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**A. K. SINGHAL**  
Vice President  
Cum Company Secretary

# Indraprastha Medical Corporation Limited

**Regd. Office :** Sarita Vihar, Delhi-Mathura Road, New Delhi - 110 076. (INDIA)

**Corporate Identity Number :** L24232DL 1988PLC030958

Phone : 26925801, 26925858 Fax : 91-11-26825601

E-mail : [asinghal@apollohospitals.com](mailto:asinghal@apollohospitals.com) Website : [apollohospdelhi.com](http://apollohospdelhi.com)



Ref: IMCL/CS/30AGM/2018

28<sup>th</sup> September, 2018

The Manager  
Listing Department  
BSE Limited Phiroze Jeejeebhoy  
Towers Dalal Street, Mumbai,  
Maharashtra - 400001  
Scrip Code: 532150

The Manager  
Listing Department  
National Stock Exchange of India Limited  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex, Bandra East,  
Mumbai, Maharashtra - 400051  
Symbol: INDRAMEDCO

Dear Sir,

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit Annual Report of the Company for the financial year 2017-18.

This is for your information and record

Thanking You,

Sincerely Yours,

  
A.K.SINGHAL

Encl. as above

Annual Report | 2017-18

# #YouFirst



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*We believe in people. We believe that every single human life is priceless beyond measure. We believe that prevention is better than cure, but if it hasn't been prevented, we will leave no stone unturned in our quest to cure it. We will strive to the utmost of our ability to provide to each and every Indian the highest quality healthcare. We will inspire people to treat their bodies with care. Every single member of the Apollo staff will treat visitors to our hospital not as patients but as family. No case will be given up without a fight. Nobody will walk out of our doors without a smile.*

*We are Apollo and we believe that Life is Priceless. We will do all that we can to protect and sustain it. No short-cuts. No compromises. But the best differentiated care a hospital can possibly give its valued patients. We are Apollo and we are proud to put #YouFirst.*

We believe good health is paramount to your happiness. We believe equally that no matter who you are or where you come from, east, west, north or south, that you deserve the best care to preserve and sustain your well-being. Which is why we consistently put You First in our healthcare delivery strategy and leave no stone unturned to bring to you differentiating expertise in the various aspects of personal healthcare. Our aim is simple - to provide you strategic healthcare value across Wellness, Diagnosis, Prescription, Consultation, Tertiary and Quarternary Care; punctuated with leading



clinical outcomes and outstanding patient experience. Above all, to give you Assurance, both in terms of the Outcomes and the Value Proposition.

We stand testimony to the saying, “The Whole is Greater than the Sum of its Parts”. The phrase aptly defines the synergy we have achieved in our care

delivery value chain. Our value offerings from Preventive Health to Consultation and Treatment, focus primarily on patient needs rendering our patient care singular and invaluable. The value of good health cannot be measured in monetary terms. It is our sustained endeavour to provide our patients value that goes beyond the sticker price resulting in unmatched outcomes.

Your body is Priceless. We believe we have a responsibility to put **#YouFirst** in all that we do. We believe you deserve it.

# MESSAGE



Dear Shareholders,

I look back nearly 35 years to when we initially set out to build the first corporate hospital, and then to the journey thereafter, in nurturing it into the world-class healthcare institution it has grown into today. Our motivation for the pursuit of my goals has not wavered a bit through this eventful and challenging journey. We have remained relentless during all this time in putting the patient at the core of all that we do, and bringing to them differentiated and loving care to alleviate the pain of illness and keep them well. Then, as now, we remain equally single minded in wanting to bridge the huge demand supply gap in India for quality hospitals and patient focused healthcare.

Rising challenges posed by Non-Communicable Diseases (NCDs) like diabetes, heart disease and cancers, drive us to strive even harder each day. Our country is facing a huge threat in the form of NCDs. Current analyses suggest that by 2020, as many as 300+ million people will be at risk of dying from NCDs in India. Diabetes, largely brought on by lifestyle, is the single largest healthcare burden, accounting for nearly 69 million diabetics and claiming more than a million lives a year. In addition, India houses the second largest population of smokers in the world. Tobacco kills

one million Indians annually, more than tuberculosis, HIV/AIDS and malaria combined. As a country, it is now time to go to war against NCDs.

The Government 's adoption of the pathbreaking National Health Policy, is a good step towards providing its citizens primary healthcare. Additionally, the government's move to convert its 150,000 PHCs to Health and Wellness Centers that will offer a more comprehensive package of services, marks a pivotal shift towards preventive healthcare and reaffirms what we at Apollo have always been saying - keeping a nation's citizens healthy, helps the country realize their full potential. The just announced Ayushman Bharat initiative will widen healthcare access to millions of under-served families, and will serve as an inflection point in the healthcare journey for the nation.

We are a pioneer in Public-Private Partnership and look forward to working with the Government as they roll-out the programme, helping to ensure that the highest quality care reaches underserved citizens on a sustained basis.

Our 300+ clinicians in our various cardiac centres across the country, have performed 10,000+ heart surgeries this year. We have preventive health checks which can diagnose cardiac problems before they develop into a serious heart condition. We want to educate people to 'Act Before the Attack'. Our solid organ transplant centre is the busiest in the world. Our 35 transplant surgeons across the network have performed 1,500+ transplants in FY18, of which 904 were kidney transplants.

In putting the patient first in our strategy, we have made substantial investments to set up leading edge Cancer Centers with expert physicians and the latest technologies for treating cancer, one of the most crucial among NCDs. Our 'Proton Treatment Centre', a cancer treatment and research facility in Chennai, will be operational soon. This facility will give patients access to cutting-edge Proton Beam Therapy, an advanced organ specific radiation treatment for removing malignant tumors from the head, neck, brain, pancreas, and prostate.

Our clinical excellence, marked by our quality processes and patient safety practices, and on-going commitment to innovation - the lifeline of any business, have not only helped

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us make quality healthcare more accessible and affordable, but have placed us on the cutting edge of healthcare delivery, affording us several differentiators in our various Centers of Excellence.

For any hospital to render uncompromised care to its patients, continuous improvement in service delivery is a must. To me, this is non-negotiable. We have over the years, determinedly and consistently invested in the latest technologies and sophisticated systems. This enables our doctor fraternity to harness the best treatment options for our patients - similar to those available elsewhere in the world. Today, I take pride that Apollo Hospitals is on par with leading international healthcare institutions. We provide world-class healthcare at significantly lower prices while producing clinical outcomes that are better or on par with them. The key to this success has been our consistent and on-going dedication to patient satisfaction and need based healthcare services. We strongly believe that it is not enough to merely treat our patients' diseases, but that it is important to first treat them as human beings, with care and respect. This is the foremost reason generation after generation our patients come back to us, honoring us with their trust. It is this sort of patient relationship that we work hard to nurture by putting the patient first in our business strategy.

To purposefully deliver healthcare in a country of more than a billion people, it is necessary to build a robust system that can serve both the urban and rural areas. This requires specialty hospitals, clinics, primary health care centers, and remote health care services where technology can be leveraged most optimally for the patients. We have to challenge traditional ways of rendering care and instead use disruptive technology to scale reach and reduce costs. For example, technology enabled home health care must be leveraged to free up scarce beds, speed up recovery and reduce cost.

Business is not just about profit but also about giving back to and serving the community. Apollo Hospitals has championed social causes with initiatives like Save a Child's Heart, which provides quality pediatric cardiac care to children from underprivileged sections of society, Society to Aid the Hearing Impaired, and the CURE Foundation focused on cancer care assist for children from financially challenged homes.

India is counted among the world's fastest growing economies. In health care, we are constantly pushing boundaries by sharing and collaborating to improve patient experience, transforming care delivery through telemedicine and optimized protocols, digitalizing and democratizing health through mobile solutions and telemedicine, and working with Artificial Intelligence and Big Data to develop India-specific patterns for disease detection and cure.

As a nation, let us be committed to the health and well-being of our people. 'Health for All' demands that we ensure universal health insurance coverage, put in place comprehensive programs for preventive health, and continue building world-class infrastructure. We should also implement technology-enabled access and build strong health care skills. Above all, we need to focus on empowering the individual to take charge of his own health, and be responsible for his well-being. The right combination of all of the above is the perfect prescription for a healthy India.

It is our strong belief that we have built a well diversified and responsive business model, which has borne out in even in a challenging and changing external environment. We have made internal changes as needed, to position ourselves strongly so as to leverage local demand, the roll-out of NHPS and the increasing numbers of medical value travelers. We remain quietly confident about our prospects in the quarters to come.

I thank my Apollo family – doctors, consultants, and staff who have made this journey successful. And I thank all our stakeholders, especially you, our investors, for the faith and trust you have reposed in us and for the continuing support you have shown us over the years. I look forward to that support as we keep pressing forward on our journey.

I wish you and your families much good health,

With warm personal regards,

**Dr. Prathap C Reddy**

Founder

Apollo Hospitals Group

# CORPORATE INFORMATION

Vice Chairman Dr. Prathap C. Reddy

Managing Director Mr. Ashok Bajpai

Directors  
Dr. Arun Rai  
Mr. Deepak Vaidya  
Ms. Renu S. Karnad  
Mr. Satnam Arora  
Ms. Shobana Kamineni  
Mr. S. Regunathan  
Ms. Suneeta Reddy  
Mr. T. S. Narayanasami  
Mr. Vinayak Chatterjee  
Ms. Vineeta Rai

Vice President cum  
Company Secretary Mr. Ajay Kumar Singhal

Chief Financial Officer Mr. Chander Prakash Tyagi

Registered Office &  
Hospital Complex Sarita Vihar, Delhi-Mathura Road  
New Delhi – 110 076

Hospital at Noida Apollo Hospitals,  
E-2, Sector-26, Noida – 201 301

Auditors S. N. Dhawan & Co. LLP  
Chartered Accountants, New Delhi

Bankers Oriental Bank of Commerce  
State Bank of India  
ICICI Bank Limited

# NOTICE TO THE MEMBERS

Notice is hereby given that the thirtieth Annual General Meeting of Members of Indraprastha Medical Corporation Limited will be held on Monday, 24<sup>th</sup> September, 2018, at 11.00 A.M. at Sirifort Auditorium, Siri Fort Cultural Complex, August Kranti Marg, New Delhi – 110 049, to transact the following business:

## **ORDINARY BUSINESS:**

### **Item No. 1 — Adoption of financial statements.**

To receive, consider and adopt the audited financial statements of the Company for the year ended 31<sup>st</sup> March, 2018, together with the Reports of the Board of Directors and Auditors thereon.

### **Item No. 2 — Declaration of Dividend**

To declare a dividend on equity shares for the financial year ended 31<sup>st</sup> March, 2018.

### **Item No. 3 — Appointment of Director**

To appoint a Director in place of Ms. Suneeta Reddy (DIN 00001873), who retires by rotation and being eligible, offers herself for re-appointment.

### **Item No. 4 — Appointment of Director**

To appoint a Director in place of Ms. Shobana Kamineni (DIN 00003836), who retires by rotation and being eligible, offers herself for re-appointment.

## **SPECIAL BUSINESS**

### **Item No. 5 — Appointment of Mr. Ashok Bajpai as Managing Director**

To consider and if thought fit, to pass with or without modification, the following as an ORDINARY RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Section 152, 161 and any other applicable provisions of the Companies Act, 2013, and the rules made thereunder {including any statutory modification(s) or re-enactment thereof for the time being in force} read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Ashok Bajpai (DIN 002463754), who was appointed as an Additional Director of the Company by the Board of Directors effective from 1<sup>st</sup> January, 2018, and who holds office till the date of the Annual General Meeting, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose Mr. Ashok Bajpai as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT subject to the provisions of Section 196, 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Remuneration of

Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof, for the time being in force), the approval of the members of the Company be and is hereby accorded to the appointment of Mr. Ashok Bajpai (DIN 02463754) as Managing Director of the Company for a period of 5 years from 1<sup>st</sup> January, 2018 to 31<sup>st</sup> December, 2022, on the terms and conditions as set out in the employment agreement including remuneration as given below:

### **A. Salary**

Basic Salary Rs. 6,25,000 (Rupees Six Lacs Twenty-five Thousand only) per month. Annual increment shall be allowed as may be decided by the Board, based on achievement of Annual Operating Plan (AOP) score of the Hospital.

### **B. Perquisites & Allowances**

- a) House Rent Allowance @ 35% of the Basic Salary i.e. Rs 2,18,750 per month.
- b) Food coupons of Rs. 1,000, Transport Allowance — Rs. 1,600, Children Education Allowance Rs. 200 and other Allowance: Rs. 2,42,277 per month.
- c) Contribution to Provident Fund @ 12% of Basic Salary.
- d) Leave Travel Allowance for self and family upto a maximum of one-month basic salary, as per Company Policy.
- e) Reimbursement of medical expenses, for self and family, upto a maximum of Rs 15000 per annum
- f) Medical Insurance Premium for self and family (premium amount upto a maximum of Rs. 31700 per annum).
- g) Group Personal Accident Insurance premium (premium amount upto a maximum of Rs. 1650 per annum).
- h) Gratuity as per Gratuity Act on completion of 5 years of service in the Company.

### **C. Other Benefits**

- a) Chauffeur driven Company Car (Mercedes-Benz, E-Class).
- b) Performance bonus, for each financial year or part thereof, to be paid annually upto a maximum of Rs. 50,00,000 (Rupees Fifty Lacs) per annum as may be decided by the Board of Directors, based on the performance under Apollo Performance Management System. (Excellent Rating-100 % of performance bonus, Very Good Rating-75 % of performance bonus, Good Rating -50% of performance Bonus.)
- c) Tenure Linked Retention Bonus:
  - i) First Retention bonus of Rs. 50,00,000 on completion of 3 years of service in the Company (i.e. in January, 2021) subject to being on the roles of the Company.

- ii) Second Retention bonus of Rs. 50,00,000 on completion of 4 years of service in the Company (i.e. in January, 2022) subject to being on the roles of the Company.
- iii) Third Retention bonus of Rs. 50,00,000 on completion of 5 years of service in the Company (i.e. in January, 2023) subject to being on the roles of the Company.
- iv) Tenure Linked Retention Bonus will not be included in any payroll enhancements.

