

### 20.9 Remeasurement of Defined Benefit Obligations through other comprehensive income

| Particulars | As at March 31, 2019 | As at March 31, 2019 |
|---|---|---|
| Balance at beginning of year | (699) | (410) |
| Movement during the year | (5) | (289) |
| **Balance at the end the of year** | **(703)** | **(699)** |

### 20.10 Fair value changes on equity instruments through other comprehensive income

| Particulars | As at March 31, 2019 | As at March 31, 2019 |
|---|---|---|
| Balance at beginning of year | (7) | (5) |
| Movement during the year | (1) | (3) |
| **Balance at the end the of year** | **(8)** | **(7)** |

### 20.11 IND AS Transition Reserve

| Particulars | As at March 31, 2019 | As at March 31, 2019 |
|---|---|---|
| Balance at beginning of year | (693) | (693) |
| Movement during the year | - | - |
| Balance at the end the of year | (693) | (693) |

## 21 Non-controlling interests

| Particulars | As at March 31, 2019 | As at March 31, 2019 |
|---|---|---|
| Balance at beginning of year | 1,355 | 1,324 |
| Loss attributable to Non controlling Interest (NCI) | (231) | (359) |

| Particulars | As at March 31, 2019 | As at March 31, 2019 |
|---|---|---|
| Other comprehensive Income | | 1 |
| Movement on account of share based compensation | 1 | 4 |
| Movement on account of change in shareholding of existing subsidiaries | (14) | (10) |
| Impact of Ind AS 116 attributable to NCI | (10) | - |
| Gross obligation over written put option | 211 | 382 |
| Others | (5) | 13 |
| **Balance at end of year** | **1,307** | **1,355** |

**Details of non-wholly owned subsidiaries that have material non-controlling interests**

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

| Name of the Entity | Proportion of ownership interests and voting rights held by non - controlling interests | | Profit (loss) allocated to non - controlling interest | | Accumulated non - controlling interests | |
|---|---|---|---|---|---|---|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| Imperial Hospital and Research Centre Limited | 10.00% | 10.00% | 21 | 33 | 120 | 99 |
| Apollo Health & Lifestyle Limited | 29.75% | 29.75% | (225) | (424) | 42 | 64 |
| Apollo Rajshree Hospital Private Limited | 45.37% | 45.37% | 11 | - | 19 | 9 |
| Apollo Lavasa Health Corporation Limited | 49.00% | 49.00% | (20) | (19) | 217 | 236 |
| Sapien Biosciences Private Limited | 30.00% | 30.00% | 3 | - | (6) | (9) |
| Apollo Healthcare Technology Solutions Limited | 60.00% | 60.00% | - | - | - | - |
| Apollo Home Healthcare Limited | 10.00% | 14.88% | (4) | (15) | (51) | (48) |
| Assam Hospitals Limited | 34.48% | 37.68% | 17 | 55 | 429 | 428 |
| Apollo Hospitals International Limited | 50.00% | 50.00% | (36) | 9 | 533 | 573 |
| Future Parking Private Limited | 51.00% | 51.00% | - | - | - | - |
| Apollo Nellore Hospital Limited | 19.13% | 20.56% | 1 | 1 | 4 | 3 |
| Apollo Medicals Private Limited | 0.01% | - | - | - | - | - |
| **Total** | | | **(231)** | **(359)** | **1,307** | **1,355** |

Note (i): In respect of the subsidiary company Apollo Hospitals International Limited (AHIL), the group holds 50% ownership and voting power along with its wholly owned subsidiary Apollo Home Healthcare (India) Limited. Based on the contractual arrangements between the Group and other investors, the Group has the right in respect of appointment of Key Managerial Personnel (KMP) and approval of business plan coupled with the affirmative voting rights, the directors of the company concluded that the Group has the practical ability to direct the relevant activities and hence concluded that Group exercises control on the AHIL.

Note (ii): In respect of the subsidiary company Future Parking Private Limited (FPPL), though the Group holds 49% ownership and voting power, based on the contractual arrangements between the Group and other investor, the Group has the unilateral right to direct the relevant activities and hence concluded that the group exercises control on FPPL.

Note (iii): In respect of the subsidiary company Imperial Hospital and Research Centre Limited (IHRCL), the Company has paid ₹35 million for transfer of the balance 10% in favor of the Company. Pending approvals from the requisite statutory authorities, the transfer of shares has not been executed as at March 31, 2020.

## 22 Borrowings

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | Non-Current | Current | Non-Current | Current |
| **Secured - at amortised cost** | | | | |
| (a) Redeemable non-convertible debentures | 5,000 | - | 7,000 | - |
| (b) Term loans | | | | |
| -from banks and other financial institutions | 23,520 | 61 | 21,680 | 320 |
| (c) Bank Overdrafts including working capital facilities | - | 3,045 | | 571 |
| (d) Finance lease obligations ( Refer note iii) | - | - | 7 | - |
| **Unsecured - at amortised cost** | | | | |
| (a) Term loans | | | | |
| -from banks and other financial institutions | - | 980 | 531 | 3,250 |
| -from other parties | - | 97 | 21 | 71 |
| (b) Bank Overdrafts including working capital facilities | - | 86 | - | 148 |
| (c) Bonds/Debentures | - | 6 | - | 34 |
| (d) Bills Payable | - | 701 | 282 | 588 |
| **Total** | **28,520** | **4,975** | **29,521** | **4,982** |

(i) There is no breach of loan covenants as at March 31,2020 and March 31,2019

(ii) The secured listed non-convertible debentures of the Group aggregating to ₹5,000 million as on March 31, 2020 are secured by way of first mortgage/charge on the Group's properties. The asset cover on the secured listed non-convertible debentures of the Group exceeds hundred percent of the principal amount of the said debentures.

(iii) For the year ended March 31, 2020, due to outbreak of Covid-19 pandemic, RBI vide circular DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020 has directed banks and financial institutions to provide moratorium of 3 months to borrowers on all payments falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers classified as standard. Accordingly, the Company has availed moratorium with respect to the principal and interest aggregating to ₹86 million which were due in the month of March 20.

(iv) The finance lease obligations of last year has been reclassfied to lease liabilities on adoption of Ind AS 116, Leases

## 22.1 Summary of Borrowing arrangements

### (a) Redeemable Non-Convertible Debentures

| Particulars | Principal Outstanding as at March 31, 2020 | Principal Outstanding as at March 31, 2019 | Details of repayment terms and maturity | Nature of Security | Rate of Interest 31 Mar 20 | Rate of Interest 31 Mar 19 |
|---|---|---|---|---|---|---|
| 10.2% Non Convertible Debentures | - | 2,000 | The Company issued 2,000 no's of 10.20% Non Convertible Redeemable Debentures of ₹1 Million each on August 22, 2014 to banks and financial institutions, with an option to re-purchase/ re-issue some or all of its debentures in the secondary market or otherwise at any time prior to the specified date of redemption of August 22, 2028.<br><br>It has been fully repaid in the current year. | Secured by way of Pari passu first charge on the fixed assets of the Company, existing and future along with Bank and Institutions; such Pari passu first charge ensuring at least a cover of 1.25 times the value of outstanding principal amount of the loan | 10.20% | 10.20% |
| 8.7% Non Convertible Debentures | 3,000 | 3,000 | The Company issued 3,000 nos. of 8.70% Non Convertible Debentures of ₹1 Million each on October 7, 2016, with 2 call options to re-purchase/ re-issue some or all of its debentures in the secondary market or otherwise at any time prior to the specified date of redemption of October 7, 2026. | Secured by way of Pari passu first charge on the fixed assets of the Company, existing and future along with Bank and Institutions; such Pari passu first charge ensuring at least a cover of 1.25 times the value of outstanding principal amount of the loan | 8.70% | 8.70% |
| 7.8% Non Convertible Debentures | 2,000 | 2,000 | The Company issued 2,000 nos. of 7.80% Non Convertible Debentures of ₹1 Million each on March 7, 2017, and the specified date of redemption is March 7, 2022. | Secured by way of Pari passu first charge on the fixed assets of the Company, existing and future along with Bank and Institutions; such Pari passu first charge ensuring at least a cover of 1.25 times the value of outstanding principal amount of the loan | 7.80% | 7.80% |

### (b) Secured and Unsecured borrowing facilities from banks and others

| Particulars | Principal Outstanding as at March 31, 2020 | Principal Outstanding as at March 31, 2019 | Details of repayment terms and maturity | Nature of Security | Rate of Interest 31 Mar 20 | Rate of Interest 31 Mar 19 |
|---|---|---|---|---|---|---|
| HDFC Bank Limited | 3,500 | 3,500 | The loan is repayable in 22 half yearly instalments (with a moratorium period of 4 years from the date of the first disbursement) commencing from September 8, 2020. | The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the Company along with minimum cover of 1.25 times the value of the outstanding principal amount of the loan. | 8.15% | 8.40% |
| Axis Bank Limited | 2,775 | 2,925 | The loan is repayable in 40 Quarterly instalments (with a moratorium of 4 years from the date of 1st disbursement) commencing from December 15, 2018. | The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the Company along with minimum cover of 1.25 times) the value of the outstanding principal amount of the loan | 8.10% | 8.60% |
| HDFC Bank Limited | 600 | - | The Company availed a term loan from HDFC Bank Ltd for a sanctioned limit of ₹750 million which is repayable by FY 2021-2022 | The loan is secured by first pari passu ranking charge on entire existing and future movable fixed asset of the Company with minimum cover of 1.25 times the value of the outstanding principal amount of the loan. | 8.10% | NA |
| Bank of India | 2,313 | 2,425 | This loan is repayable in 40 Quarterly instalments (with a moratorium of 4 years from the date of 1st disbursement) commencing from December,30, 2018. | The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the Company along with minimum cover of 1.25 times the value of the outstanding principal amount of the loan. | 8.10% | 9.55% |
| HSBC Term Loan -I | 1,675 | 1,825 | The Company has availed Rupee Term Loan of ₹2000 Million from HSBC Bank Limited, out of which ₹1,000 Million is repayable in 16 semi-annual instalments commencing from March 2, 2017 and the balance ₹1,000 Million is repayable in 16 semi-annual instalments commencing from November 13, 2018. | The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the Company ensuring atleast a cover of 1.25 times the value of the outstanding principal amount of the loan. | 7.95%-8.05% | 8.30% |
| HSBC Bills Payable | - | 132 | The Company has availed a buyer's line of credit of from HSBC for the import of medical Equipments which is repaid on various dates in FY 2019-20 | The loan is secured by first pari passu ranking charge on entire existing and future movable fixed asset of the Company with minimum cover of 1.25 times the value of the outstanding principal amount of the loan. | - | 6 months libor +0.55 |

| Particulars | Principal Outstanding as at March 31, 2020 | Principal Outstanding as at March 31, 2019 | Details of repayment terms and maturity | Nature of Security | Rate of Interest 31 Mar 20 | Rate of Interest 31 Mar 19 |
|---|---|---|---|---|---|---|
| HSBC Term Loan -II | 350 | - | The Company has availed Rupee Term Loan of ₹350 Million out of sanctioned amount of ₹1,500 Million from HSBC Bank Limited repayable in 28 quarterly installments commencing from June 2020 | The loan is secured by first pari passu ranking charge on entire existing and future movable fixed asset of the Company with minimum cover of 1.25 times the value of the outstanding principal amount of the loan. | 7.50% | - |
| International Finance Corporation (External Commercial Borrowings | - | 892 | The Loan outstanding is repayable in 8 semi-annual instalments during September and March of each year. This has been repaid in the current financial year | The ECB loan is secured by way of pari passu first ranking charge on the fixed assets of the Company ensuring at least a cover of 1.25 times the value of the outstanding principal amount of the loan. | 9.20% | 9.20% |
| HSBC (External Commercial Borrowings) | - | 277 | The loan outstanding was repayable in 6 quarterly instalments starting from April, 2018. This has been repaid in the current financial year | The ECB loan was secured by way of pari passu first ranking charge on the fixed assets of the Company. | - | 9.50% |
| IDFC Bank Limited | - | 514 | This balance loan outstanding is repayable in 38 quarterly instalments falling due on April, July, October and January every year. The balance amount outstanding as of March 31, 2019 is repaid in the current year. | The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the Company ensuring atleast a cover of 1.25 times the value of the outstanding principal amount of the loan. | - | 8.65% |
| NIIF Infrastructure Finance Limited | 1,000 | 1,000 | During the year 2015-16 the Company availed loan of ₹1,000 million which is repayable in 3 annual instalments of 20% at the end of December 2029 (14th year), 40% at the end of December 2030 (15th year) and balance 40% at the end of December 2031 (16th year) from the date of first disbursement. | The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the Company ensuring atleast a cover of 1.25 times the value of the outstanding principal amount of the loan. | 9.60% | 9.60% |
| ICICI Bank Limited | 2,386 | 2,460 | The loan is repayable in 48 quarterly instalments commencing from June 30, 2019. | The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the Company. | 9.05% | 9.05% |