#### **D. Minimum Remuneration**

In the absence or inadequacy of profits in any financial year during the currency of tenure of the Managing Director, the Company shall pay the above-mentioned remuneration to Mr. Ashok Bajpai as 'Minimum Remuneration'.

#### **Item No. 6**

#### **To approve the Remuneration of the Cost Auditors for the year ending 31st March, 2019.**

To consider and if thought fit, to pass with or without modification, the following as an ORDINARY RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Section 148 and its related and applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 ( including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Devarajan Swaminathan and Co. — Cost Accountants, (Firm Registration No 100669), the Cost Auditors appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the year ending 31<sup>st</sup> March, 2019, at a remuneration of Rs. 5.50 lacs plus taxes as applicable and reimbursement of out of pocket expenses, be and is hereby ratified and confirmed.”

#### **By order of the Board of Directors for Indraprastha Medical Corporation Limited**

**Ajay Kumar Singhal**

Vice President cum Company Secretary  
(FCS 1400)

Date: 28<sup>th</sup> July, 2018

#### **Registered Office:**

Sarita Vihar, Delhi-Mathura Road,  
New Delhi - 110 076, India  
CIN: L24232DL1988PLC030958

#### **NOTES:**

1. A Statement pursuant to Section 102(1) of the Companies Act, 2013, (the Act) in respect of the Special Business as set out above is annexed hereto.
2. A member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on his / her behalf. A proxy need not be a

member of the Company. The instrument appointing the proxy shall be deposited at the Registered Office of the Company at Sarita Vihar, Delhi-Mathura Road, New Delhi — 110 076, not less than 48 hours before the commencement of the meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other person or shareholder.

3. Corporate members intending to send their authorized representative(s) to attend the Meeting are requested to send to the Company a certified true copy of the relevant Board Resolution to attend and vote on their behalf at the Meeting.
4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided not less than three days notice in writing is given to the Company.
5. Members/Proxies should bring the duly filled in attendance slip enclosed herewith to attend the meeting.
6. The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, 15<sup>th</sup> September, 2018 to Monday, 24<sup>th</sup> September, 2018 (both days inclusive) for the purpose of payment of dividend for the financial year ended 31<sup>st</sup> March, 2018, and the Annual General Meeting.
7. Subject to the provisions of the Companies Act, 2013, dividend as recommended by the Board of Directors, if declared, at the meeting, will be paid to those members whose names appear :-
  - a) as Members on the Register of Members of the Company as on 24<sup>th</sup> September, 2018, after giving effect to all valid share transfers in physical form lodged with the Company up to the closing hours of business on 14<sup>th</sup> September, 2018, and
  - b) as Beneficial owners as per the Statement of Beneficial Ownership to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of the shares held in dematerialized form as at the closing hours of business on 14<sup>th</sup> September, 2018.
8. Members desiring any information as regards the accounts are requested to write to the Company at least seven days before the meeting so as to enable the management to keep the information available.
9. The Ministry of Corporate Affairs had notified provisions relating to unpaid / unclaimed dividend under Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit,

Transfer and Refund) Rules, 2016 (IEPF Rules). As per these Rules, dividends which are not encashed / claimed by the shareholder for a period of seven consecutive years shall be transferred to the Investor Education and Protection Fund (IEPF) Authority. The IEPF Rules mandate the companies to transfer such shares of Members of whom dividends remain unpaid / unclaimed for a period of seven consecutive years to the demat account of IEPF Authority. Hence, the Company urges all the Members to encash / claim their respective dividend during the prescribed period. The details of the unpaid / unclaimed amounts lying with the Company as on 26<sup>th</sup> September, 2017 (date of last AGM) are available under "Investor Relations" section on the website of the Company and on Ministry of Corporate Affairs' website.

The details of the financial years, date of declaration of dividend and the dates on which the outstanding amount is due to be transferred to Investor Education and Protection Fund are given in the table below.

Financial Year Ended	Date of Declaration of Dividend	Due Date for transfer to the IEP Fund
31/03/2011	14/09/2011	18/10/2018
31/03/2012	14/09/2012	18/10/2019
31/03/2013	26/09/2013	30/10/2020
31/03/2014	30/09/2014	03/11/2021
31/03/2015	29/09/2015	02/11/2022
31/03/2016	30/08/2016	03/10/2023
31/03/2017	26/09/2017	30/10/2024

10. (a) Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has, during financial year 2017-18, transferred to the IEPF Authority all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more as on the due date of transfer, i.e. October 31, 2017. Details of shares transferred to the IEPF Authority are available on the website of the Company and the same can be accessed through the link: <https://delhi.apollohospitals.com/refund-claimants-fund>. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: [www.iepf.gov.in](http://www.iepf.gov.in).
- (b) Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from them. Concerned members/investors are advised to visit the weblink: <http://iepf.gov.in/IEPFA/refund.html> or contact Link Intime India Private Ltd., for lodging claim for refund of shares and / or dividend from the IEPF Authority.

11. Members holding shares in physical form are requested to intimate the following directly to the Company's Registrar and Share Transfer Agents, M/s. Link Intime India Pvt. Ltd., 44 Community Centre, 2<sup>nd</sup> floor, Naraina Industrial Area Phase I, Near PVR, Naraina, New Delhi – 110 028 :-
- Bank Mandate with full particulars for remittance of dividend directly into their bank accounts, if declared at the meeting.
  - Changes, if any, in their address at an early date.
  - Application for consolidation of folios, if shareholdings are under multiple folios.
  - Despatch of share certificates for consolidation.
  - Request for nomination forms for making nominations as per the provisions of the Companies Act.
12. Members are requested to quote ledger folio numbers in all their correspondence.
13. Members holding shares in dematerialized form (electronic form) are requested to intimate any changes in their respective addresses, bank mandates etc., directly to their respective Depository Participants.
14. The Securities and Exchange Board of India (SEBI) vide its circular dated 20<sup>th</sup> April, 2018 has mandated registration of Permanent Account Number (PAN) and Bank Account Details for all securities holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account Details to the Company/Registrars and Share Transfer Agents, M/s. Link Intime India Pvt. Ltd by sending a duly signed letter along with self-attested copy of PAN Card and original cancelled cheque. The original cancelled cheque should bear the name of the Member. In the alternative, Members are requested to submit a copy of bank passbook / statement attested by the bank. Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository.
15. SEBI has decided that securities of listed companies can be transferred only in dematerialised form from a cut-off date i.e. 5<sup>th</sup> December, 2018. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form.
16. Members of the Company had approved the appointment of S. N. Dhawan & Co. LLP, Chartered Accountants (ICAI Registration No. 000045N), as the Statutory Auditors at the Twenty-ninth Annual General Meeting (AGM) of the Company which is valid till the conclusion of the thirty-fourth AGM, subject to ratification of their appointment by the Members at every AGM. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 7, 2018, issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors.

17. National Electronic Clearing Service (NECS) Facility:

With respect to payment of dividend, the Company provides the facility of NECS to the shareholders wherever it is available.

Members holding shares in physical form who now wish to avail NECS facility, are requested to forward their NECS mandate in the prescribed form to the Company's Registrar and Share Transfer Agent, M/s. Link Intime India Pvt. Ltd.

18. Details under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting, forms an integral part of the notice. The Directors have furnished the requisite declarations for their appointment / re-appointment.

19. Electronic copies of the Annual Report for the year ended 31<sup>st</sup> March 2018, and electronic copy of the Notice of the thirtieth Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with the Attendance Slip and Proxy Form, are being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report and Notice of the thirtieth Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent in the permitted mode.

20. Members may also note that the Notice of the thirtieth Annual General Meeting and the Annual Report for 2017-18, along with Attendance Slip and Proxy form, will be also available on the Company's website <https://delhi.apollohospitals.com/>. The physical copies of the aforesaid documents will be also available at the Company's Registered Office in New Delhi for inspection during the normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's email id: [imclshares@apollohospitals.com](mailto:imclshares@apollohospitals.com).

21. Mr. Baldev Singh Kashtwal, Practicing Company Secretary (Membership No. FCS 3616 & Certificate of Practice No. 3169) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

22. Voting through electronic means

I. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Regulation 44 of the Listing Regulations and

Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide to its members the facility to exercise their right to vote on resolutions proposed to be considered at the Thirtieth Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes using an electronic voting system from a place other than the venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL) for the members.

II. The facility for voting through ballot paper shall be made available at the AGM and members attending the meeting who have not cast their votes by remote e-voting shall be able to exercise their right at the meeting through the ballot paper.

III. Members who have cast their votes by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their votes again.

IV. Voting rights shall be reckoned on the paid up value of shares registered in the name of the member/ beneficial owner (in case of electronic shareholding) as on the cut-off date i.e., 17<sup>th</sup> September 2018.

V. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e, 17<sup>th</sup> September 2018 only shall be entitled to avail the facility of remote e-voting.

VI. The remote e-voting period commences on 21<sup>st</sup> September 2018 (9:00 am) and ends on 23<sup>rd</sup> September 2018 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 17<sup>th</sup> September 2018, may cast their votes by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, he or she shall not be allowed to change it subsequently.

VII. A person who is not a member as on the cut-off date should treat this Notice for information purpose only.

VIII. The members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given below:-

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

**Details on Step 1 is mentioned below:**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL

eservices i.e. IDEAS, you can log-in at <https://eservices.nSDL.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

5. Your password details are given below:
  - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c. How to retrieve your ‘initial password’?
    - i. If your email ID is registered in your demat account or with the Company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
    - ii. If your email ID is not registered, your ‘initial password’ is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the “initial password” or have forgotten your password:
  - a. Click on “Forgot User Details/ Password?”(If you are holding shares in

your demat account with NSDL or CDSL) option available on [www.evoting.nSDL.com](http://www.evoting.nSDL.com).

- b. Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nSDL.com](http://www.evoting.nSDL.com).
- c. If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nSDL.co.in](mailto:evoting@nSDL.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of Indraprastha Medical Corporation Limited.
4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [bskashtwal@yahoo.co.in](mailto:bskashtwal@yahoo.co.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
  3. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on Toll Free No. 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
23. The Chairman shall, at the AGM, at the end of the discussion on the resolutions on which voting is to be held, allow voting with the assistance of the scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
  24. The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than forty-eight hours from the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing,

who shall countersign the same and declare the result of the voting forthwith.

25. The results declared along with the consolidated scrutinizer’s report shall be placed on the website of the Company <https://delhi.apollohospitals.com/> and on the website of NSDL. The results shall simultaneously be communicated to the Stock Exchanges.
26. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Meeting i.e., 24<sup>th</sup> September 2018.
27. The complete particulars of venue of AGM including route map and prominent land mark for easy location also forms part of the Annual Report. The route map of venue of AGM is also hosted along with the Notice on the website of the Company <https://delhi.apollohospitals.com/>

#### STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

##### ITEM NO. 5

Upon the recommendations of the Nomination and Remuneration Committee, the Board of Directors in the meeting held on 14<sup>th</sup> November, 2017, has appointed Mr. Ashok Bajpai as an Additional Director, effective from 1<sup>st</sup> January, 2018. As an Additional Director, Mr. Ashok Bajpai holds office only up to the Annual General Meeting. A notice has been received from a member pursuant to Section 160 of the Companies Act, 2013, signifying his intention to propose the appointment of Mr. Ashok Bajpai as a Director of the Company.

The Board of Directors has also appointed Mr. Ashok Bajpai as a Managing Director of the Company for a period of five years effective from 1<sup>st</sup> January, 2018, on the terms and conditions including remuneration as set out in the resolution.

Brief Profile of Mr. Ashok Bajpai is provided in section “Profile of Directors Seeking Appointment /Reappointment”. The remuneration of Mr. Ashok Bajpai is as per the Remuneration Policy of the Company and has the approval of the Nomination and Remuneration Committees and is within the limit prescribed under Schedule V to the Companies Act, 2013.

Pursuant to the provisions of the Section 190 of the Companies Act, 2013, a copy of the “Employment Agreement” containing the terms and conditions of appointment including remuneration would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday. The appointment of and payment of remuneration to Mr. Ashok Bajpai as Managing Director requires the approval of the members in General Meeting of the Company.

Except Mr. Ashok Bajpai, being an appointee, none of the Directors and Key Managerial Personnel of the Company

and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

The Board of Directors of the Company recommends the resolution No. 5 for approval of the members.

#### ITEM NO. 6

The Board has re-appointed M/s Devarajan Swaminathan and Co., Cost Accountants (Firm Regn. No. 100669), as the Cost Auditors to conduct the audit of the cost records of the Company for the year ending 31<sup>st</sup> March, 2019, at a remuneration of Rs. 5.50 lacs plus taxes as applicable and reimbursement of out of pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the company.

Accordingly, consent of the members is sought for passing an ordinary resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the cost auditors for the year ending 31<sup>st</sup> March, 2019.

None of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

The Board of Directors of the Company recommends the resolution No. 6 for approval of the members.

**By order of the Board of Directors  
for Indraprastha Medical Corporation Limited**

**Ajay Kumar Singhal**

Vice President cum Company Secretary  
(FCS 1400)

Date: 28<sup>th</sup> July, 2018

#### Registered Office:

Sarita Vihar, Delhi-Mathura Road,  
New Delhi - 110 076, India  
CIN: L24232DL1988PLC030958

#### PROFILE OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT

The particulars of the Directors who are proposed to be appointed / re-appointed as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable secretarial standards, are as given below:

i. **Name** : Ms. Suneeta Reddy (DIN 00001873)

**Age** : 59 years

**Relationship with other Directors:** Daughter of Dr. Prathap C Reddy and Sister of Ms. Shobana Kamineni

**Qualifications:** Bachelor of Arts in Economics, Public Relations and Marketing, Diploma in Financial Management; and completed the Owner / President Management Program at Harvard Business School, Boston (USA).

**Experience:** Ms Suneeta Reddy has over 32 years of experience in Healthcare industry.

**Expertise in specific functional areas:** Strategy, Hospital Operations, Corporate Services viz., Finance & Accounts, Procurement, HR, Legal, MIS, Internal Audit, ERM.

**Terms and conditions of Appointment / Re-appointment:** Non-Executive Director, liable to retire by rotation

**Date of first appointment on the Board:** 31-08-2005

**Directorship of other board as on 31<sup>st</sup> March, 2018:**

#### Public Limited Companies

1. Apollo Hospitals Enterprise Ltd.
2. Apollo Gleneagles Hospital Ltd.
3. Apollo Sindoori Hotels Limited
4. Apollo Munich Health Insurance Company Ltd.

#### Private Companies

1. Kalpatharu Infrastructure Development Company Private Ltd.
2. Faber Sindoori Management Services Private Ltd.
3. Garuda Energy Private Ltd.
4. Helios Holdings Private Limited
5. Hrisheeksha Solar Power Private Limited
6. Viswambhara Power Private Limited

**Membership / Chairmanship of Committees of other Boards as on March 31, 2018:**

#### Stakeholders Relationship Committee

1. Apollo Hospitals Enterprise Limited – Member

ii. **Name** : Ms. Shobana Kamineni (DIN 00003836)

**Age** : 58 years

**Relationship with other Directors:** Daughter of Dr. Prathap C Reddy and Sister of Ms. Suneeta Reddy

**Qualifications:** Bachelor of Arts in Economics, Hospital Administration Diploma from Columbia University, New York (USA)

**Experience:** Ms. Shobana Kamineni has over 30 years of experience in healthcare industry.

**Expertise in specific functional areas:** Leading start ups, Strategy, Comprehensive knowledge of the healthcare universe.

**Terms and conditions of Appointment / Re-appointment:** Non-Executive Director, liable to retire by rotation

**Date of first appointment on the Board:** 01-08-2012

**Directorship of other board as on 31<sup>st</sup> March, 2018:**

Public Limited Companies

1. Apollo Hospitals Enterprise Limited
2. Apollo Munich Health Insurance Company Limited.
3. Apollo Energy Company Limited.
4. Lifetime Wellness Rx International Limited
5. PCR Investments Limited.
6. Apollo Home Health Care Limited.
7. Blue Star Limited
8. Hero Motocorp Limited
9. Apollo Pharmacies Limited

Private Companies

1. TRAC India Private Limited
2. TRAC Eco & Safari Park Private Limited.
3. Keimed Private Limited
4. Matrix Agro Private Limited

**Membership / Chairmanship of Committees of other Boards as on March 31, 2018:**

Nomination and Remuneration Committee

1. Apollo Munich Health Insurance Company Limited – Member

Corporate Social Responsibility Committee

1. Apollo Munich Health Insurance Company Limited – Member
2. Blue Star Limited – Member

iii. **Name :** Mr. Ashok Bajpai (DIN 002463754)

**Age :** 51 years

**Relationship with other Directors:** None

**Qualifications:** MBA from the Darden School of Business, University of Virginia (USA), Bachelor from the George Washington, University, USA

**Experience:** Mr. Ashok Bajpai is a professional with over 28 years of experience in South Asia, East Asia and the United States holding CEO and COO roles of leading MNCs in Asia and India for over 14 years

**Expertise in specific functional areas:** Mr. Ashok Bajpai has held senior Government positions. He has strong ability to advocate industry interests to policymakers and regulators and is passionate about developing a company's culture based on transparency and process excellence.

**Terms and conditions of Appointment / Re-appointment:** As per the resolution at item no. 5 of the Notice convening Annual General Meeting on 24<sup>th</sup> September, 2018, read with explanatory statement thereto.

**Date of first appointment on the Board:** 01-01-2018

**Directorship of other board as on 31<sup>st</sup> March, 2018:** None

**Membership / Chairmanship of Committees of other Boards as on March 31, 2018:** None

Note: Information pertaining to remuneration paid to the Directors who are being appointed / re-appointed, their shareholding in the Company and the number of Board Meetings attended by them during the year 2017-18 are provided in the Corporate Governance Report.

# DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present their report and financial statements for the financial year ended 31<sup>st</sup> March 2018.

## FINANCIAL RESULTS

(Rs. In Lacs)

Particulars		FY 2017-18	FY 2016-17
I.	Revenue from Operations	74,835.58	76,571.62
II.	Other Income	159.93	45.71
III.	<b>Total Income (I+II)</b>	<b>74,995.51</b>	<b>76,617.33</b>
IV.	<b>EXPENSES</b>		
	Stores & Spares consumed	13,984.14	15,239.53
	Employee benefits expense	19,401.37	19,025.71
	Finance costs	889.94	790.54
	Depreciation and amortization expense	3,068.18	3,053.21
	Other expenses	34,251.36	34,426.59
	<b>Total expenses (IV)</b>	<b>71,594.99</b>	<b>72,535.58</b>
V.	Profit before exceptional items and tax (III-IV)	3,400.52	4,081.75
VI.	Exceptional Items	-	-
VII.	Profit/(loss) before tax (V-VI)	3,400.52	4,081.75
VIII.	Tax expense:		
	(1) Current tax	1,393.07	1,854.10
	(2) Deferred tax	(102.88)	(396.88)
IX.	Profit/(loss) for the year (VII-VIII)	2,110.33	2,624.53
X.	Other Comprehensive Income		
	(i) Items that will not be reclassified subsequently to profit or loss		
	Re-measurement gains (losses) on defined benefit plans	37.27	106.14
	Income Tax effect (Deferred Tax)	(13.02)	(36.73)
		24.25	69.41
XI.	Total Comprehensive Income for the year (Comprising Profit (Loss) and Other Comprehensive Income for the year)	2,134.58	2,693.94

## TRANSFER TO RESERVES

The Company does not propose to transfer any amount to the General Reserve out of the amount available for appropriation in the current year. No amount was transferred to the General Reserve out of the amount available for appropriation during the previous year.

## DIVIDEND

The Directors are pleased to recommend payment of dividend on equity shares @ Rs. 1.50 per share (15 percent) for the financial year ended 31<sup>st</sup> March, 2018 (previous year Rs. 1.80 per share).

## RESULTS OF OPERATIONS AND THE STATE OF COMPANY AFFAIRS

### Operations

The Hospital remained committed to providing world class quality healthcare and services. Focus continued on improving operational efficiencies across functions, improving patient services and enhancing safety for patients and staff.

However, during the year under review, the financial performance of the Company remained subdued mainly due to a few key doctors leaving the hospital, significant drop in international patients due to global socio-

economic recession, non-issuance of medical visas from Pakistan, steep currency devaluation in Nigeria, closure of Indian Embassy in Iraq because of conflict, Nepal Government's order to discontinue OPD's by any foreign doctor in Nepal, delay in renewal of kidney transplant licence for the hospital and the kidney transplant program of the hospital remaining suspended for about 2 months.

During the year under review, the Company's total income decreased from Rs. 76617.33 lacs to Rs. 74995.51 lacs in the previous year. The Profit Before Tax (PBT) decreased by 17.91%, from Rs. 4187.91 lacs to Rs. 3437.79 lacs and the Profit After Tax (PAT) decreased by 20.76%, from Rs. 2693.94 lacs to Rs. 2134.57 lacs in the previous year.

Despite the factors which impacted the growth of revenue, various initiatives have been taken to improve the overall business, financial and operational performance of the Company viz: -

### 1. Appointment of Consultants in key Specialities

A new bariatric surgery team, led by Dr. Atul Peters has joined the hospital in August 2017. The team has done more than 100 bariatric surgeries since joining. There is a huge potential in this field and the number of surgeries is expected to increase in future.

### 2. Fixed Price Packages

Fixed Price Packages were introduced for major procedures, aimed at delivering assurance, guarantee, transparency and peace of mind to our patients in regard to the cost of care rendered. Total knee replacement campaign was promoted and showed considerable response.

### 3. Promoting International Business

- In order to promote our international business, our Consultants visited several countries and CMEs, OPDs, KOLs meetings, Annual conferences etc. were organized.
- Focus on Iraq which has a large potential patient base
- Handover of our information centre at Nepal to a leading medical tourism company to act as a patient referral centre for the hospital
- Signed up an exclusivity contract with the leading healthcare facilitator at Uzbekistan for referral of patients to the hospital
- Shifting focus from self-payment to government and insurance supported patients from Nigeria.
- Philippines has been identified as a new market for Paediatric Liver Transplantation program. Eight babies from this country had undergone Liver Transplant in the last financial year.
- A dedicated Apollo Information Centre was opened in Nairobi, Kenya
- An on ground resource in Myanmar was appointed to increase the focus on local doctors and hospitals coverage.

- OPDs and camps in Bangladesh which were suspended due to non-issuance of licences by Ministry of Health, Bangladesh, were resumed after a gap of two years.

### 4. Healthy Heart Program

With exponential increase in heart disease and increasing number of young people being affected by cardiac ailments, the hospital started the "Healthy Heart Program". This program aims to prevent and reverse heart disease. The Healthy Heart annual package includes regular check-ups, consultations, diet plans, Yoga, meditation, physiotherapy sessions, etc.

### 5. Brand Enhancement

Brandawareness programs to make more people aware of the services and clinical acumen available at Indraprastha Apollo, were initiated. With the concerted aim of expanding the reach of Apollo and enhancing connect with local communities - patients, doctors and society alike - a major thrust in activities in neighborhood and Tier 2 and Tier 3 cities in North India and emerging markets for the healthcare sector, were undertaken. This included society branding, morning walkers, general multispecialty camps, health talks, sports events, outreach OPDs and loyalty programmes.

Press and media engagements like press conferences, one-on-one meets, editorial roundtables, relationship building meetings and other outreach activities were extensively undertaken in North India.

Special engagement programmes were conducted for brand positioning. These include the Privilege Card Launch programmes at Moradabad with Exporters & Tea Traders Associations, partnership with Pinkathon for Breast Cancer Awareness, World Heart Day celebrations at Lodhi Garden, supporting Shri Sadhguru Jaggi Vasudev's 'Rally for Rivers' initiative, Patient Support Group for Bariatrics, Cochlear Implants and Down Syndrome, an engagement event with Transplant recipients and donors on Valentine's Day, quarterly Bariatric Support Group Meet for patients and their families, and quarterly "Breast Cancer Patients Support Meet" a guest speaker including BK Sister Shivani

### 6. Marketing & Outreach Campaigns

With an intent to reach out to masses and maintain our position as the leaders in our key COEs, special campaigns like United Against Cancer, Heart Matters, World Health Day, World Heart Day, World Blood Donor Day, Winter Health Check, World Aids Day, Mother's Day, Father's Day, World Diabetes Day, World Antibiotic Day, Hand Hygiene Day, International Women's Day, Emergency & Regrow Campaigns are few amongst the other major campaigns. These campaigns were promoted through Print Media, Radio, Digital and on-ground activities.

Digital marketing was used effectively to reach target customers in the overseas and domestic markets through optimisation of Key words, Adwords, display

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banners, dedicated landing pages, regional languages advertisements.

Apollo Hospital, Noida continued to perform well across all operational parameters and remained one of the leading destinations for Mother and Child Care , Dialysis and Apollo Health Checks. It also performed more than one hundred kidney transplants and has emerged as one of the best kidney transplant units in the State of Uttar Pradesh among Private Hospitals.

In a Public Interest Litigation (PIL), the Hon'ble High Court of Delhi had held that free treatment provided by the Hospital as per the terms of the lease deed shall be inclusive of medicines and consumables. The Company had filed a Special Leave Petition (SLP) before the Hon'ble Supreme Court of India against the impugned judgment and order of the Hon'ble High Court of Delhi. The Hon'ble Supreme Court of India had admitted the SLP and passed an interim order on 30.11.2009. In pursuance of the interim order, the Hospital is providing free treatment to the patients referred by the Govt. of NCT of Delhi exclusive of medicines and medical consumables. The SLP is pending before the Supreme Court of India.

A Nodal Medical Officer deputed by the Directorate of Health Services is present in the hospital to support, guide and monitor the treatment of patients referred by the Government. During the year, a total of 25625 patients (22330 Out Patients and 3295 In Patients) were treated under the free category.

## **CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION**

### **(A) Conservation of Energy**

The Hospital has been continuously engaged in activities related to conservation of Electrical energy, reduction in fresh water usage and reduction in cost of electricity.

For Energy conservation, focus was on the cooling towers as they are operating 24/7/365. The cooling towers have been made fully automatic to save electricity and fresh water. Ultra-filtered treated STP water is used in the cooling towers and it is expected to yield reduction in the consumption of fresh water to the tune of 11000 KL per annum.

In order to reduce purchased cost of Electricity, partial power purchase was done from Energy exchange and green power purchase through bilateral agreement. Net cost benefit of over Rs. 80 lacs was achieved during 2017-18.

In continuity from previous years, 372 conventional light fittings were replaced with the LED-type energy saving light fixtures which has resulted in reduction of 114 KWH/Day.

The net savings from electricity consumption during the year through various initiatives was approximately 2,50,000 KWH.

### **(B) Technology Absorption:**

The Hospital continued its efforts to maintain standards at par with best hospitals globally. Investment was made in the latest technology in medical care, including new-age technology upgrades.

#### **Extracorporeal membrane oxygenation (ECMO):**

Extracorporeal membrane oxygenation (ECMO), also known as extracorporeal life support (ECLS), is an extracorporeal technique for providing prolonged cardiac and respiratory support to persons whose heart and lungs are unable to provide an adequate amount of gas exchange or perfusion to sustain life. The technology for ECMO is largely derived from cardiopulmonary bypass, which provides shorter-term support.

This intervention has mostly been used on children, but it is seeing more use in adults with cardiac and respiratory failure. ECMO works by removing blood from the person's body and artificially removing the carbon dioxide and oxygenating red blood cells. Generally, it is used either post-cardiopulmonary bypass or in late stage treatment of a person with profound heart and/or lung failure, although it is now seeing use as a treatment for cardiac arrest in certain centers, allowing treatment of the underlying cause of arrest while circulation and oxygenation are supported.

#### **Hyperthermic intraperitoneal chemotherapy (HIPEC)**

Hyperthermic intraperitoneal chemotherapy (HIPEC) is part of a multimodal treatment plan for peritoneal mesothelioma and other abdominal cancers. The procedure is combined with surgery and a special approach to chemotherapy. Cytoreduction and HIPEC have significantly improved survival for peritoneal mesothelioma patients, but the role of heated chemotherapy in pleural mesothelioma treatment is less clear.

Unlike standard chemotherapy, doctors do not offer HIPEC in pill form or inject it into an IV or intravenous line. Instead, they add the drugs to a heated solution and pump the mixture directly into the patient's abdomen. This phase of the procedure, similar to a hot water bath for cancer-laden tissues, is performed immediately after cytoreductive surgery.