| Particulars | Principal Outstanding as at March 31, 2020 | Principal Outstanding as at March 31, 2019 | Details of repayment terms and maturity | Nature of Security | Rate of Interest 31 Mar 20 | Rate of Interest 31 Mar 19 |
|---|---|---|---|---|---|---|
| State Bank of India | 6,829 | 3,611 | The balance outstanding is repayable in quarterly instalments till 2032-2033 | The loan is secured by paripassu first charge with other term lenders and debenture holders on all the present and future movable and immovable fixed assets of the Company with a minimum cover of 1.25 times the value of outstanding principal amount of the loan. | 8%-8.10% | 8.80% |
| Axis bank Working Capital | 650 | - | The Company has been sanctioned working capital facility of ₹ 1500 million from Axis bank. | Secured by hypothecation of stock and book debts of the Company | 7.20% | - |
| Axis Bank Limited- Short term facilities | 980 | - | The Company has been sanctioned a short term facility from Axis bank of ₹1,500 million | | 7.20% | - |
| HSBC- WCDL | 63 | 148 | The Company has been sanctioned ₹750 Million overdraft facility by HSBC which is repayable on various dates | | 8.05% | 8.75% |
| Fixed Deposits secured from public | 2 | 13 | Represents the unclaimed fixed deposits outstanding as on March 31, 2019 | - | | 8.75% to 9.25% |
| Bank of Tokyo – Mitsubishi UFJ (External Commercial Borrowings) | 601 | 1,109 | The loan is repayable in 3 annual instalments starting from the year September 2018. | - | 9.20% | 9.20% |
| Citi Bank - Bill Discounting | 701 | 588 | The Company has been sanctioned bill discounting facility from Citi Bank for a maximum outstanding of ₹1,000 million. | - | 7.10% | 8% |
| HDFC Bank Limited | 1,900 | 1,250 | The Company has been sanctioned Working Capital Demand Loan facility | Secured by hypothecation of stock and book debts of the Company | 7.20% | 0.084 |
| HDFC Bank Limited - Bills payable | - | 150 | The Company had availed a buyer's line of credit from HDFC for the import of medical equipments which has been repaid in FY2019-20 | | | |
| HDFC Bank Limited - CC A/c | 276 | 571 | The Company has availed a cash credit facility from HDFC Bank which is repayable on various dates in FY 2019 -20 | Secured by hypothecation of stock and book debts of the Company | 7.50% | 8.75% |

| Particulars | Principal Outstanding as at March 31, 2020 | Principal Outstanding as at March 31, 2019 | Details of repayment terms and maturity | Nature of Security | Rate of Interest 31 Mar 20 | Rate of Interest 31 Mar 19 |
|---|---|---|---|---|---|---|
| MUFG Bank Ltd. | - | 2,000 | The Company had availed a loan of ₹1,000 million each on March 22, 2019 and March 27, 2019 which was repaid in FY 2019 - 20 | | - | 8.50% |
| HDFC Bank Ltd. | 23 | - | The Company had availed a overdraft facility of ₹100 million in March, 2019 and utilised in FY20 | | 10.00% | - |
| Axis Bank Ltd. | 222 | 247 | The loan is repayable in 24 quarterly instalments commencing from the end of 51st Month from the date of first disbursement of Loan | Secured by way of pari passu first ranking charge on the fixed assets of the company. | 3 Month MCLR+1.25% | 3 Month MCLR+1.25%. Interest rates reset will happen every 6 months. |
| Lavasa Corporation Limited | 97 | 97 | Apollo Lavasa Health Corpoation Limited, a subsidiary company of the Group has secured Inter Corporate Deposit from Lavasa Corporation Limited amounting to ₹97.23 million which is repayable on demand. | | 12.00% | 12.00% |
| Jugnu Jain - Director | - | 2 | Sapien Biosciences Limited, a subsidiary company of the Group has secured a loan from its director which is repayable on demand and has been repaid in the current financial year. | | - | 11.00% |
| Yes Bank | 228 | 284 | Apollo Hospital International Limited, a subsidiary company of the Group, has availed term loans of ₹310 million and ₹100 million which are repayable in thirty six quarterly instalments, commencing from March 26, 2013 and July 24, 2017 respectively. | The loans are secured by first pari passu charge on all present and future movable and immovable fixed assets of the subsidiary company along with minimum cover of 1.75 times the value of the outstanding considering movable & immovable assets (subject to 1.5 times cover considering immovable assets). | 10.20% | 9.95% |
| HDFC Bank | 72 | 144 | Apollo Hospital International Limited, a subsidiary company of the Group, has availed term loan of ₹409 million from HDFC Bank Limited, which are repayable in 28 quarterly instalments, commencing from March 2, 2015. | The loans are secured by first pari passu charge on all present and future movable and immovable fixed assets of the subsidiary company along with minimum cover of 1.75 times the value of the outstanding considering movable & immovable assets. | 9.65% | 10.20% |



| Particulars | Principal Outstanding as at March 31, 2020 | Principal Outstanding as at March 31, 2019 | Details of repayment terms and maturity | Nature of Security | Rate of Interest 31 Mar 20 | Rate of Interest 31 Mar 19 |
|---|---|---|---|---|---|---|
| Yes Bank | 200 | 148 | Apollo Hospital International Limited, a subsidiary company of the Group, has availed term loan of ₹161 from YES Bank Limited, which are repayable in 28 quarterly instalments, commencing from January 2022 . | The loans are secured by first pari passu charge on all present and future movable and immovable fixed assets of the subsidairy company along with minimum cover of 1.75 times the value of the outstanding considering movable & immovable assets (subject to 1.5 times cover considering immovable assets . | 9.80% | 9.80% |
| Yes Bank | 130 | 71 | Apollo Hospital International Limited, a subsidiary company of the Group, has availed a overdraft facility Yes Bank which has to be compulsarily repaid at the end of 12 months. | - | 9.40% | 9.40% |
| Cumulative Redeemable Preference Shares | 42 | 26 | Redeemable Preference shares were amended in 2016-2017 for a cumulative non -discretionary dividend of 9% per annum. These redeemable preference shares do not contain any equity component. | | 9% | 9% |
| Yes Bank | 189 | 1,283 | Apollo Health & Lifestyle Limited, a subsidiary company of the Group, has availed a term loan which is repayable in 28 structured quarterly instalments after a moratorium period of 36 months from the date of disbursement. | Secured by first pari-passu charge on movable fixed assets and current assets of the Company. | Yearly MCLR plus 0.15% p.a | Yearly MCLR plus 0.15% p.a |
| Federal Bank | 354 | - | Apollo Health & Lifestyle Limited, a subsidiary company of the Group, has availed a term loan which is repayable in 28 structured quarterly instalments from the date of first disbursement. | Secured by First Pari-passu charge on movable fixed assets, current assets | Yearly MCLR plus 0.30% p.a | - |
| Optionally Convertible Debentures | 6 | 7 | Apollo Health & Lifestyle Limited, a subsidiary company of the Group, has issued zero% Optionally Convertible Debentures for ₹9,550,000 on March 29, 2016 to key employees and directors. These OCD's are convertible into equity shares at the option of the holder and repayable on after 5 years or upon separation. | | - | - |

| Particulars | Principal Outstanding as at March 31, 2020 | Principal Outstanding as at March 31, 2019 | Details of repayment terms and maturity | Nature of Security | Rate of Interest 31 Mar 20 | Rate of Interest 31 Mar 19 |
|---|---|---|---|---|---|---|
| HDFC Bank | 1,722 | 818 | Apollo Health & Lifestyle Limited, a subsidiary company of the Group, has availed a term loan which is repayable in 28 structured quarterly instalments, after a moratorium period of 36 months from the date of disbursement to the Company. | Secured by first pari-passu charge on movable fixed assets, rental and lease deposits of the Company | Yearly MCLR plus 0.15% p.a | Yearly MCLR plus 0.15% p.a |
| ICICI Bank Limited | 264 | 354 | Apollo Health & Lifestyle Limited, a subsidiary company of the Group, has availed a term loan which is repayable in 28 structured quarterly instalments, after a moratorium period of 36 months from the date of disbursement to the Company. | Secured by charge on movable fixed assets, current assets of the Company | Yearly MCLR plus 0.40% p.a | Yearly MCLR plus 0.40% p.a |
| Dr GSK Velu | - | 24 | Apollo Health & Lifestyle Limited, a subsidiary company of the Group, has secured a loan repayable in 36 monthly instalments and the balance outstanding is repaid in the current year. | | - | 14% |
| Axis Bank Ltd. | 810 | 820 | Imperial Hospital and Research Center Limited, a subsidiary company of the Group, has availed a term loan repayable in 36 quarterly installments from the date of disbursement. | Secured by exclusive charge on the moveable fixed assets of the company (present and future) | 8.15% | 8.85% |
| Philips India Pvt Ltd - PET CT | - | 25 | Imperial Hospital and Research Center Limited, a subsidiary company of the Group, has purchased a medical equipment on finance lease whose repayment is spread over 7 years starting from December 2013. The outstanding balance of this finance lease obligation has been reclassified to lease liabilities on adoption of Ind AS 116, Leases. | Secured by exclusive charge on the medical equipment supplied by the vendor. | - | 12% |





# 23 Other Financial Liabilities

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| (a) Interest accrued but not due on borrowings | - | 351 | - | 433 |
| (b) Unclaimed dividends ( Refer Note 17 (a) ) | - | 38 | - | 35 |
| (c) Security deposits | 71 | 2 | 61 | 15 |
| (d) Unclaimed matured deposits and interest accrued thereon | - | 2 | - | 13 |
| (e) Current maturities of long-term debt | - | 2,461 | - | 2,210 |
| (f) Current maturities of finance lease obligations (Refer footnote (ii)) | - | - | - | 18 |
| (g) Derivative Financial instruments | - | - | - | - |
| (h) Gross Obligation under written put option (Refer Note 58) | 4,955 | - | 4,713 | - |
| (i) Lease liabilities (Refer Note 52) | 18,676 | 1,575 | - | - |
| (j) Other Payables | 47 | 953 | - | 1,016 |
| (k) Capital Creditors | - | 810 | - | 1,220 |
| **Total** | **23,749** | **6,191** | **4,774** | **4,961** |

(i) During the year 2019-20 , the amount transferred to the Investors Education and Protection Fund of the Central Government as per the provisions of Section 124 (5) and 124 (6) of the Companies Act, 2013 is ₹ 3.34 Million (Previous year ₹ 3.66 Million)

(ii) The finance lease obligations of last year has been reclassfied to lease liabilities on adoption of Ind AS 116, Leases.

# 24 Provisions

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| Provision for Bonus (Refer Note (i) below) | - | 444 | - | 428 |
| Provision for Gratuity and leave encashment (Refer Note 44 and 45) | 101 | 786 | 114 | 594 |
| **Total** | **101** | **1,230** | **114** | **1,022** |

(i) The provision for bonus is based on the management's policy in line with the Payment of Bonus Act, 1965.

# 25 Deferred tax balances

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Deferred Tax Assets (Net) | (496) | (174) |
| Deferred Tax Liabilities (Net) | 2,942 | 3,149 |
| **Total** | **2,445** | **2,975** |

The major components of deferred tax liabilities/(assets) arising on account of timing differences for the year ended March 31, 2020

| Particulars | Opening Balance | Recognised in Statement of Profit and Loss | Recognised in other comprehensive income | Recognised in Other Equity | Closing Balance |
|---|---|---|---|---|---|
| Property Plant and Equipment | 8,292 | 366 | - | - | 8,658 |
| Financial Assets | (416) | (75) | - | - | (490) |
| Lease Liabilities | - | (250) | | (1,468) | (1,718) |
| Retirement Benefit Plans | (389) | (5) | (5) | - | (398) |

| Particulars | Opening Balance | Recognised in Statement of Profit and Loss | Recognised in other comprehensive income | Recognised in Other Equity | Closing Balance |
|---|---|---|---|---|---|
| Business Loss carried forward under Income Tax | (145) | 92 | - | - | (53) |
| Minimum Alternate Tax Credit | (4,366) | 814 | - | - | (3,551) |
| Others Liabilities | (2) | - | - | - | (2) |
| **Total** | **2,975** | **943** | **(5)** | **(1,468)** | **2,445** |

The major components of deferred tax liabilities/(assets) arising on account of timing differences for the year ended March 31, 2019

| Particulars | Opening Balance | Recognised in Statement of Profit and Loss | Recognised in other comprehensive income | Recognised in Other Equity | Closing Balance |
|---|---|---|---|---|---|
| Property Plant and Equipment | 8,350 | (58) | - | - | 8,292 |
| Financial Assets | (204) | (211) | - | - | (416) |
| Retirement Benefit Plans | (215) | (14) | (160) | - | (389) |
| Business Loss carried forward under Income Tax | (1,100) | 955 | - | - | (145) |
| Minimum Alternate Tax Credit (MAT) (Refer note (i)) | (4,451) | 85 | | - | (4,366) |
| Others Liabilities | 13 | (15) | - | | (2) |
| **Total** | **2,393** | **741** | **(160)** | **-** | **2,975** |

Note (i) : The Group has unused tax credits in the form of Minimum Alternate Tax (MAT) which would expire by financial year ending March 2027.

Note (ii) : Deferred income tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.Accordingly, deferred income tax liabilities on cumulative earnings of subsidiaries amounting to ₹1,356 million, and ₹1,199 million as at March 31, 2020 and 2019, respectively has not been recognized. Further, it is not practicable to estimate the amount of the unrecognized deferred tax liabilities for these undistributed earnings.

# 26 Trade Payables

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Total outstanding dues of micro enterprises and small enterprises (Refer note 26.1) | 100 | 104 |
| Total outstanding dues of creditors other than micro and small enterprises | 8,988 | 7,027 |
| **Total** | **9,089** | **7,131** |

(i) The average credit period on purchases of goods ranges from immediate payments to credit period of 45 days based on the nature of the expenditure.

(ii) Amounts payable to related parties is disclosed in note 60.1

(iii) The Group's exposure to currency and liquidity risks related to trade payable is disclosed in note 47.

### 26.1 Due to Micro, Small and Medium Enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2018 has been made in the financial statements based on information received and available with the Group. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ('The MSMED Act') is not expected to be material. The Group has not received any claim for interest from any supplier.

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| The amounts remaining unpaid to micro and small suppliers as at the end of the year | | |
| - Principal | 100 | 104 |
| - Interest | 1 | 1 |
| The amount of interest paid by the buyer as per the MSMED Act | | |
| The amount of payments made to micro and small suppliers beyond the appointed day during the accounting year; | | |
| 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 the MSMED Act; | | |
| The amount of interest accrued and remaining unpaid at the end of each accounting year | | |
| 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 the MSMED Act | | |

# 27 Income Tax Asset (Net)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Advance Tax | 2,464 | 2,705 |
| Tax refund receivable | 10,358 | 8,550 |
| Sub Total | 12,822 | 11,255 |
| Less: | | |
| Income tax payable | (10,011) | (8,716) |
| **Total** | **2,811** | **2,539** |

# 28 Current Tax Liabilities (Net)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Provision for tax (Net) | 2 | 11 |
| **Total** | **2** | **11** |

## 29 Other Liabilities

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| (a) Contract Liabilities (Refer footnote (i)) | - | 1,072 | - | 900 |
| (b) Balances with statutory authorities | - | 777 | - | 491 |
| (c) Deferred lease rent (Refer footnote (ii)) | - | - | 27 | 41 |
| (d) Others | 1 | 37 | 3 | 16 |
| **Total** | **1** | **1,887** | **30** | **1,448** |

(i) Contract liabilities represents deferred revenue arises in respect of the Groups' Loyalty Points Scheme, deposits collected from patients/customers recognised in accordance with Ind AS 115 Revenue from contracts with customers.

(ii) Deferred lease rent has been reclassified to lease liabilities upon adoption of Ind AS 116, Leases.

## 30 Revenue from Operations

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| (a) Revenue from Healthcare services | 56,545 | 51,191 |
| (b) Revenue from sale of Pharmaceutical products | 48,206 | 38,860 |
| (c) Revenue from Clinics | 6,964 | 5,888 |
| (d) Other Operating Income | | |
| - Project Consultancy Income | 677 | 168 |
| - Franchise fees | 19 | 16 |
| - Income from Clinical Trials | 57 | 51 |
| **Total** | **112,468** | **96,174** |

**Dissaggregation of Revenue**

### Healthcare Services ( Including Other Operating Income)

| Region | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Tamilnadu | 22,591 | 20,092 |
| AP, Telangana | 11,032 | 10,847 |
| Karnataka | 6,863 | 6,206 |
| Others | 16,812 | 14,282 |
| **Total** | **57,297** | **51,426** |

### Pharmaceutical Products

| Region | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Region 1 ( Includes TamilNadu, Karnataka, Maharashtra, Pondicherry, Goa and Port Blair) | 18,044 | 14,312 |
| Region 2 ( Includes Telangana, Chhatisgarh, Orissa, West Bengal, Andhra Pradesh , Assam and Jharkhand) | 21,713 | 17,605 |
| Region 3 ( Bihar, J&k, New Delhi, Ahmedabad, Ludhiana, Chandigarh, Uttar Pradesh, Rajasthan, Haryana, Himachal Pradesh, Madhya Pradesh and Uttarakhand) | 8,449 | 6,944 |
| **Total** | **48,206** | **38,860** |

### Clinics

| Region | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Tamilnadu | 1,270 | 1,453 |
| AP, Telangana | 1,091 | 1,521 |
| Karnataka | 1,649 | 1,028 |
| Others | 2,955 | 1,886 |
| **Total** | **6,964** | **5,888** |

### Category of Customer

| particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Cash | 74,572 | 68,381 |
| Credit | 37,896 | 27,793 |
| **Total** | **1,12,468** | **96,174** |

### Nature of treatment

| particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| In-Patient | 41,854 | 44,031 |
| Out-Patient | 20,718 | 12,705 |
| Sale of Pharmaceutical products | 48,808 | 38,860 |
| Others | 1,088 | 578 |
| **Total** | **112,468** | **96,174** |

Refer note 3.5 of Significant accounting policies section which explain the revenue recognition criteria in respect of revenue from rendering Healthcare and allied services and Pharmaceutical products as prescribed by Ind AS 115, Revenue from contracts with customers.

During the financial year ended March 31, 2020, the company has recognised revenue of ₹468 million (Previous year ₹573 million) from its Patient deposit outstanding as on April 1, 2019

### Reconciliation of revenue recognised with the contract price is as follows:

### Healthcare Services (Including Other Operating Income)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Contract price as reflected in the invoice | 67,292 | 59,658 |
| Reduction in the form of discounts and disallowances | 2,715 | 1,503 |
| Reduction towards amounts received on behalf of third party service consultants | 7,279 | 6,729 |
| **Revenue recognised in the consolidated statement of profit & loss** | **57,297** | **51,426** |

### Pharmaceutical Products

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Contract price as reflected in the invoice | 48,474 | 39,175 |
| Reduction in the form of discounts and disallowances | 100 | 75 |
| Revenue deferred on account of unredeemed loyalty credits | 168 | 240 |
| **Revenue recognised in the consolidated statement of profit & loss** | **48,206** | **38,860** |

### Clinics

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Contract price as reflected in the invoice | 7,891 | 6,650 |
| Reduction in the form of discounts and disallowances | 388 | 318 |
| Revenue deferred on account of unredeemed loyalty credits | 9 | 9 |
| Reduction towards amounts received on behalf of service consultants | 530 | 434 |
| **Revenue recognised in the consolidated statement of profit & loss** | **6,964** | **5,888** |

The company receive payments from customers based upon contractual billing schedules and upon submission of requisite documentation; accounts receivable are recorded when the right to consideration becomes unconditional. Contract assets includes amounts related to our contractual right to consideration for completed performance obligations not yet invoiced. Contract liabilities include payments received in advance of satisfying a performance obligation as per the terms of the contract.

## 31 Other Income

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **a) Interest income** | | |
| (Interest Income earned on financial assets that are not designated as at fair value through profit or loss) | | |
| Bank deposits | 58 | 64 |
| Other financial assets | 115 | 81 |
| Sub Total | 173 | 145 |
| **b) Dividend Income** | | |
| Dividend on equity investments | - | 4 |
| **c) Other non-operating income (net of expenses directly attributable to such income)** | | |
| Provision for liabilities written back | 51 | 35 |
| **Sub Total** | **51** | **35** |
| **d) Other gains and losses** | | |
| Gain on disposal of Property Plant and Equipment | - | 46 |
| Net gain on disposal of financial assets | 5 | 6 |
| Gain/(loss) on fair valuation of investment in debentures | - | - |
| Gain on fair valuation of mutual funds | 43 | 32 |
| Gain/(loss) on fair valuation of equity instruments | (11) | - |
| Foreign exchange gain/(loss), net | (51) | (9) |
| Miscellaneous Income | 59 | 54 |
| **Sub Total** | **45** | **130** |
| **Total (a+b+c+d)** | **269** | **314** |





## 32 Cost of materials Consumed

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Opening inventory | 884 | 1,410 |
| Add: Purchases | 18,877 | 15,923 |
| Less: Closing inventory | 1,668 | 884 |
| **Total** | **18,092** | **16,449** |

## 33 Changes in inventory of Stock in trade

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Inventories at the beginning of the year | 4,964 | 4,249 |
| Inventories at the end of the year | (6,034) | (4,964) |
| **Changes in inventory of stock in trade** | **(1,070)** | **(716)** |

## 34 Employee benefits expense

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Salaries and wages | 16,705 | 14,374 |
| Contribution to provident and other funds | 1,042 | 952 |
| Staff welfare expenses | 782 | 657 |
| **Total** | **18,529** | **15,982** |

## 35 Finance costs

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Interest expense on financial liabilities measured at amortised cost | 2,929 | 2,837 |
| Interest expense on lease liabilities | 1,704 | - |
| Other borrowing costs | 695 | 433 |
| **Total** | **5,328** | **3,270** |

During the year the Group has capitalised borrowing costs of ₹232 million ( Previous year ₹350 million) relating to projects, included in Capital Work in progress. The capitalisation rate used is the weighted average interest of 9% ( previous year 9.03%)

## 36 Depreciation and amortisation expense

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Depreciation of property, plant and equipment | 3,915 | 3,746 |
| Amortisation of intangible assets | 260 | 203 |
| Depreciation of Right-of-use asset | 2,016 | - |
| Depreciation of investment property | 6 | 6 |
| **Total** | **6,197** | **3,955** |

## 37 Other expenses

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Retainer Fees to Doctor`s | 6,378 | 5,750 |
| Advertisement, Publicity & Marketing | 2,271 | 1,839 |
| Power and fuel | 1,946 | 1,706 |
| Legal & Professional Fees | 1,165 | 1,213 |
| Outsourcing Expenses:- | | |
| Food and Beverages | 1,623 | 1,192 |
| House Keeping Expenses | 1,391 | 1,033 |
| Security Charges | 361 | 354 |
| Bio Medical maintenance | 93 | 231 |
| Other Services | 90 | 80 |
| Office Maintenance & Others | 1,027 | 819 |
| Repairs to Machinery | 986 | 773 |
| Rent | 930 | 3,502 |
| Travelling & Conveyance | 868 | 818 |
| Expected Credit Loss on trade receivables | 752 | 657 |
| Printing & Stationery | 523 | 428 |
| House Keeping Expenses | 335 | 325 |
| Rates and Taxes, excluding taxes on income | 216 | 183 |
| Repairs to Buildings | 205 | 164 |
| Telephone Expenses | 194 | 149 |
| Water Charges | 184 | 132 |
| Postage & Telegram | 157 | 133 |
| Insurance | 155 | 139 |
| Hiring Charges | 147 | 135 |
| Continuing Medical Education & Hospitality Expenses | 140 | 94 |
| Laboratory testing charges | 122 | 104 |
| Franchise Service Charges | 93 | 101 |
| Repairs to Vehicles | 87 | 70 |
| Seminar Expenses | 55 | 58 |
| Loss on Sale of Property Plant and Equipments | 37 | 60 |
| Subscriptions | 21 | 23 |
| Donations | 21 | 25 |
| Books & Periodicals | 15 | 16 |
| Director Sitting Fees | 9 | 7 |
| Miscellaneous expenses | 395 | 553 |
| **Total (a)** | **22,990** | **22,866** |
| Expenditure incurred for corporate social responsibility (b) | 87 | 81 |
| **Total (a) + (b)** | **23,077** | **22,947** |

Consequent to the requirements of section 135 of Companies Act 2013, the company has made contributions as stated below. The same is in line with activities specified Schedule VII of Companies Act, 2013.

**Amount spent during the year ended March 31, 2020 on corporate social responsibility activities:**

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Construction/acquisition of any asset | - | - |
| On purpose other than above | 87 | 81 |

## 38 Income taxes

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Current tax | | |
| In respect of the current year | 1,249 | 993 |
| In respect of the prior year | 60 | - |
| **Total (a)** | **1,309** | **993** |

## 39 Deferred tax

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| In respect of the current year (includes MAT credit utilised amounting to ₹832 (previous year ₹266)) | 943 | 741 |
| **Total (b)** | **943** | **741** |
| **Total income tax expense (a+ b)** | **2,252** | **1,734** |

**Income tax expense can be reconciled to the accounting profit as follows:**

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Profit before share of net profits of investments accounted for using equity method and tax | 6,600 | 3,726 |
| Enacted tax rates in India | 34.94% | 34.94% |
| Income tax expense | 2,306 | 1,302 |
| Effect of income that are not considered in determining taxable profit | (686) | - |
| Effect of income that is exempt from taxation | - | 30 |
| Capital gains recognised on sale of investments | 222 | - |
| Effect of expenses that are not deductible in determining taxable profit | 39 | (27) |
| Effect of tax expenses recorded in resepct of previous years not included in profit considered above | 60 | - |
| Effect of unrecognised deferred taxes deductible temporary differences | 310 | 422 |
| **Total** | **2,252** | **1,727** |

# 40 Amount recognised in Other Comprehensive Income (OCI)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Items that will not be reclassified subsequently to statement of profit and loss | | |
| Re-measurement of defined benefit plans (Refer Note 44) | (5) | (288) |
| Equity instruments through other comprehensive income | (1) | (3) |
| **Total** | **(6)** | **(291)** |

# 41 Segment information

Operating Segments

The board of directors have been identified as the Chief Operating Decision Maker (CODM) by the company. Information reported to the CODM for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Healthcare, Retail Pharmacy, clinics and others have been identified as the operating segments. No operating segments have been aggregated in arriving at the reportable segments of the Group.

The Group operates mainly in India. Accordingly, there are no additional disclosures to be provided under Ind AS 108, other than those already provided in these consolidated financial statements.

The following are the accounting policies adopted for segment reporting :

a. Assets, liabilities, revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.

b. Healthcare segment includes hospitals and hospital based pharmacies. Retail pharmacy include pharmacy retail outlets. Clinics Segment include clinics, diagnostics, Spectra, Cradle, Sugar, Dental and Dialysis business. Other Segment includes revenue, assets and liabilities of companies not engaged in any of the aforementioned segments and treasury investments, fixed deposits and their related income of companies involved in all the three segments. Unallocated assets and liabilities includes those assets and liabilities which are not allocable to above mentioned segments such as Deferred tax, Borrowings, Investments and others

c. Inter segment revenue and expenses are eliminated.