#### **Vacuum-assisted breast biopsy (VABB)**

Vacuum-assisted breast biopsy is a tissue sampling technique that uses a special instrument and imaging guidance to remove samples of breast tissue through a single, small skin incision. This technique allows the surgeon to remove more tissue through a single incision than is possible with a traditional core biopsy and is a much less invasive procedure than an open surgical biopsy. For these reasons, vacuum-assisted breast biopsy is becoming more common as a diagnostic tool in the management of breast lumps and abnormalities.

## FOREIGN EXCHANGE EARNINGS & OUTGO

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

The Company is engaged in the healthcare business and is not carrying on any export activities. The Hospital has been empanelled with eminent international insurance companies and has appointed healthcare facilitators in various countries to cater to international patients.

### (b) Total Foreign Exchange Earnings and Outgo

During the year under review, foreign exchange earnings and outgo were as under:-

Earnings:	Rs. 15,575.13 lacs
Outgo :	Rs. 2,549.26 lacs

## BOARD MEETINGS

Five (5) Board meetings were held during the financial year ended 31<sup>st</sup> March, 2018. The dates of the meetings are as follows: 26<sup>th</sup> May, 2017, 28<sup>th</sup> July, 2017, 26<sup>th</sup> September, 2017, 14<sup>th</sup> November, 2017, and 7<sup>th</sup> February, 2018. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

- Mr. Jaideep Gupta has resigned from the position of Managing Director of the Company, effective from the close of the business hours on 31<sup>st</sup> December, 2017.
- Mr. Ashok Bajpai has been appointed as Additional Director and Managing Director of the Company, in place of Mr. Jaideep Gupta, for a period of 5 years effective from 1<sup>st</sup> January, 2018, subject to the approval of the shareholders and such other approvals, as may be necessary.
- Dr. B. Venkataraman and Prof. V. N. Rajasekharan Pillai have completed their terms of appointment as Independent Directors of the Company, on 31<sup>st</sup> March, 2018, and hence, have retired as Independent Directors from the Board of Directors of the Company effective from the close of the business hours on 31<sup>st</sup> March, 2018.
- In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Ms. Suneeta Reddy and Ms. Shobana Kamineni, Directors of the Company shall retire by rotation at the ensuing Annual General Meeting. Ms. Suneeta Reddy and Ms. Shobana Kamineni, being eligible, have offered themselves for re-election.
- In pursuance to the provisions of Section 203 of the Companies Act, 2013, Mr. Ashok Bajpai – Managing Director, Mr. Ajay Kumar Singhal – Vice President cum Company Secretary and Mr. Chander Prakash Tyagi – Chief Financial Officer, are the Key Managerial Personnel of the Company.
- There has been change in the Key Managerial

Personnel during the year. Mr. Ashok Bajpai – Managing Director has joined in place of Mr. Jaideep Gupta and Mr. Chander Prakash Tyagi has been appointed Chief Financial Officer in place of Mr. P. Shivakumar – Chief Financial and Operating Officer.

## DECLARATION FROM INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013.

## COMPOSITION OF AUDIT COMMITTEE

The composition of the Audit Committee is given in the Corporate Governance Report.

All recommendations of the Audit Committee have been accepted by the Board of Directors of the Company.

## VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established a vigil mechanism for Directors and Employees to report their concerns about unethical behavior, actual or suspected, fraud or violation of the company's code of conduct or ethics policy, or any other grievance, the details of which are given in the Corporate Governance Report. The Whistle Blower Policy may be accessed on the Company's website on the link <http://www.apollohospdelhi.com/downloads/Whistle%20Blower%20Policy.pdf>. During the year under review, no matter has been received under Whistle Blower Policy of the Company.

## SEXUAL HARASSMENT

The Company has zero tolerance towards sexual harassment at the workplace and has framed rules on prevention, prohibition and redressal of sexual harassment in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. During the calendar year 2017, the Company had received 5 complaints which were duly investigated and redressed.

## DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same;
- the appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2018 and of the profit of the Company for the year ended 31<sup>st</sup> March, 2018.

- The 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;
- the annual accounts have been prepared on an ongoing concern basis.
- the internal financial controls to be followed by the Company had been laid down and such internal financial controls are adequate and operating effectively;
- the proper systems had been devised to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

## SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company has no subsidiaries or associate companies. The Company also does not have any joint venture.

## EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company is annexed herewith as **Annexure - 1** to this Report.

## AUDITORS AND AUDITORS' REPORT

M/s S.N. Dhawan & Co. LLP, Chartered Accountants were appointed as Statutory Auditors at the Twenty-ninth Annual General Meeting (AGM) of the Company held on 26<sup>th</sup> September, 2017, for a term of five consecutive years, subject to ratification of their appointment by the Members at every AGM.

The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 7, 2018, issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors.

The Report given by M/s. S. N. Dhawan & Co. LLP, Statutory Auditors on the financial statement of the Company for the year 2017-18 is part of the Annual Report. The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comment. The Auditors' Report does not contain any qualification, reservation or adverse remark.

No instances or matters of fraud have been reported by the Auditors to the Audit Committee or the Board.

## SECRETARIAL AUDITOR

The Board has appointed M/s RSM & Co., Practicing Company Secretaries, to conduct Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2018, is annexed herewith marked as **Annexure -2**, to this

Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## COST AUDITOR

The Board has appointed M/s. Devarajan Swaminathan and Co., Cost Accountants, as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ended 31<sup>st</sup> March, 2018. The Cost Auditor has given the Cost Audit Report for the financial year ended 31<sup>st</sup> March 2018, and the Cost Audit Report does not contain any qualification, reservation or adverse remark.

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 Devarajan Swaminathan and Co., Cost Accountants (ICWA Registration No.100669) to audit the cost accounts of the Company for the financial year 2018-19 on a remuneration of Rs. 5.50 lacs.

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 Devarajan Swaminathan and Co., Cost Accountants (ICWA Registration No.100669) in the Notice convening the Annual General Meeting.

## DEPOSITS

During the year under review, the Company has not accepted any deposit under Chapter V of the Companies Act, 2013.

## SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

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

## INTERNAL FINANCIAL CONTROL SYSTEMS

The Company has an internal financial control system, commensurate with the size, scale and complexity of operations to ensure that the Company's financial statements are accurate, sufficient and credible, all assets are safeguarded and protected against losses that may arise from unauthorized use or disposition, incorrect use, any incident of fraud and inappropriate storage. Such internal control procedures are augmented by an extensive programme of internal and external audits, and periodic reviews by the management. Reasonable assurance is obtained based on evidence regarding processes followed and their appropriate testing of controls that such systems are adequate, comprehensive and are working effectively.

The Audit Committee evaluates the internal financial control system periodically.

## PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

During the year under review, the Company has not given any loan nor made investment nor given guarantees under Section 186 of the Companies Act, 2013.

## RISK MANAGEMENT

The Company has established an Enterprise wide Risk Management (ERM) Framework and has constituted a Risk Management Committee comprising senior executives headed by the Managing Director.

The Company also has a Risk Management Policy for identification, evaluation and mitigation of business risks and opportunities. This framework helps establish ownership throughout the organization and embeds risk management as an integral part of the business, its goals and objectives. It helps the decision makers of the organization effectively recognize and to take account of uncertainty, the nature of that uncertainty, and to work towards a solution to address the same.

The Risk Management Committee identify elements of risks in different area of operations and develops a policy for actions associated to mitigate the risks. The Risk Management Committee reviews and approves the risk management report on a quarterly basis before placing the same before the Board of Directors.

## CORPORATE SOCIAL RESPONSIBILITY

The Company is committed to conducting its business in a socially responsible, ethical and environmental friendly manner, and to continuously work towards improving the quality of life of the communities where it operates.

The Company has a duly constituted CSR Committee, which is responsible for fulfilling the CSR objectives of the Company. As on 31 March, 2018, the Committee comprised three Directors viz. Ms. Vineeta Rai, Mr. S. Regunathan and Ms. Suneeta Reddy. Ms. Vineeta Rai is the Chairperson of the CSR Committee.

As part of its initiatives under Corporate Social Responsibility (CSR), the Company has undertaken projects in the areas of Sanitation, Promoting Education and Health. These projects are in accordance with Schedule VII of the Companies Act, 2013.

## CSR POLICY

The Company has in place a CSR policy which lays down its philosophy and approach towards CSR commitment. The CSR Policy may be accessed on the Company's website on the link <http://www.apollohospdelhi.com/downloads/corporate-social-responsibility-policy.pdf>

Under the CSR Policy, the Company focuses primarily on the following programmes:

- A. Community Development
- B. Healthcare
- C. Education and Skills Development
- D. Research in Healthcare

The report on CSR activities for the financial year 2017-18, containing particulars specified in Companies (CSR Policy) Rules, 2014 including an update on the CSR initiatives taken by the Company during the year is given in **Annexure - 3** and forms an integral part of this Report.

## 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. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC 2 is not applicable to your Company. The policy on materiality of related party transactions as approved by the Board may be accessed on the Company's website at <http://www.apollohospdelhi.com/downloads/materiality-of-related-party-transactions.pdf>

## FORMAL ANNUAL EVALUATION

The Evaluation Criteria for Appointment/Re-appointment of Independent Directors along with Evaluation Criteria for Performance Evaluation of Independent Directors/Directors/Chairperson and Performance Evaluation of the Board of Directors by each director, as laid down by the Nomination and Remuneration Committee, is annexed herewith marked as **Annexure - 4** to this Report.

During the year, the evaluation cycle was completed by the Company internally which included the evaluation of the Independent Directors by the Board of Directors and evaluation of Non-Independent Directors and the Board as a whole, by Independent Directors of the Company.

## REMUNERATION POLICY

The Board has, on the recommendation of the Nomination and Remuneration Committee, approved a policy for selection and appointment of Directors, Senior Management and for determining their remuneration. The Remuneration Policy is annexed herewith marked as **Annexure - 5**, to this Report.

## PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provisions of Section 197(12) of the Companies Act, 2013 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 Companies Act, 2013, 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 Vice President cum Company Secretary and the same will be furnished free of cost.

## **CORPORATE GOVERNANCE**

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), a Management Discussion and Analysis Report and a Report on Corporate Governance is attached with this Report.

A Certificate from Practising Company Secretary regarding the Compliance by the Company of the conditions stipulated in Regulations Part C of Schedule V of the Listing Regulations is also attached with this report.

A declaration by the Managing Director pursuant to Regulations Part C of Schedule V of the Listing Regulations stating that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, during

the financial year ended 31<sup>st</sup> March, 2018, is also attached with this report.

## **INDUSTRIAL RELATIONS**

The Industrial Relations scenario continued to be cordial during the year under review.

## **MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

No material change and commitment affecting the financial position of the Company, have occurred between the financial year ended on 31<sup>st</sup> March, 2018, and the date of the report.

## **ACKNOWLEDGEMENT**

The Directors wish to thank and deeply acknowledge the cooperation, assistance and support extended by the financial institutions, banks, the Government of Delhi and the Union Government.

The Directors also wish to place on record their appreciation for the overall support and cooperation received from the consultant doctors and employees at all levels.

**For and on behalf of the Board**

**Dr. Prathap C Reddy**  
(DIN: 00003654)  
Vice Chairman

**Ashok Bajpai**  
(DIN : 02463754)  
Managing Director

**Place: New Delhi**  
**Date: 28<sup>th</sup> July, 2018**

## ANNEXURE – 1 TO THE DIRECTORS' REPORT FORM NO. MGT-9

### EXTRACT OF ANNUAL RETURN as on the financial year ended on 31.03.2018

*[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]*

#### I. REGISTRATION AND OTHER DETAILS

(I) CIN NO.	L24232DL1988PLC030958
(II) Registration Date	16 <sup>th</sup> March, 1988
(III) Name of the Company	Indraprastha Medical Corporation Limited
(IV) Category/ Sub Category of the Company	Public / Company Limited by Shares
(V) Address of the Registered Office and Contact Details	Sarita Vihar, Delhi-Mathura Road, New Delhi – 110076 Phone: +91 011-26925858, 26925801 Fax: +91 011-26823629 Email: imclshares@apollohospitals.com
(VI) Whether Listed Company	YES
Name of the Stock Exchange where equity shares are listed	National Stock Exchange of India Ltd (NSE), Mumbai Stock Code: INDRAMEDCO  BSE Ltd (BSE), Mumbai Stock Code: 532150
(VII) Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited 44, Community Centre, Phase-1, Near PVR Naraina Industrial Area, New Delhi – 110028  Phone: +91 011-41410592 Fax: +91 011-41410591 Email id: delhi@linkintime.co.in

#### 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:-

S.No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Healthcare business	86100	100%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY: NONE

S.No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate Company	% of shares held	Applicable Section
1					
2					
3					
4					

#### IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

##### (I) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (1 <sup>st</sup> April, 2017)				No. of Shares held at the end of the year (31 <sup>st</sup> March, 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters:-</b>									
<b>1. Indian</b>									
a) Individual/HUF	864336	5	864341	0.94	864336	5	864341	0.94	-
b) Central Govt./ State Govt (s)	-	23834196	23834196	26.00	-	23834196	23834196	26.00	-
c) Bodies Corp.	20578163	-	20578163	22.45	20578163	-	20578163	22.45	-
d) Banks / FI	-	-	-	0.00	-	-	-	0.00	-
e) Any Other	-	-	-	0.00	-	-	-	0.00	-
<b>Sub Total (A) (1)</b>	<b>21442499</b>	<b>23834201</b>	<b>45276700</b>	<b>49.39</b>	<b>21442499</b>	<b>23834201</b>	<b>45276700</b>	<b>49.39</b>	<b>-</b>
<b>2. Foreign</b>									
a) NRI's Individual	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	1475000	-	1475000	1.61	1475000	-	1475000	1.61	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (2)</b>	<b>1475000</b>	<b>-</b>	<b>1475000</b>	<b>1.61</b>	<b>1475000</b>	<b>-</b>	<b>1475000</b>	<b>1.61</b>	<b>-</b>
<b>Total Shareholding of Promoter (A) = (A) (1) + (A) (2)</b>	<b>22917499</b>	<b>23834201</b>	<b>46751700</b>	<b>51.00</b>	<b>22917499</b>	<b>23834201</b>	<b>46751700</b>	<b>51.00</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	2004158	-	2004158	2.19	-	-	-	-	(2.19)
b) Banks /FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital	-	-	-	-	-	-	-	-	-
i) Foreign Portfolio Investor	71936	-	71936	0.08	33189	-	33189	0.04	(0.04)
J) Foreign Institutional /Banks	359184	14600	373784	0.41	306796	14600	321396	0.35	(0.06)
K) Funds others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub Total (B) (1)</b>	<b>2435278</b>	<b>14600</b>	<b>2449878</b>	<b>2.67</b>	<b>339985</b>	<b>14600</b>	<b>354585</b>	<b>0.39</b>	<b>(2.29)</b>
<b>2. Non Institutions</b>									
<b>a) Bodies Corporate</b>									
<b>1. Indian</b>									
<b>b) Individuals</b>									
1. Individual shareholders holding nominal share capital upto Rs.1 Lakh	16643357	2154516	18797873	20.51	16929929	1698160	18628089	20.32	(0.19)
2. Individual shareholders holding nominal share capital in excess of Rs.1 Lakh	6418437	458288	6876725	7.50	7690250	442000	8132250	8.87	1.37
<b>c) Others (specify)</b>									
(c-i) Trusts	13851	-	13851	0.02	2870	-	2870	-	0.02
(c-ii) Non Resident Indians ( Non Repat )	385505	-	385505	0.42	344005	-	344005	0.38	(0.04)
(c-iii) Non Resident Indians ( Repat )	670599	1166327	1836926	2.00	618078	1042442	1660520	1.81	(0.19)
(c-iv) Clearing members	374583	-	374583	0.41	547175	-	547175	0.60	0.19
(c-v) Hindu Undivided Families	1441890	-	1441890	1.57	1467969	-	1467969	1.60	0.03
(c-vi) Body Corporate	12579129	133700	12712829	13.87	13194337	129500	13323837	14.53	0.67
(c-vii) Foreign Nationals	31240	-	31240	0.03	31240	-	31240	0.03	-
(c-viii) IEPF	-	-	-	-	428759	-	428759	0.47	0.47
(c-ix) Public PAC	-	-	-	-	-	1	1	-	-
<b>Sub Total (B) (2)</b>	<b>38558591</b>	<b>3912831</b>	<b>42471422</b>	<b>46.33</b>	<b>41254612</b>	<b>3312103</b>	<b>44566715</b>	<b>48.61</b>	<b>2.29</b>
<b>Total Public Shareholding (B)= (B) 1 + (B) 2</b>	<b>40993869</b>	<b>3927431</b>	<b>44921300</b>	<b>49.00</b>	<b>41594597</b>	<b>3326703</b>	<b>44921300</b>	<b>49.00</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total A+B+C</b>	<b>63911368</b>	<b>27761632</b>	<b>91673000</b>	<b>100.00</b>	<b>64512096</b>	<b>27160904</b>	<b>91673000</b>	<b>100.00</b>	<b>100.00</b>

## (II) Shareholding of Promoters

S.No.	Shareholders Name	Shareholding at the beginning of the year (As on 1 <sup>st</sup> April, 2017)			Shareholding at the end of the year (As on 31 <sup>st</sup> March, 2018)			% of change in shareholding 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	Sucharitha P Reddy	160689	0.18	0.00	160689	0.18	0.00	0.00
2	Sangita Reddy	8600	0.01	0.00	8600	0.01	0.00	0.00
3	Suneeta Reddy	138293	0.15	0.00	138293	0.15	0.00	0.00
4	Preetha Reddy	202650	0.22	0.00	202650	0.22	0.00	0.00
5	Shobana Kamineni	116918	0.13	0.00	116918	0.13	0.00	0.00
6	K S Baidwan	1	0.00	0.00	1	0.00	0.00	0.00
7	Prathap C Reddy	237187	0.26	0.00	237187	0.26	0.00	0.00
8	P V Jayakrishnan	1	0.00	0.00	1	0.00	0.00	0.00
9	Ramesh Chander	1	0.00	0.00	1	0.00	0.00	0.00
10	Vineeta Rai	1	0.00	0.00	1	0.00	0.00	0.00
11	President of India	23834196	26.00	0.00	23834196	26.00	0.00	0.00
12	Apollo Hospitals Enterprise Limited	20190740	22.02	0.00	20190740	22.02	0.00	0.00
13	PCR Investments Limited	387423	0.42	0.00	387423	0.42	0.00	0.00
14	Wedgewood Holdings Limited	1475000	1.61	0.00	1475000	1.61	0.00	0.00
	<b>Total</b>	<b>46751700</b>	<b>51.00</b>	<b>0.00</b>	<b>46751700</b>	<b>51.00</b>	<b>0.00</b>	<b>0.00</b>

## (III) Change in Promoters' Shareholding (please specify, if there is no change)

S.No.		Shareholding at the beginning of the year (1 <sup>st</sup> April, 2017)		Cumulative Shareholding during the year (1 <sup>st</sup> April, 2016 to 31 <sup>st</sup> March, 2018)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.) <sup>##</sup>	0	0	0	0
	At the end of the year			0	0

<sup>##</sup> There is no change in promoters shareholding from 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2018

## (IV) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

S.No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (1 <sup>st</sup> April, 2017)		Cumulative Shareholding during the year (1 <sup>st</sup> April, 2017 to 31 <sup>st</sup> March, 2018)		S.No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (1 <sup>st</sup> April, 2017)		Cumulative Shareholding during the year (1 <sup>st</sup> April, 2017 to 31 <sup>st</sup> March, 2018)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Housing Development Finance Corporation Limited										
	At the beginning of the year	6146897	6.71	6146897	6.71		11 Aug 2017	8295	0.01	1194349	1.28
	At the end of the year			6146897	6.71		25 Aug 2017	9149	0.01	1203498	1.29
2	Emedlife Insurance Broking Services Limited						01 Sep 2017	7757	0.01	1211255	1.30
	At the beginning of the year	1138920	1.24	1138920	1.24		15 Sep 2017	(5330)	(0.01)	1205925	1.29
	07 Apr 2017	6695	0.01	1145615	1.25		22 Sep 2017	5608	0.01	1211533	1.30
	14 Apr 2017	(1272)	(0.00)	1144343	1.23		29 Sep 2017	12688	0.01	1224221	1.31
	21 Apr 2017	(5146)	(0.01)	1139197	1.24		06 Oct 2017	4663	0.01	1228884	1.32
	05 May 2017	10531	0.01	1149728	1.25		27 Oct 2017	600	0.00	1229484	1.32
	19 May 2017	1266	0.00	1150994	1.25		03 Nov 2017	600	0.00	1230084	1.32
	26 May 2017	4120	0.00	1155114	1.25		17 Nov 2017	6649	0.01	1236733	1.33
	02 Jun 2017	27929	0.03	1183043	1.28		24 Nov 2017	5035	0.01	1241768	1.34
	09 Jun 2017	477	0.00	1183520	1.28		22 Dec 2017	463	0.00	1242231	1.34
	07 Jul 2017	3803	0.00	1187323	1.28		29 Dec 2017	(13296)	(0.01)	1228935	1.33
	21 Jul 2017	(4959)	(0.01)	1182364	1.27		05 Jan 2018	(14282)	(0.02)	1214653	1.31
	28 Jul 2017	3690	0.00	1186054	1.27		12 Jan 2018	(2997)	(0.00)	1211656	1.31
							19 Jan 2018	9997	0.01	1221653	1.32

S.No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (1 <sup>st</sup> April, 2017)		Cumulative Shareholding during the year (1 <sup>st</sup> April, 2017 to 31 <sup>st</sup> March, 2018)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	26 Jan 2018	4468	0.00	1226121	1.32
	09 Feb 2018	9221	0.01	1235342	1.33
	16 Feb 2018	5803	0.01	1241145	1.34
	16 Mar 2018	835	0.00	1241980	1.34
	23 Mar 2018	31105	0.03	1273085	1.37
	<i>At the end of the year</i>			1273085	1.37
<b>3</b>	<b>Citadel Research and Solutions Limited</b>				
	<i>At the beginning of the year</i>	941853	1.03	941853	1.03
	07 Apr 2017	10655	0.01	952508	1.04
	14 Apr 2017	(5232)	(0.01)	947276	1.03
	21 Apr 2017	(5146)	(0.01)	942130	1.02
	05 May 2017	10531	0.01	952661	1.03
	19 May 2017	5362	0.01	958023	1.04
	26 May 2017	7930	0.01	965953	1.05
	02 Jun 2017	6744	0.01	972697	1.06
	09 Jun 2017	4351	0.00	977048	1.06
	30 Jun 2017	3803	0.00	980851	1.06
	21 Jul 2017	(4959)	(0.01)	975892	1.05
	28 Jul 2017	4809	0.01	980701	1.06
	04 Aug 2017	11024	0.01	991725	1.07
	15 Sep 2017	(5330)	(0.01)	986395	1.06
	29 Sep 2017	17351	0.02	1003746	1.08
	27 Oct 2017	1700	0.00	1005446	1.08
	03 Nov 2017	600	0.00	1006046	1.08
	17 Nov 2017	5737	0.01	1011783	1.09
	24 Nov 2017	5935	0.01	1017718	1.10
	29 Dec 2017	(13294)	(0.01)	1004424	1.09
	05 Jan 2018	(14282)	(0.02)	990142	1.07
	12 Jan 2018	(4425)	(0.00)	985717	1.07
	19 Jan 2018	9997	0.01	995714	1.08
	26 Jan 2018	7999	0.01	1003713	1.09
	09 Feb 2018	15024	0.02	1018737	1.11
	09 Mar 2018	13927	0.02	1032664	1.13
	16 Mar 2018	6926	0.01	1039590	1.14
	23 Mar 2018	6037	0.01	1045627	1.15
	31 Mar 2018	9260	0.01	1054887	1.16
	<i>At the end of the year</i>			1054887	1.16
<b>4</b>	<b>Meenakshi Narayanan Investments (P) Ltd</b>				
	<i>At the beginning of the year</i>	900000	0.98	900000	0.98
	<i>At the end of the year</i>			900000	0.98
<b>5</b>	<b>Aditya Birla Sun Life Insurance Company Limited</b>				
	<i>At the beginning of the year</i>	789863	0.86	789863	0.86
	05 May 2017	23684	0.03	813547	0.88
	<i>At the end of the year</i>			813547	0.88
<b>6</b>	<b>Gagan Omprakash Navani</b>				
	<i>At the beginning of the year</i>	641018	0.70	641018	0.70
	24 Nov 2017	(15000)	(0.02)	626018	0.68
	01 Dec 2017	(34012)	(0.04)	592006	0.65
	<i>At the end of the year</i>			592006	0.65
<b>7</b>	<b>Investor Education and Protection Fund Authority Ministry of Corporate Affairs</b>				
	<i>At the beginning of the year</i>	0	0.00	-	0.00
	08 Dec 2017	424743	0.46	424743	0.46
	29 Dec 2017	4016	0.00	428759	0.47
	<i>At the end of the year</i>			428759	0.47
<b>8</b>	<b>Anirudha Kumar</b>				
	<i>At the beginning of the year</i>	400000	0.44	400000	0.44

S.No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (1 <sup>st</sup> April, 2017)		Cumulative Shareholding during the year (1 <sup>st</sup> April, 2017 to 31 <sup>st</sup> March, 2018)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	07 Jul 2017	(10000)	(0.01)	390000	0.4254
	14 Jul 2017	(18252)	(0.02)	371748	0.4055
	21 Jul 2017	(71748)	(0.08)	300000	0.3273
	<i>At the end of the year</i>			300000	0.33
<b>9</b>	<b>Mukt Chetan Gupta</b>				
	<i>At the beginning of the year</i>	0	0.00	0	0.00
	05 Jan 2018	225727	0.25	225727	0.25
	12 Jan 2018	7109	0.01	232836	0.25
	26 Jan 2018	61572	0.07	294408	0.32
	<i>At the end of the year</i>			294408	0.32
<b>10</b>	<b>Ashok Kumar Jain</b>				
	<i>At the beginning of the year</i>	0	0.00	0	0.00
	08 Dec 2017	63511	0.07	63511	0.07
	15 Dec 2017	69660	0.08	133171	0.15
	22 Dec 2017	18000	0.02	151171	0.17
	29 Dec 2017	(134100)	(0.15)	17071	0.02
	26 Jan 2018	2700	0.00	19771	0.02
	02 Feb 2018	32153	0.04	51924	0.06
	09 Feb 2018	21847	0.02	73771	0.08
	16 Feb 2018	1800	0.00	75571	0.08
	23 Feb 2018	168300	0.18	243871	0.27
	<i>At the end of the year</i>			243871	0.27
<b>11</b>	<b>K Kishore Kumar</b>				
	<i>At the beginning of the year</i>	447023	0.49	447023	0.49
	21 Jul 2017	(67059)	(0.07)	379964	0.41
	28 Jul 2017	54339	0.06	434303	0.47
	04 Aug 2017	15697	0.02	450000	0.49
	01 Sep 2017	(24917)	(0.03)	425083	0.46
	08 Sep 2017	(82653)	(0.09)	342430	0.37
	15 Sep 2017	17915	0.02	360345	0.39
	22 Sep 2017	21201	0.02	381546	0.42
	29 Sep 2017	38191	0.04	419737	0.46
	17 Nov 2017	21715	0.02	441452	0.48
	24 Nov 2017	(28208)	(0.03)	413244	0.45
	08 Dec 2017	31745	0.03	444989	0.49
	15 Dec 2017	5011	0.01	450000	0.49
	22 Dec 2017	(32145)	(0.04)	417855	0.46
	05 Jan 2018	(1952)	(0.00)	415903	0.45
	12 Jan 2018	(4439)	(0.00)	411464	0.45
	19 Jan 2018	(11829)	(0.01)	399635	0.44
	02 Feb 2018	50365	0.05	450000	0.49
	09 Feb 2018	(155000)	(0.17)	295000	0.32
	16 Feb 2018	(20000)	(0.02)	275000	0.30
	23 Feb 2018	(25000)	(0.03)	250000	0.27
	02 Mar 2018	(2000)	(0.00)	248000	0.27
	09 Mar 2018	(48000)	(0.05)	200000	0.22
	16 Mar 2018	(20000)	(0.02)	180000	0.20
	23 Mar 2018	(25000)	(0.03)	155000	0.17
	<i>At the end of the year</i>			155000	0.17
<b>12</b>	<b>Reliance Capital Trustee Co. Ltd-A/C Reliance Capital Builder Fund - SR A</b>				
	<i>At the beginning of the year</i>	735850	0.80	735850	0.80
	12 May 2017	(221351)	(0.24)	514499	0.56
	19 May 2017	(45826)	(0.05)	468673	0.51