The Group has disclosed this Segment Reporting in Financial Statements as per Ind AS 108.

### 41.1 Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segments.

| Particulars | Segment Revenue | | Segment Profit | |
|---|---|---|---|---|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| Healthcare | 57,504 | 51,618 | 7,024 | 6,198 |
| Retail Pharmacy | 48,206 | 38,860 | 2,902 | 1,682 |
| Clinics | 6,964 | 5,887 | (219) | (1,149) |
| Others | 44 | 40 | (31) | (49) |
| Sub-Total | 112,717 | 96,406 | 9,676 | 6,681 |
| Less: Inter Segment Revenue | 249 | 232 | | |
| **Total** | **112,468** | **96,174** | **9,676** | **6,681** |
| Finance costs | | | (5,328) | (3,270) |
| Other un-allocable expenditure | | | 270 | 314 |
| Exceptional item (Net) (Refer note 64) | | | 1,983 | - |
| Profit before share of net profits of investments accounted for using equity method and tax | | | 6,601 | 3,726 |

Segment profit represents the profit before tax earned by each segment without allocation of finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

## 41.2 Segment assets and liabilities

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Segment Assets** | | |
| Healthcare | 76,018 | 67,824 |
| Retail Pharmacy | 20,550 | 11,234 |
| Clinics | 8,232 | 4,581 |
| Others | 477 | 505 |
| **Total Segment Assets** | **105,277** | **84,143** |
| Unallocated | 8,107 | 7,688 |
| **Total assets** | **113,384** | **91,831** |
| **Segment liabilities** | | |
| healthcare | 22,864 | 14,464 |
| Retail Pharmacy | 11,276 | 2,250 |
| Clinics | 6,367 | 1,693 |
| Others | 195 | 177 |
| **Total Segment liabilities** | **40,701** | **18,582** |
| Unallocated | 39,289 | 39,914 |
| **Total liabilities** | **79,991** | **58,496** |

# 42 Earnings per Share (EPS)

EPS is calculated by dividing the profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The earnings and the weighted average number of shares used in calculating basic and diluted earnings per share is as follows:

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Basic and Diluted earnings per share ( Face value ₹5 per share) | | |
| (i) Income :- | | |
| Profit for the year attributable to the owners of the Company | 4,549 | 2,360 |
| Earnings used in the calculation of basic and dilued earnings per share | 4,549 | 2,360 |
| (ii) Weighted average number of equity shares for the purposes of basic earnings per share | 139,125,159 | 139,125,159 |
| (iii) Earnings per share ( Face value ₹5 per share) | | |
| Basic and Diluted | 32.70 | 16.97 |

# Employee Benefits Plans

## 43 Defined contribution plans

The Group makes contributions towards provident fund and employees state insurance as a defined contribution retirement benefit fund for qualifying employees. The provident fund is operated by the regional provident fund commissioner. The amount recognised as expense towards contribution to provident fund amount was ₹ 696 million (previous year ₹592 million) .The Employee state insurance is operated by the employee state insurance corporation. Under these schemes, the Group is required to contribute a specific percentage of the payroll cost as per the statute. The amount recognised as expense towards contribution to Employee State Insurance amount was ₹ 232 million (previous year ₹258 million). The Group has no further obligations in regard of these contribution plans.

## 44 Defined benefit plans

### 44.1 a) Gratuity

The Group operates post-employment defined benefit plan that provide gratuity. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement/exit. The Group's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation carried out by an independent actuary using the projected unit credit method. The Group recognizes actuarial gains and losses immediately in other comprehensive income, net of taxes. The Group accrues gratuity as per the provisions of the Payment of Gratuity Act, 1972 as applicable as at the balance sheet date.

The Group contributes all ascertained liabilities towards gratuity to the Fund. The plan assets have been primarily invested in insurer managed funds. The Gratuity plan provides a lump sum payment to the vested employees at retirement, death, incapacitation or termination of employment based on the respective employees salary and tenure of the employment with the Group

The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

| | |
|---|---|
| Investment risk | The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Plan investment is a mix of investments in government securities, and other debt instruments. |
| Interest risk | A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments |
| Longevity risk | The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability |
| Salary risk | The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. |

### A. Change in Defined Benefit Obligation

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Opening defined benefit obligation | 1,315 | 957 |
| Current service cost | 91 | 97 |
| Interest cost | 88 | 65 |
| Remeasurement (gains)/losses on account of change in actuarial assumptions | (9) | 292 |
| Benefits paid | (60) | (96) |
| **Closing defined benefit obligation** | **1,424** | **1,315** |

### B. Changes in Fair value of Plan Assets

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Opening fair value of plan assets | 913 | 747 |
| Interest income | 65 | 61 |
| Return on plan assets (excluding amounts included in net interest expense) | 4 | 7 |
| Contributions from the employer | 80 | 186 |
| Benefits paid | (60) | (87) |
| **Closing fair value of plan assets** | **1,001** | **913** |

### C. Amount recognised in Balance Sheet

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Present value of funded defined benefit obligation | 1,424 | 1,315 |
| Fair value of plan assets | (1,001) | (913) |
| Funded status | 423 | 402 |
| Restrictions on asset recognised | - | - |
| **Net liability arising from defined benefit obligation** | **423** | **402** |

### D. Expenses recognised in statement of profit and loss

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Service cost: | | |
| Current service cost | 91 | 97 |
| Net interest expense | 23 | 5 |
| Components of defined benefit costs recognised in profit or loss | 114 | 102 |

### E. Expenses recognised in Other Comprehensive Income

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Remeasurement on the net defined benefit liability: | | |
| Return on plan assets (excluding amounts included in net interest expense) | (4) | (7) |
| Actuarial (gains) / losses arising from changes in demographic assumptions | (9) | 292 |
| Actuarial (gains) / losses arising from changes in financial assumptions | - | 3 |
| Actuarial (gains) / losses arising from experience adjustments | - | 6 |
| Components of defined benefit costs recognised in other comprehensive income | (13) | 294 |
| Remeasurement (gain)/ loss recognised in respect of other long term benefits | - | 154 |
| Total of remeasurement (gain)/loss recognised in Other Comprehensive Income (OCI) | (13) | 448 |

**F. Significant Actuarial Assumptions**

| Particulars | Valuation as at | |
|---|---|---|
| | March 31, 2020 | March 31, 2019 |
| Discount rate(s) | Hospital-5.45%-7% | Hospital-6.6%-8% |
| | Pharmacy-5.45% | Pharmacy-6.76% |
| | Clinics-6.5%-7% | Clinics-7.6%-8% |
| Expected rate(s) of salary increase | Hospital: 0%-8% | Hospital: 5%-8% |
| | Pharmacy:0% (FY21) and 5% balance years | Pharmacy:5.8% |
| | Clinics:5% | Clinics:5%-8% |
| Attrition Rate | Hospital:2%-45% | Hospital:3%-45% |
| | Pharmacy:32% | Pharmacy:32% |
| | Clinics:5%-35% | Clinics:2%-35% |
| Retirement Age | 58.00 | 58.00 |
| Pre-retirement mortality | Indian Assured Lives Mortality (2012-14) Ultimate | Indian Assured Lives Mortality (2012-14) Ultimate |

The expected rate of return on plan assets is based on market expectations at the beginning of the year. The rate of return on long-term government bonds is taken as reference for this purpose.

**G. Category of Assets**

| Particulars | Valuation as at | |
|---|---|---|
| | March 31, 2020 | March 31, 2019 |
| Insurer managed funds | 1,001 | 913 |
| **Total** | **1,001** | **913** |

Each year Asset Liability matching study is performed in which the consequences of strategic investments policies are analysed in terms of risk and returns profiles. Investments and Contributions policies are integrated within this study.

**H. Sensitivity Analysis**

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

| | Change in assumption | | Increase in assumption | | Decrease in assumption | |
|---|---|---|---|---|---|---|
| | 31st March, 2020 | 31st March, 2019 | 31st March, 2020 | 31st March, 2019 | 31st March, 2020 | 31st March, 2019 |
| Discount rate | +100 basis points/ -100 basis points | +100 basis points/ -100 basis points | 1,539 | 1,147 | 1,505 | 1,203 |
| Salary growth rate | +100 basis points/ -100 basis points | +100 basis points/ -100 basis points | 1,551 | 1,198 | 1,491 | 1,152 |
| Attrition rate | +100 basis points/ -100 basis points | +100 basis points/ -100 basis points | 1,520 | 1,175 | 1,516 | 1,173 |

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

| | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Estimated benefit payments from the fund for the year ended March 31 | | |
| 2022 | 581 | 787 |
| 2023 | 142 | 191 |
| 2024 | 92 | 123 |
| 2025 | 59 | 81 |
| Thereafter | 155 | 193 |

# 45 Long Term Benefit Plans

**45.1 Leave Encashment**

The company pays leave encashment benefits to employees as and when claimed subject to the policies of the company. The company provides leave benefits through annual contributions to the fund managed by HDFC Life.

**The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows.**

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Discount rate(s) | 5.45%-7% | 5.8%-8% |
| Expected rate(s) of salary increase | 0%-8% | 5%-8% |
| Attrition Rate | 2%-45% | 5.00%- 45.00% |
| Retirement Age | 58.00 | 58.00 |
| Pre-mortality rate | Indian Assured Lives Mortality (2012-14) Ultimate | Indian Assured Lives Mortality (2012-14) Ultimate |

# 46 Financial instruments

**46.1 Capital management**

The Group manages its capital to ensure it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.The capital structure of the Group consists of net debt and total equity of the Company. The Group is not subject to any externally imposed capital requirements.

The Group's risk management committee reviews the capital structure of the Group on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The Group has a target gearing ratio of 100% of net debt to total equity determined as the proportion of net debt to total equity. The gearing ratio at March 31, 2020 of 90% ( Previous year 96%) was below the target range.

**Gearing ratio**

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| The gearing ratio at end of the reporting period was as follows. | | |
| Debt (includes Borrowings , Current Maturities of Long term Debt, unpaid maturities of deposits and excludes lease liabilities recognised upon adoption of Ind AS 116 in the current year) | 35,958 | 36,726 |
| Cash and bank balances (Refer Note 16 & Note 17) | 4,667 | 3,470 |
| Net Debt | 31,291 | 33,257 |
| Total Equity | 34,697 | 34,689 |
| Net debt to equity ratio | 90% | 96% |

### 46.2 Categories of financial instruments

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Financial assets | | |
| Measured at fair value through profit or loss (FVTPL) | | |
| (i) Investments in Equity Instruments (Other than Joint Ventures and Associates) | 269 | 191 |
| (ii) Investments in Mutual Funds | 749 | 688 |
| (iii) Derivative Financial Instruments | 67 | 288 |
| Measured at amortised cost | | |
| (i) Cash and Cash Equivalents | 4,667 | 3,470 |
| (ii) Trade Receivables | 10,272 | 10,232 |
| (iii) Investment in Debentures | 80 | 80 |
| (iv) Other Financial Assets | 3,283 | 2,610 |
| (vi) Loans | 301 | 188 |
| (v) Finance Lease Receivable | 5 | 5 |
| Measured at Cost (equity method of accounting) | | |
| (i) Investments in Joint ventures and Associates | 3,242 | 3,654 |
| Investments measured at Fair Value Through Other Comprehensive Income (FVTOCI) | 2 | 3 |
| Financial liabilities | | |
| Measured at amortised cost | | |
| (i) Trade Payables | 9,089 | 7,131 |
| (ii) Borrowings (includes short, long term and interest accrued and not due) | 35,958 | 36,726 |
| (iii) Other Financial Labilities (includes lease liabilities) | 22,522 | 2,798 |
| (iv) Gross Obligation over written put options | 4,955 | 4,713 |

### 46.3 Financial risk management objectives

The Group's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group's exposure to credit risk is primarily from trade receivables which are in the ordinary course of business influenced mainly by the individual characteristic of each customer.

The Group's exposure to currency risk is on account of borrowings and other credit facilities demonitated in currency other than Indian Rupees. The Group seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non -derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Corporate Treasury function reports quarterly to the Group's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

### 46.4 Market risk

The Group's activities expose it to the financial risks of changes in foreign currency exchange rates and interest rates. The Group enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk using currency cum interest swaps

### 46.5 Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

| Particulars | Liabilities as at | | Assets as at | |
|---|---|---|---|---|
| | 31st March, 2020 | 31st March, 2019 | 31st March, 2020 | 31st March, 2019 |
| Foreign Currency Borrowings ( in USD ) | 8 | 35 | - | - |
| Foreign Currency Borrowings ( in INR ) | 601 | 2,410 | - | - |
| Trade Receivables (In USD) | - | - | 1 | - |
| Trade Receivables (In INR) | - | - | 49 | 18 |
| Trade Payables (In EURO) | 7 | - | - | - |
| Trade Payables (In INR) | 568 | - | - | - |

#### Foreign currency sensitivity analysis

Of the above, The borrowings of USD 8 Million as at March 31, 2020 and USD 32.86 Million as at March 31, 2019 are completely hedged against foreign currency fluctuation using forward contracts and Interest rate swaps. Therefore the exposure of the Group of foreign exchange risk is limited to unhedged borrowings and trade payables, trade receivables denominated in foreign currency for which below sensitivity is provided

#### The Group is mainly exposed to currency United States Dollar (USD).

The following table details the Group's sensitivity to a 10% increase and decrease in the ₹ against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the ₹ strengthens 10% against the relevant currency. For a 10% weakening of the ₹ against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

| Particulars | Impact of Foreign Currency | | | |
|---|---|---|---|---|
| | 31st March, 2020 | | 31st March, 2019 | |
| | +10% | (10%) | +10% | (10%) |
| Impact on Profit or Loss for the year | (52) | 52 | (13) | 13 |
| Impact on Equity for the year | (52) | 52 | (13) | 13 |

### 46.6 Interest rate risk management

The Group is exposed to interest rate risk because the Group borrows funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts and forward rate contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

### Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

**If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's:**

- profit for the year ended March 31, 2020 would decrease/increase by ₹149 Million (Previous year: decrease/ increase by ₹136 million). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings

### Cross Currency Interest rate swap contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures on the issued variable rate debt. The average interest rate is based on the outstanding balances at the end of the reporting period. The Cross Currency Interest Rate Swaps on External Currency Borrowings hedges the interest rte risk on the USD Borrowing.

| Outstanding Contracts | Spot Rate | Foreign Currency | Nominal Amount | Fixed Interest Rate | Fair Value |
|---|---|---|---|---|---|
| Contract 1 | 66.41 | USD 8,000,000 | 5312,80,000 | 9.20% | 67.32 |

### 46.7 Credit risk management

Credit risk is a  risk of financial loss to the Group arising from counterparty failure to repay according to contractual terms or obligations. Majority of the Group's transactions are earned in cash or cash equivalents. The Trade Receivables comprise mainly of receivables from Insurance Companies, Corporate customers, Public Sector Undertakings, State/Central Governments. The Insurance Companies are required to maintain minimum reserve levels and the Corporate Customers are enterprises with high credit ratings. Accordingly, the Group's exposure to credit risk in relation to trade receivables is considered low. Before accepting any new credit customer, the Group uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed annually. The outstanding with the debtors is reviewed periodically.

Refer Note 13 For the credit risk exposure , ageing of trade receivable and impairment methodology for financial assets

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by credit-rating agencies

### 46.8 Equity price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/lower:

- profit for the year ended March 31, 2020 would increase/decrease by ₹35  (for the year ended March 31, 2019: increase/ decrease by ₹39) as a result of the changes in fair value of equity investments. As at 31 March 2020 the company has quoted investments only in Indraprastha Medical Corporation Limited.

## 47 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-term, medium-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

### 47.1 Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

| Outstanding Contracts | Weighted average effective interest rate( %) | 3 months to 1 year | 1 Year to 5 years | > 5 years |
|---|---|---|---|---|
| **March 31, 2020** | | | | |
| Non-interest bearing | | 3,728 | - | 5,073 |
| Variable interest rate instruments | 8.54% | 7,503 | 8,358 | 14,494 |
| Fixed interest rate instruments | 9.58% | 2 | 2,000 | 3,000 |
| Lease liabilities | | 1,575 | 5,943 | 12,733 |
| | | 12,808 | 16,301 | 35,300 |
| **March 31, 2019** | | | | |
| Non-interest bearing | - | 9,882 | - | 4,774 |
| Variable interest rate instruments | 8.54% | 6,364 | 6,456 | 14,604 |
| Fixed interest rate instruments | 9.58% | 28 | 2,014 | 5,000 |
| | | 16,274 | 8,470 | 24,377 |

The carrying amounts of the above are as follows:

| Outstanding Contracts | 1 Year to 5 years | > 5 years |
|---|---|---|
| **The carrying amounts of the above are as follows:** | **31-Mar-20** | **31-Mar-19** |
| Non-interest bearing | 8,801 | 14,656 |
| Variable interest rate instruments | 30,355 | 27,423 |
| Fixed interest rate instruments | 5,002 | 7,043 |
| Finance Lease liabilities | 20,251 | - |
| | 64,409 | 49,122 |

Non Interest bearing includes Trade Payables, Current Financial Liabilities, Non Current Financial liabilities excluding current maturities of Long term debts

Variable interest rate instruments and Fixed Interest rate instruments includes Long Term and Short Term Borrowings and current maturities of long term debt

The following table details the Group's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will he earned on those assets. The inclusion of information on non -derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

| Outstanding Contracts | Weighted average effective interest rate( %) | 3 months to 1 year | 1 Year to 5 years | > 5 years |
|---|---|---|---|---|
| **March 31, 2020** | | | | |
| Non-interest bearing | | 11,290 | | 2,337 |
| Fixed interest rate instruments | 10% | 70 | 231 | |
| **Total** | | **11,360** | **231** | **2,337** |
| **March 31, 2019** | | | | |
| Non-interest bearing | - | 11,519 | - | 2,062 |
| Fixed interest rate instruments | 10% | 80 | 108 | |
| **Total** | | **11,599** | **108** | **2,062** |

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

The following table details the Group's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted gross outflows on settlement of these derivatives. These derivatives are taken by the Group as against the External Commercial Borrowings (ECB) which have already been included as part of the Fixed rate instruments under the financial liabilities section.

| Outstanding Contracts | 1 Year to 5 years | > 5 years |
|---|---|---|
| **March 31, 2020** | | |
| Net Settled: | | |
| - Cross Currency interest rate swaps | 601 | |
| **Total** | **601** | **-** |
| **March 31, 2019** | | |
| Net Settled: | | |
| - Cross Currency interest rate swaps | 1,279 | 999 |
| **Total** | **1,279** | **999** |

## 48 Financing facilities

The Group has access to financing facilities as described below. The Group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

| Outstanding Contracts | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|
| **Secured bank loan facilities** | | |
| - amount used | 34,599 | 33,237 |
| - amount unused | 4,745 | 4,265 |
| **Total** | **39,344** | **37,501** |
| **Unsecured bank loan facilities** | | |
| - amount used | 3,079 | 2,935 |
| - amount unused | 2,509 | 794 |
| **Total** | **5,588** | **3,728** |

## 49 Fair Value Measurement

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices in actove markets for identified assets and liabilities

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

| Particulars | Fair Value as at | | Fair Value Hierarchy | Valuation technique and key inputs | Significant unobservable inputs | Relationship of unobservable inputs to fair value |
|---|---|---|---|---|---|---|
| Financial Assets/ Financial Liabilities | March 31, 2020 | March 31, 2019 | | | | |
| Derivative Financial Instruments (Assets) | 67 | 288 | Level 2 | Discount cash flow, Future Cash Flows are estimated based on forward exchange rates and contract forward rates discounted at a rate that reflects the credit risk of various counterparties | - | - |
| Investments in Mutual Funds | 749 | 688 | Level 1 | Fair value is determined based on the Net asset value published by respective funds. | - | - |
| Investments in equity Instruments | 269 | 191 | Level 3 | Discounted Cash Flow-Income approach | Discount rate, Risk free Return, Long term Market rate of return are the assumptions used | A slight change in assumptions will change the Fair value of the Investment |
| Investments in equity instrument at FVTOCI (unquoted) | 1.76 | 2.81 | Level 3 | Discounted cash flow model under income approach was used to capture the present value of the expected future economic benefits to be derived from the ownership of the investee. | Long term growth rates, taking into account management's experience and knowledge of market conditions of the specific industry at 5%. | A slight change in assumptions will change the Fair value of the Investment |

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair-value of the financial-instruments factor the uncertainties arising out of COVID-19, where applicable.

## 50 Fair Value of Financial Assets and Financial Liabilities that are not measured at fair value (but fair value disclosure are required)

The Group considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements at amortized cost will reasonably approximate their fair values.

## 51 Reconciliation of Level 3 Fair Value Measurements

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **Opening Balance** | 194 | 65 |
| Add: Investments during the year | 89 | 155 |
| Less : Fair value gain/(loss) | (12) | (27) |
| Closing Balance | 270 | 194 |

If the long term growth rate used were 1% higher/ lower while all other variable were held constant the carrying amount of the shares would increase / decrease by ₹0.071 Million and ₹(0.071) million respectively.

1% increase / decrease in WACC or discount rate used while holding all other variable constant would decrease/increase the carrying amount of the unquoted investment by ₹0.17 million and (0.19) million respectively

## 52 Financial impact of initial application of Ind AS 116, Leases

### 52.1 The Company as lessee

Leasing arrangement

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

The Group lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Refer note 6 for Right of use asset for the period ended March 31, 2020

The lease term considerred by the Group for measurement of Right-of-use assets and lease liabilities range from 2 years to 60 years and and the incremental borrowing rate considered for measurement of lease liability is 9%.

The tables below show amount of impact on financial statements on initial application of standard:

| | |
|---|---|
| **Retained earnings** | |
| Adjustment on account of modified retrospective approach | 3,716 |
| De-recognition of pre-operative expenses earlier capitalised as per Ind AS 16 | 451 |
| Deferred tax impact on above | (1,468) |
| **Total** | **2,699** |

| | |
|---|---|
| **Consolidated Statement of Profit and Loss** | |
| Interest on lease liabilities | 1,704 |
| Depreciation of Right-of-use assets | 2,005 |
| Rent reversal | (2,992) |
| Deferred tax (credit) | (250) |
| Impact on the consolidated statement of profit and loss | 466 |
| **Earnings per share (EPS)** | |
| Basic and Diluted EPS prior to adoption of Ind AS 116 | 36.05 |
| Basic and Diluted post prior to adoption of Ind AS 116 | 32.70 |
| Impact | 3.35 |

#### Consolidated Statement of Cash Flows

Under Ind AS 116, the Group has presented

i) Short-term lease payments, payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability as part of operating activities;

ii) Cash paid for the interest and principal portion of lease liability as financing activities

Under Ind AS 17, all lease payments on operating leases were presented as part of cash flows from operating activities. Consequently, the net cash generated by operating activities has increased by ` 2,983 million and net cash used in financing activities increased by the same amount.

#### The adoption of Ind AS 116 did not have an impact on net cash flows.

The difference between the lease obligation disclosed as of March 31, 2019 under Ind AS 17 and the value of the lease liabilities as of April 1, 2019 is primarily on account of assessment of lease tenure considering all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term, significant leasehold improvements made and importance of the underlying asset to lessee's operations.

Reconciliation between operating lease committment disclosed as per Ind AS 17 and lease liability recognised as at April 1, 2019 is given below:

| | |
|---|---|
| **Operating lease commitment as at March 31,2019** | **6,954** |
| Discounted at incremental borrowing rate at April 1,2019 | 3,472 |
| Recognition exemption for short term lease* | - |
| Extension and termination options reasonable certain to be excercised | 15,660 |
| **Lease liabilities as at April 1,2019** | **19,132** |

* The Group has not considered any lease commitment in case of short term leases in the previous period and these lease have also not been considered under Ind AS 116. Hence, there is no adjustment on account of short term leases.

#### Movement in Lease Liabilities

| | |
|---|---|
| Lease liability as on April 1, 2019 | 19,132 |
| Additions | 2,529 |
| Deletions | (131) |
| Finance Cost accrued during the period | 1,704 |
| Payment of lease liabilities* | (2,983) |
| **Balance at March 31, 2020** | **20,250** |

* Includes repayment of both principal and interest

Refer note 6 for movement in Right-of-use assets from April 1, 2019 to March 31, 2020

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(Refer Note 47.1 Liquidity and Interest risk tables maturity analysis of lease liabilities)

**The Group has made use of the following practical expedients available in its transition to Ind AS 116:**

a) The Group has not re-assessed whether whether a contract is, or contains, a lease at April 1, 2019 and has applied the standard to all contracts that were previously identified as leases applying Ind AS 17, Leases.

b) The Group has applied single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment). Consequently, the Group has recorded its lease liability using the present value of remaining lease payments, discounted using the incremental borrowing rate at the date of initial application and the right-of-use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted using the incremental borrowing rate at the date of initial application.

The Group's incremental borrowing rate as in te date of intial application is at 9%, which has been used for measurement of lease liabilities."

c) The Group has excluded the initial direct costs from measurement of the RoU asset

d) The Group does not recognize RoU assets and lease liabilities for leases with less than twelve months of lease term and low value assets on the date of initial application.

## 53 Commitments

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Commitments to contribute funds for the acquisition of property, plant and equipment | 1,431 | 4,102 |
| Commitments to contribute funds towards Equity | 531 | 552 |

## 54 Contingent liabilities

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| (a) Claims against the Company not acknowledged as debt | 3,483 | 2,409 |
| (b) Letters of Comfort | - | 2 |
| (c) Letter of Credit | 34 | - |
| (d) Other money for which the company is contingently liable | | |
| Customs Duty | 310 | 100 |
| Service Tax (Refer ii) | 62 | 814 |
| Provident Fund | 22 | - |
| Value Added Tax | 1 | 1 |
| Income Tax (Refer i & iii ) | 317 | 323 |
| Other Matters | 325 | 59 |
| **Total** | **4,554** | **3,708** |
| **Contingent Assets** | | |
| Consideration receivable as part of disposal of investment in associate | 81 | - |

Notes

(i) In respect of the company , relating to the proceedings pending before the relevant income tax authority for the assessment years 2009-10 to 2016-17, it is of the opinion that no additional provision for tax expense is considered necessary in the financial statements.

(ii) In respect of the subsidiary company Imperial Hospital & Research Centre Limited (IHRCL) for Financial year 2006 – 2007 to 2010-2011, the service tax department has raised a demand of ₹ 1.89 million which is disputed and the company has deposited a sum of ₹ 1.89 million under protest against this demand. The company has filed an appeal against the said demand before CESTAT-Bengaluru, and the liability has been considered contingent until the conclusion of the appeal.