S.No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (1 <sup>st</sup> April, 2017)		Cumulative Shareholding during the year (1 <sup>st</sup> April, 2017 to 31 <sup>st</sup> March, 2018)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	26 May 2017	(432777)	(0.47)	35896	0.04
	02 Jun 2017	(35896)	(0.04)	0	0.00
	At the end of the year			0	0.00
<b>13</b>	<b>India Pharma Fund Unit Scheme Option A</b>				
	At the beginning of the year	658387	0.72	658387	0.72
	19 May 2017	(658387)	(0.72)	0	0.00
	At the end of the year			0	0.00

S.No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (1 <sup>st</sup> April, 2017)		Cumulative Shareholding during the year (1 <sup>st</sup> April, 2017 to 31 <sup>st</sup> March, 2018)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
<b>14</b>	<b>UTI - Pharma and Healthcare Fund</b>				
	At the beginning of the year	576852	0.63	576852	0.63
	07 Apr 2017	(175000)	(0.19)	401852	0.44
	21 Apr 2017	(93701)	(0.10)	308151	0.34
	05 May 2017	(308151)	(0.34)	0	0.00
	At the end of the year			0	0.00

Note: The above information is based on the weekly beneficiary position received from depositories

### (V) Shareholding of Directors and Key Managerial Personnel:

S.No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (1 <sup>st</sup> April, 2017)		Cumulative Shareholding during the year (1 <sup>st</sup> April, 2017 to 31 <sup>st</sup> March, 2018)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
<b>A</b>	<b>DIRECTORS</b>				
<b>1</b>	<b>Dr Prathap Chandra Reddy</b>				
	At the beginning of the year	237187	0.26	237187	0.26
	Increase/Decrease during the year	-	-	-	-
	At the end of the year			237187	0.26
<b>2</b>	<b>Ms Suneeta Reddy</b>				
	At the beginning of the year	138293	0.15	138293	0.15
	Increase/Decrease during the year	-	-	-	-
	At the end of the year			138293	0.15
<b>3</b>	<b>Ms. Shobana Kamineni</b>				
	At the beginning of the year	116918	0.13	116918	0.13
	Increase/Decrease during the year	-	-	-	-
	At the end of the year	-	-	116918	0.13
<b>4</b>	<b>Mr Jaideep Gupta *</b>				
	At the beginning of the year	-	-	-	-
	Increase/Decrease during the year	-	-	-	-
	At the end of the year	-	-	-	-
<b>5</b>	<b>Mr Ashok Bajpai **</b>				
	At the beginning of the year	-	-	-	-
	Increase/Decrease during the year	-	-	-	-
	At the end of the year	-	-	-	-
<b>6</b>	<b>Mr S. N Sahai ***</b>				
	At the beginning of the year	-	-	-	-
	Increase/Decrease during the year	-	-	-	-
	At the end of the year	-	-	-	-
<b>7</b>	<b>Dr. B. Venkataraman #</b>				
	At the beginning of the year	-	-	-	-
	Increase/Decrease during the year	-	-	-	-
	At the end of the year	-	-	-	-
<b>8</b>	<b>Prof. V. N Rajasekharan Pillai #</b>				
	At the beginning of the year	-	-	-	-
	Increase/Decrease during the year	-	-	-	-
	At the end of the year	-	-	-	-

S.No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (1 <sup>st</sup> April, 2017)		Cumulative Shareholding during the year (1 <sup>st</sup> April, 2017 to 31 <sup>st</sup> March, 2018)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
<b>9</b>	<b>Mr. Deepak Vaidya</b>				
	At the beginning of the year	-	-	-	-
	Increase/Decrease during the year	-	-	-	-
	At the end of the year	-	-	-	-
<b>10</b>	<b>Mr. T. S Narayanasami</b>				
	At the beginning of the year	-	-	-	-
	Increase/Decrease during the year	-	-	-	-
	At the end of the year	-	-	-	-
<b>11</b>	<b>Mr. S. Regunathan</b>				
	At the beginning of the year	-	-	-	-
	Increase/Decrease during the year	-	-	-	-
	At the end of the year	-	-	-	-
<b>12</b>	<b>Mr. Satnam Arora</b>				
	At the beginning of the year	-	-	-	-
	Increase/Decrease during the year	-	-	-	-
	At the end of the year	-	-	-	-
<b>13</b>	<b>Ms. Renu S. Karnad</b>				
	At the beginning of the year	-	-	-	-
	Increase/Decrease during the year	-	-	-	-
	At the end of the year	-	-	-	-
<b>14</b>	<b>Ms. Vineeta Rai</b>				
	At the beginning of the year	1	0.00	1	0.00
	Increase/Decrease during the year	-	-	-	-
	At the end of the year	-	-	1	0.00
<b>15</b>	<b>Dr. Arun Rai</b>				
	At the beginning of the year	-	-	-	-
	Increase/Decrease during the year	-	-	-	-
	At the end of the year	-	-	-	-
<b>16</b>	<b>Mr Vinayak Chatterjee</b>				
	At the beginning of the year	-	-	-	-
	Increase/Decrease during the year	-	-	-	-
	At the end of the year	-	-	-	-

\* Resigned from the position of Managing Director of the Company w.e.f. 31-12-2017

\*\* Appointed by the Board as an Additional Director & Managing Director w.e.f. 01-01-2018

\*\*\* Resigned from the position of Non Executive director from the Company on 29-06-2018

# Dr. B. Venkataraman and Prof. V. N Rajasekharan Pillai have retired w.e.f. 31-03-2018

S.No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (1 <sup>st</sup> April, 2017)		Cumulative Shareholding during the year (1 <sup>st</sup> April, 2017 to 31 <sup>st</sup> March, 2018)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
<b>B Key Managerial Personnel</b>					
<b>1</b>	<b>Mr. Jaideep Gupta-Managing Director *</b>				
	At the beginning of the year	-	-	-	-
	Increase/Decrease during the year	-	-	-	-
	At the end of the year	-	-	-	-
<b>2</b>	<b>Mr. Ashok Bajpai-Managing Director **</b>				
	At the beginning of the year	-	-	-	-
	Increase/Decrease during the year	-	-	-	-
	At the end of the year	-	-	-	-

S.No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (1 <sup>st</sup> April, 2017)		Cumulative Shareholding during the year (1 <sup>st</sup> April, 2017 to 31 <sup>st</sup> March, 2018)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
<b>3</b>	<b>Mr Ajay Kumar Singhal- Vice President cum Company Secretary</b>				
	At the beginning of the year	200	0.00	200	0.00
	Increase/Decrease during the year	-	-	-	-
	At the end of the year	-	-	200	0.00
<b>4</b>	<b>Mr. C.P Tyagi- Chief Financial Officer ***</b>				
	At the beginning of the year	-	-	-	-
	Increase/Decrease during the year	-	-	-	-
	At the end of the year	-	-	-	-

\* Resigned from the position of Managing Director of the Company w.e.f. 31-12-2017

\*\* Appointed by the Board as an Additional Director & Managing Director w.e.f. 01-01-2018

\*\*\* Mr C.P Tyagi has been appointed as CFO wef 01-06-2018

## V. INDEBTEDNESS

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

(Amount in Rs. lacs)

Description	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	250	4000	-	4250
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii +iii)</b>	<b>250</b>	<b>4000</b>	<b>-</b>	<b>4250</b>
	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
Addition	3000	17000	-	20000
Reduction	550	19000	-	19550
<b>Net Change</b>	<b>2450</b>	<b>2000</b>	<b>-</b>	<b>450</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2700	2000	-	4700
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii +iii)</b>	<b>2700</b>	<b>2000</b>	<b>-</b>	<b>4700</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in Rs. lacs)

S.No.	Particulars of Remuneration	Name of Managing Director Mr Jaideep Gupta *	Name of Managing Director Mr Ashok Bajpai **	Total Amount
<b>1</b>	<b>Gross salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	68.56	34.91	103.47
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	3.42	0.10	3.51
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	0	0	0
<b>2</b>	<b>Stock option</b>	0	0	0
<b>3</b>	<b>Sweat Equity</b>	0	0	0
<b>4</b>	<b>Commission</b>	0	0	0
	- as% of profit			
	- others, specify.			
	<b>Total A</b>	<b>71.98</b>	<b>35.01</b>	<b>106.98</b>
	<b>Ceiling as per the Act</b>	Rs 181.62 lacs ( being 5% of the net profit of the Company calculated as per Section 198 of the Companies Act, 2013)		

\* Resigned from the position of Managing Director of the Company w.e.f. 31-12-2017

\*\* Appointed by the Board as an Additional Director & Managing Director w.e.f. 01.01.2018

## B. Remuneration to other directors

(Amount in Rs. lacs)

S.No.	Particulars of Remuneration	Name								Total Amount
1	Independent Directors	Dr. B. Venkataraman	Mr. Deepak Vaidya	Prof. V. N. Rajasekharan Pillai	Mr. T. S. Naryanasami	Mr. Satnam Arora	Mr. S. Regunathan	Dr. Arun Rai	Mr. Vinayak Chatterjee	
	(a) Fee for attending Board committee meetings	2.60	2.00	0.80	2.60	1.60	2.20	1.00	0.80	13.60
	(b) Commission	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	20.00
	(c) Others	-	-	-	-	-	-	-	-	-
	<b>Total (1)</b>									<b>33.60</b>
2	Other Non Executive Directors	Dr. Prathap C. Reddy	Ms. Suneeta Reddy	Ms. Shobana Kamineni	Mr. S. N. Sahai <sup>(A)</sup>		Ms. Vineeta Rai	Ms. Renu S. Karnad		Total Amount
	(a) Fee for attending Board committee meetings	1.00		2.20	0.60		2.00	1.80	0.80	8.40
	(b) Commission	2.50		2.50	2.50		2.50	2.50	2.50	15.00
	(c) Others	-		-	-		-	-	-	-
	<b>Total (2)</b>									<b>23.40</b>
	<b>Total(B)=(1+2)</b>									<b>57.00</b>
	<b>Total Managerial Remuneration (A+B)</b>									
	<b>Overall Ceiling as per the Act</b>									Rs 399.56 lacs (being 11% of the net profit of the Company calculated as per Section 198 of the Companies Act, 2013)

<sup>(A)</sup> The Director represents Govt. of NCT of Delhi and as per the instructions received from the Govt. of NCT of Delhi, the amount of commission has been paid to DDO, Health & Family Welfare Dept., Govt. of NCT of Delhi.

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

(Amount in Rs. lacs)

S.No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. Ajay Kumar Singhal-Vice President cum Company Secretary	Mr C.P Tyagi-Chief Financial Officer <sup>#</sup>	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	82.95	50.83	133.78
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	7.92	3.50	11.42
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2	Stock option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as% of profit - others, specify.	-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	<b>90.87</b>	<b>54.33</b>	<b>145.20</b>

<sup>#</sup> # Mr C.P Tyagi has been appointed as CFO wef 01-06-2017.

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NONE

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)
<b>A</b>	<b>COMPANY</b>				
Penalty					
Punishment					
Compounding					
<b>B</b>	<b>DIRECTORS</b>				
Penalty					
Punishment					
Compounding					
<b>C</b>	<b>OTHER OFFICERS IN DEFAULT</b>				
Penalty					
Punishment					
Compounding					

## ANNEXURE – 2: FORM NO. MR-3

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2018

*[Pursuant to section 204(1) of the Companies Act, 2013 read with Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014*

To,

The Members  
**Indraprastha Medical Corporation Limited**  
CIN: L24232DL1988PLC030958  
Sarita Vihar  
Delhi–Mathura Road  
New Delhi – 110 076

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Indraprastha Medical Corporation Limited (hereinafter called “the Company”). The 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 Indraprastha Medical Corporation Limited’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 authorised 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 March 31, 2018 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 examined the books, papers, minute books, forms and returns filed and other records maintained by Indraprastha Medical Corporation Limited (“the Company”) for the financial year ended on 31<sup>st</sup> March, 2018 according to the provisions of:-

- (i) The Companies Act, 2013 (“the Act”) and rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and bye - laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment, and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) Securities and Exchange Board Of India (Prohibition Of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the financial year 2017-2018);
- (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the financial year 2017-2018);
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the financial year 2017-2018);
- (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding Companies Act and dealing with client; (Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the Financial Year 2017-2018);
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the financial year 2017-2018);
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the financial year 2017-2018); and
- (vi) Food Safety and Standards Act, 2006;
- (vii) Prevention of Food Adulteration Act, 1954.
- (viii) Employees Provident Fund and Miscellaneous Provisions Act, 1952;
- (ix) Employees State Insurance Act, 1948;
- (x) Industrial Dispute Act, 1947;
- (xi) Minimum Wages Act, 1948;
- (xii) Payment of Bonus Act, 1965;
- (xiii) Payment of Gratuity Act, 1972;
- (xiv) Payment of Wages Act, 1936;
- (xv) Apprentices Act, 1961;
- (xvi) Employment Exchange (Compulsory Notification of Vacancies) Act, 1959;
- (xvii) Maternity Benefit Act, 1961;
- (xviii) Employees Compensation Act, 1923;

- (xix) Contract Labour (Regulation & Abolition) Act, 1970;
- (xx) Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013;
- (xxi) Delhi Shops and Establishments Act, 1954;
- (xxii) Environment Protection Act, 1986 and other Environmental Laws;
- (xxiii) Air (Prevention and Control of Pollution) Act, 1981 and Rules;
- (xxiv) Water (Prevention and Control of Pollution) Act, 1974 and Rules;
- (xxv) Noise Pollution (Regulation and Control) Rules, 2000;
- (xxvi) Delhi Nursing Council Act, 1997;
- (xxvii) Indian Nursing Council Act, 1947;
- (xxviii) Delhi Nursing Home Registration Act, 1953;
- (xxix) Indian Medical Council Act, 1956;
- (xxx) Delhi Medical Council Act, 1997;
- (xxxi) Medical Termination of Pregnancy Act, 1971 and Rules;
- (xxxii) Narcotics Drugs & Psychotropic Substances Act, 1985;
- (xxxiii) Drugs and Cosmetics Act, 1940;
- (xxxiv) Blood Bank Regulation under Drugs and Cosmetics Rules, 1999;
- (xxxv) Pre-natal Diagnostic Techniques Act, 1994 and Rules;
- (xxxvi) Transplantation of Human Organ Act, 1994 and Rules;
- (xxxvii) Drugs & Magic Remedies (Objectionable Advertisement) Act, 1954;
- (xxxviii) Bio-Medical Waste Management Handling Rules, 1998;
- (xxxix) Indian Boilers' Act, 1923 and Rules;
- (xl) Petroleum Act, 1934 and Rules;
- (xli) Hazardous Waste (Management & Handling) Rules, 1989;
- (xlii) Delhi Fire Prevention and Fire Safety Act, 1986;
- (xliii) Delhi Fire services Act, 2007;
- (xliv) Delhi Lift Rules, 1942;
- (xlv) Prohibition of Smoking in Public Places Rules, 2008;
- (xlvi) Delhi Registration of Birth and Deaths Act, 1969;

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

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;

- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

We further report that the compliance by the Company of applicable financial laws, such as direct and indirect tax laws, has not been reviewed in this audit since the same have been subject to review by the statutory auditors.