(iii) In respect of the subsidiary company Imperial Hospital & Research Centre Limited (IHRCL) for Assessment year 2007-2008, the income tax department has raised a demand of ₹1.43 million which is disputed and appealed against by the Company. The company has deposited a sum of ₹1.43 million under protest against this demand, pending disposal of its appeal. The liability will be considered contingent until the conclusion of the appeal.

(iv) In respect of Apollo Health & Lifestyle Limited, The Honourable supreme Court, has passed a decision on February 28, 2019 in relation to inclusion of certain allowances in "Basic wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Group is awaiting further clarifications from the judiciary/department in this matter in order to reasonably asses the impact on its financial statements, if any. Accordingly, the applicability of the judgement to the group, with respect to the period and the nature of allowances to be covered, and the resultant impact on the past provident fund liability, cannot be reasonably ascertained, at present.

(v) In respect of Apollo Health & Lifestyle Limited, the company received an order from Provident Fund authorities regarding Provident Fund (PF) payments on certain allowances given by the company to it employees for the period April 2014 to April 2016 aggregating to ₹ 13.96 Million excluding interest and penalties. The Company has deposited a sum of ₹ 4.8 Million under protest against this demand. The company has filed an appeal against the demand and the liability is considered as contingent until the conclusion of the appeal.

(vi) In respect of Apollo Health & Lifestyle Limited, the company has received an order from the Income tax department for the Assessment Year 2016-17. The subsidiary company has filed an appeal against the said order and contending that no additional provision fot tax expenses is necessary in the financial statements.

## 55 Expenditure in foreign currency

| Particulars | Year ended March 31, 2020 | Year ended March 31,2019 |
|---|---|---|
| **a. CIF Value of Imports** | | |
| Machinery and Equipment | 1,150 | 105 |
| Stores and Spares | 30 | - |
| Other Consumables | 33 | 66 |
| **b. Expenditure** | | |
| Travelling Expenses | 69 | 171 |
| Professional Charges | 85 | 138 |
| Royalty | 6 | 13 |
| Advertisement | 4 | 15 |
| Business Promotion | 41 | 28 |

| Particulars | Year ended March 31, 2020 | Year ended March 31,2019 |
|---|---|---|
| **c. Dividends** | | |
| Amount remitted during the year in foreign currency on account of dividends excluding the payment of dividends directly to the share-holder's Non-resident external bank account. | 2 | 3 |
| Non-Residents shareholders to whom remittance was made (Nos.) | 136 | 144 |
| Shares held by non-resident share-holders on which dividend was paid (Nos.) | 557,395 | 609,795 |

## 56 Earnings in foreign currency

| Particulars | Year ended March 31, 2020 | Year ended March 31,2019 |
|---|---|---|
| Hospital Fees | 968 | 1,045 |
| Project Consultancy Services | 55 | 21 |
| Pharmacy Sales | 18 | 18 |
| **Total** | **1,041** | **1,083** |

## 57 Share-based payments

### Employee share option plan of the Company

(i) Apollo Health and Lifestyle Limited

The Company has granted 194,698 Ordinary (Equity) Shares of ₹10 each during the year ended 31st March, 2012 to the eligible employees of the Company. Options are granted under Employee Stock Option Plan - 2012 ("the Scheme") which vest over a period of four years commencing from the respective date of grant.

The compensation costs of stock options granted to employees are accounted by the Company over the vesting period.

### Summary of stock options

| Particulars | No. of stock options | |
|---|---|---|
| | Year ended March 31, 2020 | Year ended March 31,2019 |
| Options outstanding on April 1 | - | 48,675 |
| Options granted during the year | - | - |
| Options forfeited/lapsed during the year | - | 25,290 |
| Options exercised during the year | - | 23,385 |
| Options outstanding on March 31 | - | - |
| Options vested but not exercised on March 31 | - | - |

Exercise price is ₹ 30

Management has estimated the fair values of options granted at ₹ 30.

(ii) The Company has granted 412,500 Ordinary (Equity) Shares of ₹ 10 each during the year ended 31st March, 2014 to the eligible employees of the Company. Options are granted under Employee Stock Option Plan - 2013 ("the Scheme") which vest over a period of four years commencing from the respective date of grant.

The compensation costs of stock options granted to employees are accounted by the Company over the vesting period.

### Summary of stock options

| Particulars | No. of stock options | |
|---|---|---|
| | For the year 2019-20 | For the year 2018-19 |
| Options outstanding on April 1 | 82,500 | 82,500 |
| Options granted during the year | - | - |
| Options forfeited/lapsed during the year | 82,500 | - |
| Options exercised during the year | - | - |
| Options outstanding on March 31 | - | 82,500 |
| Options vested but not exercised on March 31 | - | 82,500 |

Exercise price is ₹30

Management has estimated the fair values of options granted at ₹30.

**(iii) Apollo Specialty Hospitals Private Limited**

The Company by virtue of service and subscription agreement entered into with the doctors for continuance of services with Apollo Specialty Hospitals Private Limited (ASH) inline with the scheme implemented by the erstwhile company (i.e. Nova Speciality Hospitals Private Limited) has agreed to issue Fully Convertible Debentures (FCD) for a value calculated in accordance with performance based formulae at the time of acquisition.

These FCD are issued in respect of the future services which will be rendered by the doctors' and hence is in the nature of share based payment in terms of Ind AS 102. These FCD issued would be convertible upon the expiry of service requirement and other conditions as stipulated by the respective agreements.

The compensation costs of stock options granted to employees are accounted by the Company over the vesting period.

### Summary of stock options

| Particulars | No. of stock options | |
|---|---|---|
| | For the year 2019-20 | For the year 2018-19 |
| Options outstanding on April 1, 2019 | 1,595 | 1,595 |
| Options granted during the year | - | - |
| Options forfeited/lapsed during the year | - | - |
| Options exercised during the year | - | - |
| Options outstanding on March 31, 2020 | 1,595 | 1,595 |
| Options vested but not exercised on March 31, 2020 | - | - |

Exercise price is ₹Nil

Management has estimated the fair values of options granted at ₹ 25,764.

**(iv) Apollo Sugar Clinics Limited**

The Company has granted 44,370 Ordinary (Equity) Shares of ₹10 each during the year ended 31st March, 2018 to the eligible employees of the Company. Options are granted under ASCL Employee Stock Option Plan - 2017 ("ESOP 2017") which vest over a period of three years commencing from the respective date of grant.

The compensation costs of stock options granted to employees are accounted by the Company over the vesting period.

**Summary of stock options**

| Particulars | No. of stock options | |
|---|---|---|
| | For the year 2019-20 | For the year 2018-19 |
| Options outstanding on April 1, 2019 | 44,370 | 44,370 |
| Options granted during the year | - | - |
| Options forfeited/lapsed during the year | - | - |
| Options exercised during the year | - | - |
| Options outstanding on March 31,2020 | 44,370 | 44,370 |
| Options vested but not exercised on March 31,2020 | - | - |

Exercise price is ₹89.42

Management has estimated the fair values of options granted at ₹275.70.

**(v) Alliance Dental Care Limited**

The Company has granted 56,735 Ordinary (Equity) Shares of ₹10 each during the year ended 31st March, 2017 to the directors and eligible employees of the Company. Options are granted under Alliance Dental ESOP Scheme 2016, which vest over a period of four years commencing from the respective date of grant.

The compensation costs of stock options granted to employees are accounted by the Company over the vesting period.

**Summary of stock options**

| Particulars | No. of stock options | |
|---|---|---|
| | For the year 2019-20 | For the year 2018-19 |
| Options outstanding on April 1,2019 | 28,368 | 28,368 |
| Options granted during the year | - | - |
| Options forfeited/lapsed during the year | - | - |
| Options exercised during the year | 18,912 | - |
| Options outstanding on March 31,2020 | 9,456 | 28,368 |
| Options vested but not exercised on March 31,2020 | 9,456 | 28,368 |

Exercise price is ₹10

Management has estimated the fair values of options granted at ₹194.

**(vi) Apollo Dialysis Private Limited**

The Company has granted 55,566 Ordinary (Equity) Shares of ₹10 each during the year ended 31st March, 2017 to the directors of holding company and directors and eligible employees of the Company. Options are granted under Apollo Dialysis ESOP Scheme 2016, which vest over a period of four years commencing from the respective date of grant.

The compensation costs of stock options granted to employees are accounted by the Company over the vesting period.

**(vii) Apollo Dialysis Private Limited**

The Company has granted 55,566 Ordinary (Equity) Shares of ₹10 each during the year ended 31st March, 2017 to the directors of holding company and directors and eligible employees of the Company. Options are granted under Apollo Dialysis ESOP Scheme 2016, which vest over a period of four years commencing from the respective date of grant.

The compensation costs of stock options granted to employees are accounted by the Company over the vesting period.

**Summary of stock options**

| Particulars | No. of stock options | |
|---|---|---|
| | For the year 2019-20 | For the year 2018-19 |
| Options outstanding on April 1,2019 | 27,783 | 27,783 |
| Options granted during the year | - | - |
| Options forfeited/lapsed during the year | - | - |
| Options exercised during the year | 18,522 | - |
| Options outstanding on March 31,2020 | 9,261 | 27,783 |
| Options vested but not exercised on March 31,2020 | 9,261 | 27,783 |

Exercise price is ₹10

Management has estimated the fair values of options granted at ₹27.

## 58 Written Put option over Non-controlling Interest of subsidiary

Pursuant to the shareholder agreement read with put option agreement dated October 26, 2016 entered into with International Finance Corporation (IFC), IFC has the right to exercise the put option on shares from the end of 8th year to 12th year of subscription (i.e. 2016) either on Apollo Hospitals Enterprises Limited ("AHEL") or Apollo Health and Lifestyle Limited ("AHLL", subsidiary of AHEL).

The management based on the assessment of this put option, has accounted the same in accordance with note 3.23 included in the significant accounting policies.

59 The Group has advanced loans to its subsidiary companies. The disclosures pursuant to Regulation 34(3) read with para A of Schedule V to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

60 Information on Related Party Transactions as required by Ind AS 24 - Related Party Disclosures for the year ended March 2020

| S.No | Name of the company | Country of Incorporation | % of Holding as at March 31, 2020 | % of Holding as at March 31, 2019 |
|---|---|---|---|---|
| A) | **Subsidiary Companies: (where control exists)** | | | |
| 1 | Apollo Home Healthcare (India) Limited | India | 100 | 100 |
| 2 | AB Medical Centre Limited | India | 100 | 100 |
| 3 | Apollo Health and Lifestyle Limited | India | 70.25 | 70.25 |
| 4 | Apollo Nellore Hospitals Limited | India | 80.87 | 79.44 |
| 5 | Imperial Hospitals and Research Centre Limited | India | 90 | 90 |
| 6 | Samudra Healthcare Enteprises Limited | India | 100 | 100 |
| 7 | Western Hospitals Corporation (P) Limited | India | 100 | 100 |
| 8 | Apollo Hospitals (UK) Limited | United Kingdom | 100 | 100 |
| 9 | Sapien Biosciences Private Limited | India | 70 | 70 |
| 10 | Assam Hospitals Limited | India | 65.52 | 62.32 |
| 11 | Apollo Lavasa Health Corporation Limited | India | 51 | 51 |
| 12 | Apollo Rajshree Hospitals Private Limited | India | 54.63 | 54.63 |
| 13 | Total Health | India | 100 | 100 |

| S.No | Name of the company | Country of Incorporation | % of Holding as at March 31, 2020 | % of Holding as at March 31, 2019 |
|---|---|---|---|---|
| 14 | Apollo Home Healthcare Limited | India | 70.75 | 58.12 |
| 15 | Apollo Healthcare Technology Solutions Limited | India | 40 | 40 |
| 16 | Apollo Hospitals International Limited | India | 50 | 50 |
| 17 | Future Parking Private Limited | India | 49 | 49 |
| 18 | Apollo Hospitals Singapore Private Limited | Singapore | 100 | 100 |
| 19 | Apollo Medicals Private Limited | India | 100 | 100 |
| **B)** | **Step Down Subsidiary Companies** | | | |
| 1 | Alliance Dental Care Limited | India | 69.24 | 69.54 |
| 2 | Apollo Dialysis Private Limited | India | 59.3 | 59.53 |
| 3 | Apollo Sugar Clinics Limited | India | 80 | 80 |
| 4 | Apollo Specialty Hospitals Pvt Ltd | India | 100 | 100 |
| 5 | Apollo CVHF Limited | India | 66.67 | 66.67 |
| 6 | Apollo Bangalore Cradle Limited | India | 100 | 100 |
| 7 | Kshema Health Private Limited | India | 100 | 100 |
| 8 | Apollo Pharmacies Limited | India | 100 | 100 |
| 9 | AHLL Diagnostics Limited | India | 100 | 100 |
| 10 | AHLL Risk Management Private Limited | India | 100 | 100 |
| **C)** | **Joint Ventures** | | | |
| 1 | Apollo Gleneagles Hospital Limited | India | 50 | 50 |
| 2 | Apollo Gleneagles PET-CT Private Limited | India | 50 | 50 |
| 3 | Apokos Rehab Private Limited | India | 50 | 50 |
| 4 | Medics International Lifesciences Ltd | India | 50 | 50 |
| **D)** | **Associates** | | | |
| 1 | Family Health Plan Insurance TPA Limited | India | 49 | 49 |
| 2 | Indraprastha Medical Corporation Limited | India | 22.03 | 22.03 |
| 3 | Apollo Munich Health Insurance Company Limited* | India | - | 9.96 |
| 4 | Stemcyte India Therapautics Private Limited | India | 24.50 | 24.50 |
| 5 | Apollo Amrish Oncology Services Private Limited | India | 50 | 50 |