We further report that:-

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women Directors. The Changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act;
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting; and
- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

We further report that during the audit period, there were no instances of:-

- (i) Public / Rights / Preferential Issue of Shares / Debenture / Sweat Equity;
- (ii) Redemption / Buy-back of Securities;
- (iii) Major decisions taken by the members in pursuant to section 180 of the Companies Act, 2013;
- (iv) Merger / Amalgamation / Reconstruction etc.;
- (v) Foreign Technical Collaborations.

**CS BALDEV SINGH KASHTWAL**  
**PARTNER**  
**RSM & CO.**  
**COMPANY SECRETARIES**  
**FCS NO. 3616, C. P. NO. 3169**

Place: Delhi  
Dated: 9<sup>th</sup> May, 2018

Note: This report is to be read with our letter of even date which is annexed as an "Annexure-A" and forms an integral part of this report.

## “ANNEXURE-A”

To,

The Members  
**Indraprastha Medical Corporation Limited**  
CIN: L24232DL1988PLC030958  
Sarita Vihar,  
Delhi-Mathura Road,  
New Delhi-110 076

Re: Our Secretarial Audit Report for the Financial Year ended 31<sup>st</sup> March, 2018 of even date is to be read with this letter

We report that:-

- a) 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.
- b) 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 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.

- c) We have not verified the correctness and appropriateness of the financial statements of the Company.
- d) We have obtained the management representation about the compliance of laws, rules and regulations, wherever required.
- e) The compliance of the provisions of the 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.
- f) 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.

**CS BALDEV SINGH KASHTWAL**  
**PARTNER**  
**RSM & CO.**  
**COMPANY SECRETARIES**  
**FCS NO. 3616, C. P. NO. 3169**

Place: Delhi  
Dated: 9<sup>th</sup> May, 2018

## ANNEXURE – 3: ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs	Brief outline of the Company's CSR objectives and its focus on projects/programs are mentioned in the CSR section of the Board's report.
2. Composition of the CSR Committee	Ms. Vineeta Rai (Chairperson) – Non-Executive Director Ms. Suneeta Reddy - Non-Executive Director Mr. S. Regunathan - Independent Director
3. Average net Profit for last 3 financial years	Rs. 4530.56 lacs
4. Prescribed CSR expenditure (two percent of the amount as in item 3 above)	Rs. 90.61 lacs
5. Details of CSR spent during the financial year	
a. Total amount to be spent for the financial year	Rs. 90.61 lacs
b. Total amount spent for the financial year	Rs. 91.93 lacs
c. Amount unspent, if any	None
d. Manner in which the amount spent during the financial year is given in CSR spent table attached.	
6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report	Not Applicable

## DETAILS OF CSR SPENT

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs	Amount Outlay (budget) project or programs wise	Amount Spent on the projects or programs Subheads:		Cumulative Expenditure up the reporting period	Amount Spent Direct or through implementing agency *
					Direct	Overheads		
<b>A</b>								
<b>1 A Healthy Start – MCD Schools and Delhi Government Schools</b>								
	Day to day cleaning of toilet blocks in 2 MCD schools (Molarband and Gautampuri).	Sanitation [Schedule VII (i)]	Molarband and Gautampuri, New Delhi	595,000	593,550	-	593,550	Direct
<i>Project Synopsis:</i> Going beyond construction of toilets, the CSR project A Healthy Start also addresses the critical issue of cleanliness by providing full-day cleaning staff to clean toilets in Molarband and Gautampuri MCD schools. An initiative that is much appreciated by the schools.								
	Construction / Improvement of infrastructure in Delhi Government Schools such as classrooms, playgrounds, and related facilities. Rotary Foundation was Implementing Agency	Promoting Education [Schedule VII (ii)]	Schools identified in Badarpur	2,750,000	2,750,000	-	2,750,000	Implementing agency
<i>Project Synopsis:</i> Further to the successful completion of school toilets in three schools as under FY 2016-17, the collaboration with noted international NGO Rotary Foundation was continued. The grant was given to Rotary in March-end 2018. On the advice of the Directorate of Education, infrastructure upgradation was indicated as critical for Delhi Government schools. Three schools were identified through the Badarpur MLA's office for upgradation of classrooms, provision of drinking water, provision of playgrounds for sports etc. Permission has been requested for the works from Directorate of Education and work will begin as soon as permission is received.								
<b>2 A Healthy Start - Partnership with NGOs and Community Support Organisations to expand outreach to underprivileged children:</b>								
	Critical education and life skills training in gender equity, sanitation, empathy and conflict resolution for children in two MCD schools.	Promoting education [Schedule VII (ii)]	Molarband and Gautampuri, New Delhi	1,000,000	998,000	-	998,000	Implementing agency
<i>Project Synopsis:</i> Underprivileged school children all over India experience a paucity of resources in schools due to which learning outcomes are often sub-optimal. To address this need among primary school children, NGO Nalandaway Foundation was contracted to conduct critical training in the two MCD project schools through their awarded Art in Education programme to improve learning outcomes, life skills training in gender equity, sanitation, and conflict resolution. The work begun in 2016-17 was taken forward and is being very well received.								
	Scholarships for 200 deserving underprivileged school students to promote educational excellence	Promoting education [Schedule VII (ii)]	Delhi Government Senior Secondary Schools in Jasola and Tughlaqabad, New Delhi	400,000	400,000	-	400,000	Direct
<i>Project Synopsis:</i> Furthering its commitment to underprivileged school children, Apollo Hospitals Scholarship was given to 200 meritorious children in two Delhi Government Senior Secondary project schools. After an examination, 100 winners in each school (200 winners in total) were awarded Rs 2000/- each in cheques. Winners were also presented with Apollo Hospitals Scholarship Certificates in two separate school events.								
3	Contribution to The Lepra India Trust that works with leprosy afflicted patients and hearing impaired children	Promoting education [Schedule VII (ii)]	New Delhi	400,000	400,000	-	400,000	Direct
<i>Project Synopsis:</i> Lepra India Trust that works with leprosy afflicted patients and hearing impaired children in Delhi								
4	Health Camps for deserving underprivileged communities in proximate areas including monthly camps for pregnant women	Preventive healthcare [Schedule VII (i)]		503,000	500,441	-	500,441	Direct
<i>Project Synopsis:</i> Monthly health camps for underprivileged pregnant women were held to ensure they had access to preventive health care and a health camp was also held in Rishikesh during International Yoga Festival and in a village nearby								

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs	Amount Outlay (budget) project or programs wise	Amount Spent on the projects or programs Subheads:		Cumulative Expenditure up the reporting period	Amount Spent Direct or through implementing agency *
					Direct	Overheads		
5	Supporting NGOs that work with the underprivileged for the rehabilitation of neurological conditions.	Preventive healthcare [Schedule VII (i) ]	Delhi	1,000,000	1,000,000	-	1,000,000	Implementing agency
<i>Project Synopsis:</i> NeuroAid Foundation is a non-profit organisation that works on the rehabilitation of the underprivileged afflicted with neurological conditions at birth or through trauma, which requires specialised equipment and care. The Foundation has been supported to fund the purchase of specialised equipment that will enable efficient physiotherapy management and training in neurodevelopmental techniques for persons in need.								
6	Misc Expenses- (community support activities, disaster outreach, Transport, training, outstation travel, etc)	Measure to remove inequality faced by economically backward groups [Schedule VII (iii)]	Delhi	281,000	280,419	-	280,419	Direct
<i>Project Synopsis:</i> Expenses on account of transport to project sites, travel.								
	Salaries	-	Delhi	471,000	470,756	-	470,756	Direct
<b>B</b>								
1	Contribution to Apollo Hospitals Educational and Research Foundation (AHERF) to undertake and promote scientific and medical research programs	Promoting Preventive health care [Schedule VII (i)]	Delhi	1,800,000	1,800,000	-	1,800,000	Implementing agency
<i>Project Synopsis:</i> Contribution has been made to undertake and promote scientific and medical research programs to provide affordable healthcare to the community, especially the underprivileged on the non-communicable diseases (NCDs).								
				<b>9,200,000</b>	<b>9,193,166</b>	<b>-</b>	<b>9,193,166</b>	

## ANNEXURE – 4: CRITERIA'S FOR EVALUATION OF INDEPENDENT DIRECTORS / DIRECTORS / CHAIRPERSON

The candidate or the nominee, who complying with all the eligibility requirements as stated under Companies Act, 2013 read with relevant Schedule and rules thereto as issued by the Ministry of Corporate Affairs, SEBI equity listing Agreement and all other applicable laws including any statutory modification, amendment and notification as may be issued from time to time, for appointment including re appointment as Independent Director of the Company shall be screened/evaluated on the following key criteria's as determined by the Company:

- a) Professional qualification and academic achievements.
- b) Personal attributes i.e.,
  - i. Integrity
  - ii. Honesty
  - iii. Expertise in the field of specialization
  - iv. Ability to share vision
  - v. Leadership
  - vi. Financial literacy
  - vii. Values
  - viii. Ethical behaviour
  - ix. Wisdom

- x. Trustworthy
- xi. Professional conduct
- xii. Affiliation to political parties
- c) Public standing and reputation in industry and financial markets.
- d) Conflict of interest vs interest of the company.
- e) Expectations and balancing of people of diverse fields in the Board.
- f) His directorship in other companies.

The above mentioned parameters or the criteria's has been evolved, in order to facilitate the Board in taking the decision of appointment or re appointment of any nominee or the candidate on the Board as an Independent Director.

The Board may modify the criteria as and when feel necessary and may incorporate or delete any of the criteria as determined by the Nomination and Remuneration Committee. The above mentioned criteria's are solely and exclusively evolved by the Nomination and Remuneration Committee under relevant policies of the Company.

## ANNEXURE – 5: REMUNERATION POLICY

### BACKGROUND

In terms of the requirement stated under Companies Act, 2013 read with related rules issued thereon as amended from time to time and revised clause 49 of the equity Listing Agreement, Indraprastha Medical Corporation Limited (“the Company”) has formulated a policy document namely “Remuneration Policy” which will deal with the remuneration of the Directors, Key Managerial Personnel’s (“KMP’s”), Senior Management Personnel’s (“SMP’s”) and other employees of the Company.

### OBJECTIVE

The objective of the Company’s Remuneration Policy is to ensure that the Directors, KMP’s, SMP’s and other employees of the Company are governed by comprehensive compensation criteria that foster meritocracy and right behaviours. Remuneration packages are designed to attract and retain high calibre personnel required to run the Company successfully. The remuneration shall be competitive and based on the individual responsibilities and performance.

The Remuneration Policy is guided by a common reward, retention framework and set of principles and objectives as more fully and particularly envisaged under section 178 of the Companies Act, 2013 read with related rules issued thereon, inter-alia principles pertaining to determining qualifications, positive attributes, integrity and independence etc.

The policy is divided into separate sections for Directors, KMP’s, SMP’s and other employees of the Company. The basic guiding principle is that the remuneration and other terms of employment shall be competitive in order to ensure that the Company can attract and retain competent executives.

### 1. REMUNERATION TO DIRECTORS

#### Section – A

##### Remuneration to Executive Directors

The remuneration policy for the executive directors has been formulated, considering the following key principles including but not limited to the basic principle to have long term relationship with the Company:

##### Key Principles:

- **Linked to strategy:** A substantial portion of the executive director’s remuneration is linked to success in developing and implementing the Company’s strategy.
- **Performance related:** A part of the total remuneration varies with performance, aligning with the shareholder’s interest.
- **Long term:** The structure of remuneration is designed to reflect the long term nature of the Company

and significance of the protection of interest of the shareholders.

- **Fair treatment:** Total overall remuneration takes account of both the external market and company conditions to achieve a balanced “fair outcome”.

##### Elements of the Remuneration structure of Executive Directors:

- **Fixed salary**

Company shall provide the base level fixed remuneration to reflect the scale and dynamics of the business and to be competitive with the external market.

- **Perquisites and Allowances**

Company shall provide such perquisites and allowances to the executive directors as may consider necessary, keeping in view the market trend, industry analysis etc.

- **Performance-linked bonus which shall be a cumulative outcome of both the individual target achievement level as well as the Company’s Performance.**

- Certain portion of the variable part of remuneration shall be dependent on short term performance against the annual plans of the Company.

- Substantial portion of the variable part of the remuneration shall tie with the long term performance. The level varies according to the performance relative to the measures linked to strategic priorities.

- **Special awards for breakthrough business performance**

Company shall provide the special awards in terms of deferred bonus for breakthrough business performance.

- **Premium for Health Insurance**

The company may pay the premium for Health Insurance for executive directors and their spouse as may be decided by the Board.

- **Premium for Indemnity Insurance**

The company may pay premium for indemnity Insurance to cover the liability of executive directors of the Company towards any claims that may be filed against any of the executive directors of the Company.

Pursuant to the provisions of Section 197 of the Companies Act, 2013, where any insurance is taken by a company on behalf of its Managing Director, Whole-time Director, Manager, Chief Executive Officer, Chief Financial Officer or Company Secretary for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may

be guilty in relation to the company, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

- Other benefits in accordance with the market practice and industry analysis.