*The Group has ceased to have significant influence in this associate company with effect from January 1, 2020 in which date the closing conditions required to complete the sale have been completed and consideration for the sale has been received, the investment has been de-recognised from the books with effect from January 1, 2020

| | | | | |
|---|---|---|---|---|
| **E)** | **Key Management Personnel** | | | |
| 1 | Dr. Prathap C Reddy | | | |
| 2 | Smt. Suneeta Reddy | | | |
| 3 | Smt. Preetha Reddy | | | |
| 4 | Smt. Sangita Reddy | | | |
| 5 | Smt. Shobana Kamineni | | | |
| 6 | Shri. Krishnan Akhileswaran | | | |
| 7 | Shri. S M Krishnan | | | |

| S.No | Name of the company | Country of Incorporation | % of Holding as at March 31, 2020 | % of Holding as at March 31, 2019 |
|---|---|---|---|---|
| **F)** | **Directors** | | | |
| 1 | Shri. Vinayak Chatterjee | | | |
| 2 | Dr. T. Rajgopal | | | |
| 3 | Dr. Murali Doraiswamy | | | |
| 4 | Smt. V. Kavitha Dutt | | | |
| 5 | Shri. MBN Rao | | | |
| 6 | Shri. N.Vaghul | | | (Refer note i) |
| 7 | Shri. Deepak Vaidya | | | (Refer note ii) |
| 8 | Shri. BVR Mohan Reddy | | | (Refer note iii) |
| 9 | Shri. G. Venkatraman | | | (Refer note iv) |
| 10 | Shri. Sanjay Nayar | | | (Refer note v) |
| **H)** | **Enterprises over which key managerial personnel and their relatives are able to exercise significant influence / control / joint control** | | | |
| 1 | Adeline Pharma Private Limited | India | | |
| 2 | AMG healthcare Destination Private Limited | India | | |
| 3 | Apollo CVHF Limited | India | | |
| 4 | Apollo Education Research Foundation | India | | |
| 5 | Apollo Health Resources Limited | India | | |
| 6 | Apollo Hospital Educational Trust | India | | |
| 7 | Apollo Hospitals Health Research Foundation | India | | |
| 8 | Apollo Institute of Medical Science and Research | India | | |
| 9 | Apollo Medical Centre LLC | India | | |
| 10 | Apollo Medskills Limited | India | | |
| 11 | Apollo Shine Foundation | India | | |
| 12 | Apollo Sindoori Hotels Limited | India | | |
| 13 | Apollo Tele Health Services Private Limited | India | | |
| 14 | Apollo Teleradiology Private Limited | India | | |
| 15 | Apeejay Surrendra Park Hotels Limited | India | | |
| 16 | ATC Pharma Private Limited | India | | |
| 17 | Bona Sera Hotels Limited | India | | |
| 18 | Cadila Pharmacuticals Limited | India | | |
| 19 | Dasve Convention Center Limited | India | | |
| 20 | Dhruvi Pharma Private Limited | India | | |
| 21 | Dr. GSK Velu | India | | |
| 22 | Dynavision Limited | India | | |
| 23 | Ecomotel Hotel Limited | India | | |
| 24 | Emedlife Insurance Broking services Limited | India | | |
| 25 | Faber Sindoori Management Services Private Limited | India | | |
| 26 | Focus Medisales Private Limited | India | | |

| S.No | Name of the company | Country of Incorporation | % of Holding as at March 31, 2020 | % of Holding as at March 31, 2019 |
|---|---|---|---|---|
| 27 | Full Spectrum Adventure Limited | India | | |
| 28 | Green Channel Travels Services Private Limtied | India | | |
| 29 | Healthnet Global Limited | India | | |
| 30 | Indian Hospital Corporation Limited | India | | |
| 31 | Indian Hospitex Private Limited | India | | |
| 32 | Indo - National limited | India | | |
| 33 | IRIS Healthcare Technologies Private Limited | India | | |
| 34 | IRM Enterprises Private Limited | India | | |
| 35 | Jugnu Jain | India | | |
| 36 | Keimed Private Limited | India | | |
| 37 | Kurnool Hospitals Enterprise Limited | India | | |
| 38 | Lavasa Corporation Limited | India | | |
| 39 | Lifetime Wellness Rx International Limited | India | | |
| 40 | Lucky pharmaceuticals Private Limited | India | | |
| 41 | Matrix Agro Private Limited | India | | |
| 42 | Maxivision Laser Centre Private Limited | India | | |
| 43 | Medics International Lifesciences Limited | India | | |
| 44 | Medihauxe Healthcare Private Limited | India | | |
| 45 | Medihauxe International Private Limited | India | | |
| 46 | Medihauxe Pharma Private Limited | India | | |
| 47 | Medvarsity Online Limited | India | | |
| 48 | Meher Distributors Private Limited | India | | |
| 49 | My City Technology Limited | India | | |
| 50 | Neelkanth Drugs Private Limited | India | | |
| 51 | Olive & Twist Hospitality Private Limited | India | | |
| 52 | P Obul Reddy & Sons | India | | |
| 53 | Palepu Pharma Private Limited | India | | |
| 54 | PCR Investments Limited | India | | |
| 55 | Rajshree Catering Services | India | | |
| 56 | Reasonable Housing Limited | India | | |
| 57 | Sahyadri City Management Limited | India | | |
| 58 | Sanjeevani Pharma Distributors Private Limited | India | | |
| 59 | Sanofi Synthelabo (India) Limited | India | | |
| 60 | Searchlight Health Private Limited | India | | |
| 61 | Shree Amman Pharma Private Limited | India | | |
| 62 | Srinivasa Medisales Private Limited | India | | |
| 63 | Together Against Diabetic Foundation Trust | India | | |
| 64 | Trivitron Healthcare Private Limited | India | | |
| 65 | Vardhman Pharma Distributors Private Limited | India | | |
| 66 | Vasu Agencies Hyd Private Limited | India | | |
| 67 | Vasu Pharma Distributors Hyd Private Limited | India | | |
| 68 | Vasu Vaccines & Speciality Drugs Private Limited | India | | |
| 69 | Warasgaon Power Supply Limited. | India | | |
| 70 | Whistling Thrust Facility Service | India | | |

(i) Shri N. Vaghul ceased to be a director wef 1st April 2019

(ii) Shri Deepak Vaidya resigned wef 5th September 2018

(iii) Shri BVR Mohan Reddy resigned wef 20th August 2018

(iv) Shri G. Venkatraman ceased to be a director wef 1st April 2019

(v) Shri Sanjay Nayar resigned wef 9th February 2019

### 60.1 Related Party Transactions

| Name of related parties | Nature of Balance/Transactions | As at and for the year ended March 31, 2020 | As at and for the year ended March 31, 2019 |
|---|---|---|---|
| Apollo Gleneagles Hospitals Limited | Revenue from operations during the year | 1,507 | 1,125 |
| | Reimbursement of expenses during the year | 42 | 50 |
| | Other receivable as at year end | 74 | 85 |
| | Trade receivable as at year end | 806 | 906 |
| Apollo Gleneagles PET-CT Private Limited | Revenue from Operation during the year | 3 | 3 |
| | Reimbursement of expenses during the year | 17 | 5 |
| | Trade receivable as at year end | 4 | 7 |
| Apollo Munich Health Insurance Company Limited | Investment in debentures | 80 | 80 |
| | Group mediclaim expense incurred | 267 | 116 |
| | Revenue | 115 | 87 |
| | Interest income | - | 7 |
| | For GPI and GMC Insurance | 6 | 5 |
| | Interest receivable | - | 6 |
| | Trade receivable as at year end | 10 | 9 |
| Family Health Plan Insurance TPA Limited | TPA Fees | 11 | 10 |
| | Revenue from operations during the year | 305 | 239 |
| | Trade receivable as at year end | 132 | 78 |
| Indraprastha Medical Corporation Limited | Reimbursement of expenses during the year | 25 | 62 |
| | Licence Fee | 12 | 12 |
| | Revenue from operations during the year | 1,911 | 1,749 |
| | Other receivable as at year end | 18 | 1 |
| | Trade receivable as at year end | 377 | 344 |
| Stemcyte India Therapautics Private Limited | Revenue from operations during the year | 13 | 7 |
| | Services availed | - | - |
| | Reimbursement of expenses during the year | 3 | 2 |
| | Receivables as at year end | 8 | 2 |

| Name of related parties | Nature of Balance/Transactions | As at and for the year ended March 31, 2020 | As at and for the year ended March 31, 2019 |
|---|---|---|---|
| Apollo Sindoori Hotels Limited | Food and Beverage expense Incurred during the year | 1,135 | 1,044 |
| | Reimbursement of expenses during the year | 14 | 2 |
| | Services availed | 43 | 59 |
| | Rent Paid | 4 | - |
| | Payables as at year end | 292 | 115 |
| Faber Sindoori Management Services Private Limited | Outsourcing expense of housekeeping incurred during the year | 1,119 | 963 |
| | Reimbursement of expenses during the year | 11 | 63 |
| | Payables as at year end | 144 | 110 |
| Lifetime Wellness Rx International Limited | Outsourcing expense during the year | 1 | 15 |
| | Revenue from operations during the year | 55 | 34 |
| | Reimbursement of expenses during the year | 16 | 7 |
| | Loan receivable | 148 | 92 |
| | Trade receivable as at year end | 42 | 150 |
| Apollo Health Resources Limited | Revenue from operations during the year | 1 | 2 |
| | Payable as at year end | (0.44) | 0.29 |
| P Obul Reddy & Sons | Purchase of furniture and fixtures | 20 | - |
| Keimed Private Limited | Purchases during the year | 6,552 | 6,111 |
| | Payables at the year end | 80 | 156 |
| | Reimbursement of expenses during the year | 4 | - |
| | Revenue from operations during the year | 3 | 1 |
| | Receivables as at year end | 4 | 5 |
| Kurnool Hospitals Enterprises Limited | Investment in Equity | 2 | 2 |
| | Revenue from operations during the year | 1 | 3 |
| | Receivables as at year end | 2 | 9 |
| Apollo Hospitals Educational Trust | Rent Income | 4 | 17 |
| | Other receivable as at year end | 8 | 2 |
| Apollo Education Research Foundation | Reimbursement of expenses during the year | 22 | 34 |
| | Other receivable as at year end | 52 | 21 |
| Palepu Pharma Private Limited | Medicine purchases during the year | 5,625 | 5,253 |
| | Payables as at year end | 83 | 87 |
| Medics International Lifesciences Limited | Interest income | - | 13 |
| | Interest receivable | 12 | 12 |
| | Revenue from operations | 41 | - |
| | Receivables as at year end | 40 | 2 |
| Medihauxe International Private Limited | Medicine purchases during the year | 658 | 580 |
| | Payables as at year end | 58 | 53 |

| Name of related parties | Nature of Balance/Transactions | As at and for the year ended March 31, 2020 | As at and for the year ended March 31, 2019 |
|---|---|---|---|
| Vardhaman Pharma Distributors Private Limited | Medicine purchases during the year | 70 | 140 |
| | Payables as at year end | 28 | - |
| Focus Medisales Private Limited | Medicine purchases during the year | 1 | 39 |
| | Payables as at year end | 0.01 | 0.08 |
| Srinivasa Medisales Private Limited | Medicine purchases during the year | 3,402 | 2,814 |
| | Payables as at year end | 131 | 137 |
| | Medicine purchases during the year | 1,001 | 780 |
| | Payables as at year end | 77 | 35 |
| Lucky pharmaceuticals Private Limited | Medicine purchases during the year | 1,215 | 1,057 |
| | Payables as at year end | 119 | 42 |
| Neelkanth Drugs Private Limited | Medicine purchases during the year | 2,097 | 1,823 |
| | Payables as at year end | 125 | 87 |
| Dhruvi Pharma Private Limited | Medicine purchases during the year | 1,328 | 850 |
| | Payables as at year end | 151 | 60 |
| Apokos Rehab Private Limited | Investment in equity | 85 | 85 |
| | Revenue from operations during the year | 3 | 4 |
| | Reimbursement of expenses during the year | 16 | 11 |
| | Rent Expense | 17 | 16 |
| | Receivables as at year end | 22 | 12 |
| Apollo Tele Health Services Private Limited | Reimbursement of expenses during the year | 23 | 26 |
| | Revenue | 5 | 14 |
| | Consultancy fee to doctors | - | 0.22 |
| | Receivables as at year end | 4 | 0.01 |
| | Payable as at year end | 9 | 12 |
| Apollo Medskills Limited | Reimbursement of expenses during the year | 0.23 | 0.21 |
| | Loans given | 77 | - |
| | Investigation Income | 0.22 | - |
| | Receivables as at year end | 5 | 0.13 |
| Sanjeevani Pharma Distributors Private Limited | Purchases | 3,277 | 2,799 |
| | Payable as at Year end | 127 | 237 |
| Medihauxe Pharma Private Limited | Purchases | 297 | 264 |
| | Payables as at year end | 13 | 21 |
| Medihauxe Healthcare Private Limited | Purchases | 111 | 92 |
| | Reimbursement of expenses during the year | - | 0.23 |
| | Payables as at year end | 6 | 4 |
| Adeline Pharma Private Limited | Purchases | 584 | 513 |
| | Payables as at year end | 52 | 39 |

| Name of related parties | Nature of Balance/Transactions | As at and for the year ended March 31, 2020 | As at and for the year ended March 31, 2019 |
|---|---|---|---|
| Apollo Amrish Oncology Services Private Limited | Reimbursement of expenses during the year | - | 13 |
| | Revenue from operations during the year | 0.02 | 35 |
| | Payables as at year end | - | 121 |
| Matrix Agro Private Limited | Power charges paid | 80 | 67 |
| | Payables as at year end | 1 | 3 |
| Maxivision Laser Centre Private Limited | Revenue from operations during the year | 1 | 1 |
| | Payables as at year end | 0.14 | 0.26 |
| | Receivables as at year end | 1 | 0.02 |
| Searchlight Health Private Limited | Repairs & Maintenance | 1 | 1 |
| | Advertisement Charges | 29 | - |
| | Health record services | 1 | - |
| | Payables as at year end | 6 | 1 |
| Healthnet Global Limited | Call Centre services | 28 | 8 |
| | Pharmacy Expenditure | - | 2 |
| | Other receivable as at year end | 28 | 2 |
| Trivitron Healthcare Private Limited | Availing of services | 2 | 0.28 |
| | Purchases | 2 | 4 |
| | Annual Maintenance contract | 0.04 | 4 |
| | Payables as at year end | 3 | 4 |
| Sanofi Synthelabo (India) Limited | Availing of services | 1 | - |
| | Share Capital | - | 7 |
| | Securities Premium Reserve | - | 496 |
| Together Against Diabetic Foundation Trust | Revenue from Operations | 0.28 | 0.24 |
| | Receivables as at year end | 2 | 2 |
| Indian Hospital Corporation Limited | Rent Income | 0.12 | 0.12 |
| | Receivables as at year end | 0.01 | 0.01 |
| Rajshree Catering Services | Food and Beveages Outsourced | 13 | 12 |
| | Payables as at year end | 3 | 4 |
| Lavasa Corporation Limited | Revenue from Operations | - | 1 |
| | Inter Corporate Deposit Outstanding | 97 | 97 |
| | Interest accrued but not due | 11 | 100 |
| | Interest on Inter Corporate Deposit | 11 | 14 |
| | Security deposit | - | 0.05 |
| | Rent and Advertisement | 0.05 | 0.27 |
| | Receivables as at year end | - | 7 |
| | Payables as at year end | - | 0.26 |
| Full Spectrum Adventure Limited | Receivables as at year end | 0.01 | 0.01 |

| Name of related parties | Nature of Balance/Transactions | As at and for the year ended March 31, 2020 | As at and for the year ended March 31, 2019 |
|---|---|---|---|
| Bona Sera Hotels Limited | Revenue from Operations | - | 0.03 |
| | Receivables as at year end | 0.10 | 0.10 |
| Ecomotel Hotel Limited | Revenue from Operations | - | 0.03 |
| | Payables as at year end | 0.03 | 0.03 |
| Reasonable Housing Limited | Project and Other Services | - | 1 |
| | Advances | - | 0.26 |
| | Payables as at year end | 2 | 2 |
| Whistling Thrust Facility Service | Payables as at year end | 1 | 1 |
| Cadila Pharmacuticals Limited | Purchase | 11 | 10 |
| | Income from Operations | 2 | 2 |
| | Receivables as at year end | 2 | 2 |
| | Payables as at year end | 3 | 2 |
| Green Channel Travels Services Private Limtied | Services availed | 11 | 10 |
| | Payables as at year end | 1 | 1 |
| IRM Enterprises Private Limited | Services availed | 0.19 | 0.05 |
| | Rental Income | 0.11 | 0.11 |
| | Payables as at year end | 0.05 | - |
| Vasu Agencies Hyderabad Private Limited | Purchases | 2,586 | 2,263 |
| | Payables as at year end | 160 | 75 |
| Vasu Vaccines & Speciality Drugs Private Limited | Purchases | 49 | 26 |
| | Payables as at year end | 4 | 4 |
| Vasu Pharma Distributors Hyd Private Limited | Purchases | 1 | 1 |
| | Payables as at year end | 0.05 | 0.03 |
| Apollo Shine Foundation | Loan receivable | 6 | 16 |
| | Pharmacy Income | 1 | 0.50 |
| | Payables as at year end | 2 | 0.50 |
| Apollo Institute of Medical Science and Research | Rental Income | 12 | 13 |
| | Power charges paid | - | 10 |
| | Reimbursement of expenses during the year | - | 7 |
| | Revenue from Operation during the year (Lab Tests) | 3 | 1 |
| | Other receivable as at year end | 23 | 10 |
| Emedlife Insurance Broking services Limited | Receivables as at year end | 0.09 | 0.18 |
| Apollo Teleradiology Private Limited | Services received from | 0.34 | 6 |
| | Payables as at year end | 0.09 | 7 |

| Name of related parties | Nature of Balance/Transactions | As at and for the year ended March 31, 2020 | As at and for the year ended March 31, 2019 |
|---|---|---|---|
| PCR Investments Limited | Donations received | - | 4 |
| | Rent Income | 0.12 | 0.12 |
| | Receivables as at year end | 0.01 | 0.01 |
| ATC Pharma Private Limited | Purchases | 27 | - |
| | Payable at year end | 6 | - |
| Shree Amman Pharma Private Limited | Purchases | 11 | - |
| | Payable at year end | 2 | - |
| Dynavision Limited | Rent | 72 | 66 |
| | Payable at year end | 6 | 6 |
| Olive & Twist Hospitality Private Limited | Oursourcing expenses | 17 | - |
| | Payable at year end | 0.22 | - |
| IRIS Healthcare Technologies Private Limited | Supplies of Medical instruments | 57 | 84 |
| | Payable at year end | 12 | -2 |
| Indo - National Limited | Purchases | 32 | 1 |
| | Payables as at year end | 6 | - |
| Indian Hospitex Private Limited | Purchases | - | - |
| | Payables as at year end | 4 | 3 |
| Sahyadri City Management Limited | Payables as at year end | 11 | - |
| My City Technology Limited | Payables as at year end | 2 | 2 |
| Warasgaon Power Supply Limited. | Payables as at year end | 0.02 | 0.02 |
| Dr. Prathap C Reddy | Remuneration Paid | 121 | 97 |
| Smt. Preetha Reddy | Remuneration Paid | 47 | 40 |
| Smt. Suneeta Reddy | Remuneration Paid | 47 | 40 |
| Smt. Sangita Reddy | Remuneration Paid | 47 | 40 |
| Smt. Shobana Kamineni | Remuneration Paid | 47 | 40 |
| Shri Krishnan Akhileswaran | Remuneration Paid | 25 | 20 |
| Shri S M Krishnan | Remuneration Paid | 7 | 7 |
| Shri Sanjay Nayar | Remuneration paid | - | 1 |
| Shri Vinayak Chatterjee | Remuneration paid | 2 | 2 |
| Shri N Vaghul | Remuneration paid | - | 2 |
| Shri Deepak Vaidya | Remuneration paid | - | 1 |
| Shri BVR Mohan Reddy | Remuneration paid | - | 1 |
| DR T.Rajgopal | Remuneration paid | 2 | 2 |
| Shri G Venkatraman | Remuneration paid | - | 2 |
| Dr. Murali Doraiswamy | Remuneration paid | 2 | 1 |
| Smt. V. Kavitha Dutt | Remuneration paid | 1 | 0.27 |
| Shri. MBN Rao | Remuneration paid | 2 | 0.32 |

| Name of related parties | Nature of Balance/Transactions | As at and for the year ended March 31, 2020 | As at and for the year ended March 31, 2019 |
|---|---|---|---|
| Dr. GSK Velu | Unsecured Loan | - | 24 |
| | Interest expenses | 3 | 2 |
| Jugnu Jain | Interest | 0.26 | 0.23 |
| | Reimbursement of expenses during the year | 0.37 | 1 |
| | Outstanding | 1 | 1 |

# 61 Particulars of Loans, Guarantees & Investments

Details of loans, Guarantees and Investments covered under the provisions of section 186 of the Companies Act, 2013 are provided in notes 10,11 and 12 to the financial statements.

# 62 Scheme of Arrangement

**62.1** The Board of Directors of Apollo Hospitals Enterprise Limited, at their meeting held on November 14, 2018 had approved a Scheme of Arrangement ("the Scheme") between Apollo Hospitals Enterprise Limited ("AHEL") and Apollo Pharmacies Limited ("APL") and their respective shareholders in accordance with the provisions of Sections 230 to 232 of the Companies Act, 2013, for the transfer of the front-end retail pharmacy business carried out in the standalone pharmacy segment to APL by way of slump sale, subject to necessary approvals by stock exchanges, shareholders, the National Company Law Tribunal and all other requisite regulatory authorities.

The Company received no objection letters from National Stock Exchange of India Limited and BSE Limited. Further, the Company obtained approvals from the Competition Commission of India (CCI) and from the equity shareholders in October 2019. The petition seeking sanction of the Scheme, is pending before the National Company Law Tribunal (NCLT). The Scheme would become effective upon filing of the Scheme as sanctioned by the NCLT, with the Registrar of Companies.

Further, management of the Group based on the assessment carried out in accordance with Ind AS 105, Non-current assets held for sale and discontinued operations has considered front-end retail pharmacy business does not constitute a separate component and hence does not qualify to be a discontinued opearations

**62.2** The Board of Directors of the Apollo Hospitals Enterprise Limited at their meeting held on February 13, 2020 approved the proposal for merger of the following wholly owned subsidiary companies with the Company.

a. Apollo Home Healthcare (India) Limited and

b. Western Hospitals Corporation Private Limited

The Company is in the process of submitting an application to the National Company Law Tribunal (NCLT), Chennai seeking exemption for convening the shareholders/creditors meeting of the Company.

**62.3** The Board of Directors of the Apollo Health and Lifestyle Limited (AHLL), in its meeting held on August 17, 2018 has given an approval to the "Scheme of arrangement" of the business. Pursuant to the restructuring plan, a new wholly owned subsidiary AHLL Diagnostics Ltd. (ADL) has been formed and the Diagnostics division of AHLL will be sold by way of a slump sale to the newly incorporated Wholly owned subsidiary. AHLL is in the process of obtaining regulatory approval from National Company Law Tribunal for the restructuring plan.

## 63 Intangible assets under development

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Opening Balance | | |
| Addtions | 265 | - |
| Deletions | - | - |
| Closing balance | 265 | - |

## 64 Exceptional item

The Group, after meeting the closing conditions for the sale of investments in an associate, Apollo Munich Health Insurance Company Limited (AMHI) to Housing Development Finance Corporation Limited, in the quarter ended March 31, 2020 has recognised the sale and recorded a profit of ₹1,983 Million (net of transaction costs and after considering indemnity related deductions), which has been disclosed under Exceptional Items.

65 There are no subsequent events after the reporting period

For and on behalf of the Board of Directors

**Krishnan Akhileswaran**
Chief Financial Officer

**Dr. Prathap C Reddy**
Executive Chairman

**S M Krishnan**
Vice President - Finance
& Company Secretary

**Preetha Reddy**
Executive Vice Chairperson

Place : Chennai
Date : June 25, 2020

**Suneeta Reddy**
Managing Director

**71** EMERGENCY ROOMS

**1,200** EMERGENCY PERSONNEL

**1066** NATIONAL EMERGENCY NUMBER

**200** AMBULANCES

**55** SPECIALITIES

**10,261** BEDS

**71** WORLD-CLASS HOSPITALS ACROSS THE COUNTRY

**12** CENTRES OF EXCELLENCE

Apollo HOSPITALS TOUCHING LIVES

## EMERGENCY

**Air Ambulance** – Fixed wing aircrafts and helicopters to fly in patients on demand from remote corners

**National Emergency Network** – Single number access to pioneering emergency services across the country-1066

## CARE

**Apollo Hospitals** – A network of 71 superior hospitals, across the length and breadth of India

**Centers of Excellence** – Dedicated centres with deep functional expertise for world-class care and outcomes

**Apollo Pharmacy** – Asia's largest network of pharmacies with 3766 outlets, 24x7 service

**Apollo Clinics** – A network of clinics that cater to day-to-day healthcare needs

**Apollo Sugar** – Speciality diabetes and endocrine health drinks that offer a proven way to fight the disease

**Apollo Cradle** – Hospitals for women and children that offer superior clinical excellence combined with luxury

**Apollo Spectra** – Speciality hospitals focused on minimally invasie surgeries for faster recovery

## WELLNESS

**Apollo Personalized Health Check** – The Apollo personalized Health Check is a program designed to catch disease early

**Apollo Life** – Apollo's wellness programmes that build health and keep your workforce strong

**Occupational Health Centre** – These health centres give employees primary and emergency care 24x7

## REMOTE

**Ask Apollo** – Ask Apollo enables online consultation, appointment and report management anytime, anywhere

**Telemedicine** – South Asia's largest telemedicine network, taking quality healthcare to remote locations

**eICU** – A state-of-the-art facility to manage critical care centres in remote locations, from expertly manned command centres

**Apollo HomeCare** – World-class post-operative care at home; care for the elderly, and the chronically ill

**3,000+** CORPORATE HEALTH PROGRAMMES

**20** MILLION PREVENTIVE HEALTH CHECKS

**120** TELEMEDICINE CENTRES

**183** ELECTRONIC URBAN PRIMARY HEALTH CARE CENTRES

**1,000,000+** TELECONSULTATIONS

**8 JCI** ACCREDITED HOSPITALS

**30 NABH** ACCREDITED HOSPITALS

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