Annual remuneration reviews shall be based on individual performance, Company Performance, market environment and future plans.

The remuneration to any one Managing Director or Whole Time Director or Manager shall not exceed five percent of the net profits of the Company and if there is more than one such director remuneration shall not exceed ten percent of the net profits to all such directors and Manager together.

## Section – B

### Remuneration to Non-Executive Directors & Independent Directors (“Collectively referred to as NED’s”)

This Section deals with the requirements pertains to the remuneration structure of NED’s.

#### Key Principles

- Remuneration should be sufficient to attract, retain and motivate best non executive talent suits to the requirement of the Company.
- Remuneration practice should be consistent with the recognized best standard practices for NED’s.
- Independent Directors are not entitled to have any stock options.

#### Elements of the Remuneration structure of NED’s

- **Fee for attending Board, Committee and other meetings**
  - NED’s may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board.
  - The amount of fees shall not exceed the amount as may be prescribed under Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and any amendment thereto.
  - The amount of fee to Independent directors and women directors shall not be less than the fee payable to other directors.
  - The Board shall review the quantum of fee of NED’s as may considered necessary keeping in view the industry trends, corporate practices, Company’s performance, shareholder’s interest and the relevant statutory guidelines issued from time to time.

- **Commission on profits**

- In addition to the fee paid by the Company for attending Board and Committee meetings , NED’s may receive commission on profits of the Company as may be decided by the Board within the limits as specified in the Companies Act, 2013 read with related rules issued thereon and all other applicable laws.
- While determining the amount of fee and commission on profits, the Board shall take into account the market practice, the performance of the Company, the travel and time commitment required for attending Board and Committee meetings and extent of responsibilities cast on directors under the various laws and other relevant factors.
- Any director who is in receipt of any commission from the company and who is a managing or whole-time director of the company shall not be disqualified from receiving any remuneration or commission from any holding company or subsidiary company of the Company subject to its disclosure by the company in the Board’s report.

- **Reimbursement of expenses**

NED’s shall be entitled to reimbursement of expenses on travelling, lodging, boarding and other expenses incurred for participation in the Board and Committee meetings or for any other purpose as may be decided by the Board.

- **Premium for Health Insurance**

The Company may pay the premium for Health Insurance for NED’s and their spouse as may be decided by the Board.

- **Premium for Indemnity Insurance**

The Company may pay premium for indemnity Insurance to cover the liability of NED’s of the Company towards any claims that may be filed against any of the Non-executive directors of the Company.

- **Ceiling of one percent of Net profit**

The amount of commission to NED’s, premium for health insurance for non-executive directors including independent directors and their spouses shall not exceed 1% of the Net profits of the Company. The ceiling of one percent of net profits shall be exclusive of the fees payable to directors.

## 2. REMUNERATION TO KEY MANAGERIAL PERSONNEL

The remuneration to Key Managerial Personnel’s of the Company i.e. Managing Director/Chief Executive Officer/ Whole Time Director, Company Secretary and Chief Financial Officer as defined under Companies Act, 2013 read with related rules issued thereon, will be fixed after taking into account educational and professional qualification, experience & expertise of the personnel and the competitive market practices.

### **Key Principles**

- Remuneration should be sufficient to attract, retain and motivate best non-executive talent suits to the requirement of the Company.
- Remuneration practice should be consistent with the recognized best standard practices for Key Managerial Personnel's.

### **Elements of the Remuneration structure of KMP's**

- The remuneration to key managerial personnel shall include:
  - Fixed salary
  - Perquisites and Allowances
  - Performance-linked bonus which shall be a cumulative outcome of both the individual target achievement level as well as the Company's Performance.
- Over and above, the key managerial personnel may be offered -
  - Special awards for breakthrough business performance
  - Commission on annual profits
  - Other benefits in accordance with the market practice
- Annual remuneration reviews shall be based on individual performance, Company Performance, market environment and future plans.

### **3. REMUNERATION OF SENIOR MANAGEMENT PERSONNEL AND OTHER EXECUTIVES**

- The remuneration to Senior Management personnel shall be fixed considering internal, external and individual equity; and also procedural equity.
- Remuneration to Senior Management Personnel shall include -
  - Fixed Salary
  - Perquisites and Allowances
  - Performance-linked bonus which shall be a cumulative outcome of both the individual target

achievement level as well as the Company's Performance.

- Over & above the Senior Management Personnel may be offered Retention Bonus, where deemed fit, to ensure continuity of service depending upon:
  - Criticality of the role
  - Difficulty of replacement
  - Risk of Resignation
- Other benefits in accordance with the market practice

Annual remuneration reviews shall be based on individual performance, Company Performance, market environment and future plans.

### **4. REMUNERATION TO OTHER EMPLOYEES**

- The grades / job families shall primarily determine the distinction in the pay fixation for different levels of employees.
- Wage and salary structure shall be kept simple and avoid unnecessary complexity so as to provide effective compensation and reward to employees.
- Retention bonuses may be given and the formula / criteria wherever devised shall be subject to decision of the management.
- The discipline of normal Bell Curve distribution shall however form an integral part of determining the pattern of pay-raise among the entire spectrum of employees.
- Annual Pay increases shall be based on a combination of competency and performance rating.

#### **Administration, Review and Amendment of the Policy**

The Board shall be responsible for the administration, interpretation, application and review of this policy. The Board shall be empowered to bring about necessary changes to this policy, if required at any stage in compliance with the prevailing laws.

The Company reserves its right to amend or modify this policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding unless the same is notified in writing.

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# MANAGEMENT DISCUSSION & ANALYSIS

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## INDUSTRY STRUCTURE AND DEVELOPMENTS

### Healthcare Services in India—General Overview

India's GDP has been growing consistently above 7% for the past several years, but the same growth has not reflected on the HDI (Human Development Index) as pointed out in a statement by the Niti Aayog. A lower HDI implies that millions of Indians have less access to healthcare and education than people in more advanced countries or even in other developing countries in the region. Deprivation of health services of even a basic standard leads to disease and illness that could otherwise be contained or avoided altogether. This then impacts health metrics of the populace thereby stunting socio-economic metrics – a phenomenon which is more pronounced in developing countries. The primary challenge remains to improve access to healthcare, both in terms of reach and affordability, and to aim for universal health care which will ensure that the health needs of the vulnerable and under-privileged population are adequately addressed.

India inherited a basic and limited health care infrastructure which was inadequate to meet the demands of a large and diverse population. Even today, its public healthcare facilities face challenges in providing coverage of quality health services, which tend to be understaffed and poorly equipped in terms of basic infrastructure and equipment. There is a significant gap in the supply of healthcare services compared to the demand.

The large unmet opportunity combined with the strong fundamentals in the market, has led to the emergence of private healthcare service providers giving thrust to the country's healthcare system. In the past two decades, the Indian healthcare sector has become one of the largest sectors in the country and has achieved several milestones. Today, private healthcare services provide world class facilities, highly skilled and globally recognized professionals and advanced technology facilities largely in the Tier I urban areas of the country. However, there are many more milestones yet to be achieved in the Indian healthcare space largely in terms of overall healthcare reach and availability.

The Indian healthcare delivery segment is largely driven by private sector players which occupies a major share of nearly 80% of the country's total healthcare market. It also accounts for almost 74% of the country's total healthcare expenditure, while its share of hospital beds is estimated at 40%. The private sector has done a commendable job in creating institutes of excellence and has been able to realize significant value. The enduring success has led to the emergence of multiple players and

spawned industry diversification and deep specialization enhancing verticalization and reach of offerings. Today, the Indian Healthcare industry has become a preferred sector for strategic and financial investments.

*Source:* A report on 'Indian Hospital Services Market Outlook' by consultancy RNCOS, Grant Thornton, LSI Financial Services, OECD

It is pertinent 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.

In the Union Budget 2018, the Government of India announced the 'Ayushman Bharat - National Health Protection Mission' (AB-NHPM), under which over 10 crore poor and vulnerable families of the country will get free health insurance benefits. The Ayushman Bharat Scheme is considered as the biggest ever Government-sponsored health scheme launched by any country so far. The beneficiaries will be able to get free and cashless health insurance benefit upto Rs. 5 lacs per family at any public or private hospital across the country.

Some other important Government of India's initiatives in healthcare sector can be summed up as below:

- In the Budget 2018, the Government of India has provided increase in the tax deduction to encourage individuals to buy more health insurance
- Encouraging policies for FDI and the private sector
- Encouragement to the PPP model to improve availability of healthcare services and provide healthcare financing
- GST exemption to all healthcare education and training services
- Increase in tax holiday under section 80- IB for private healthcare providers in non metros for minimum of 50 bedded hospitals
- Income tax exemption for 15 years for domestically manufactured medical technology products.
- Encouraged the private sector to establish hospitals in Tier II- & Tier III cities by relaxing the taxes on these hospitals for the first five years

It is worth mentioning how India's health system has undergone a major transformation in the last two decades. The overall Indian health care industry revenue currently stands at an estimated size of USD 110 billion and is expected to touch USD 372 billion by 2022. The hospital industry in India stood at USD 61.79 billion in 2017 and is expected to increase at a 16-17% CAGR to reach

USD 132.84 billion by 2023. These statistics indicate that today the Indian Healthcare sector is growing at a tremendous pace owing to its strengthening coverage, services and increasing expenditure by public and private players. At present, Healthcare has become one of India's largest sectors both in terms of revenue and employment. Today, the Government is also taking notable steps to enhance the overall healthcare services penetration in the country. Indian companies are entering into mergers and acquisitions with domestic and foreign companies to drive growth and gain new markets. All of these developments are expected to result in sustained expansion and progress of the Indian healthcare industry as a whole.

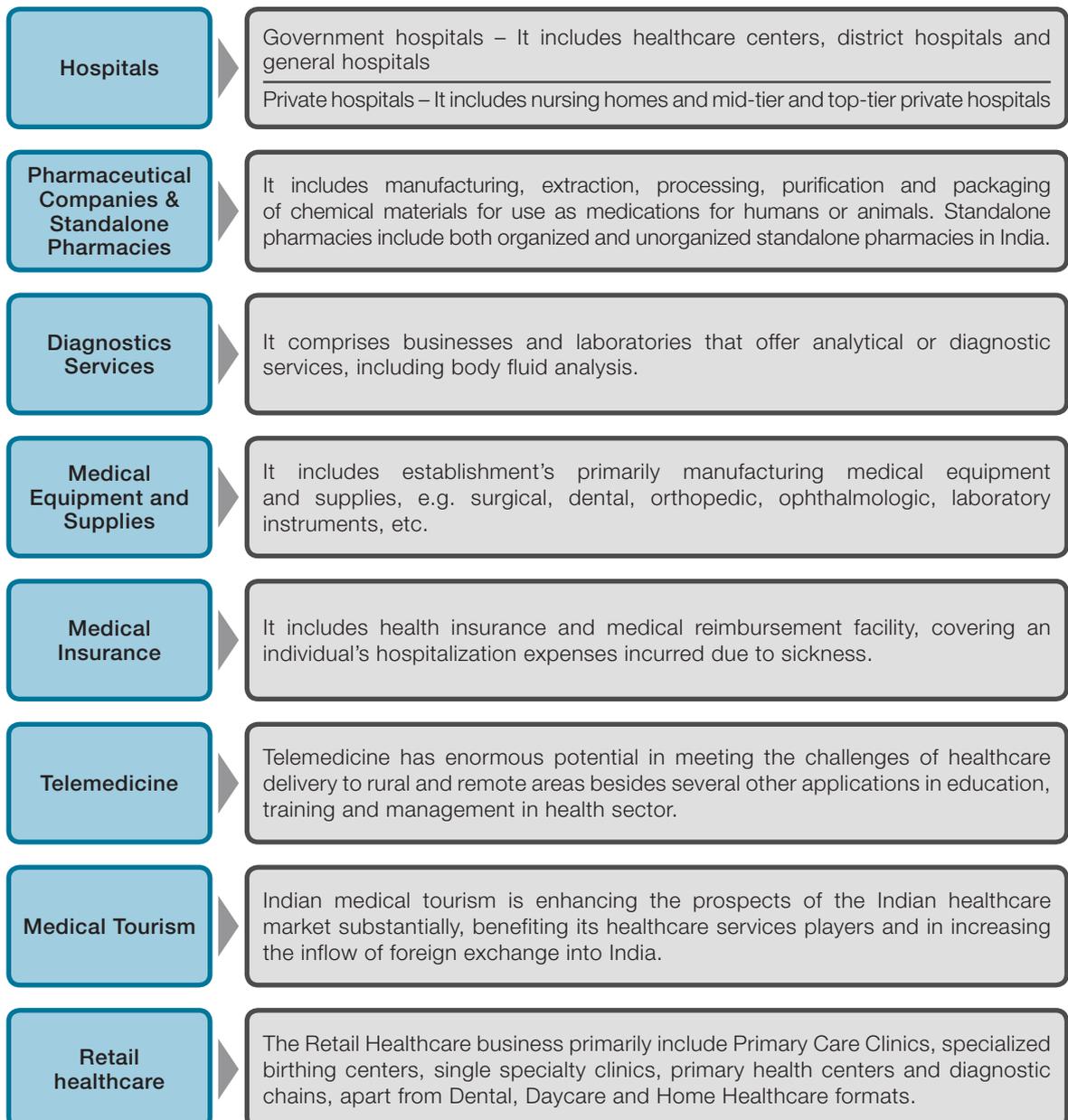
Source: Frost & Sullivan, LSI Financial Services, Deloitte, TechSci Research.

### The Healthcare Service Delivery Landscape in India

The Healthcare sector in India broadly includes Hospitals, Pharmaceutical companies & Standalone pharmacies, Diagnostic services, Medical equipment and supplies, Medical Insurance, Telemedicine industries, Medical Tourism and Retail healthcare.

Given India's vast population and the complex nature of healthcare delivery, there remain huge challenges in ensuring equitable and quality healthcare for the entire population. India's existing infrastructure is just not enough to cater to the growing demand. The country's underlying health system and outcomes fall significantly behind those of even regional and peer nations. India continues to report large number of incidences of

## HEALTHCARE



Source: Hospital Market – India by Research on India, Aranca Research

communicable and water-borne disease and also ranks poorly on Child and Maternal mortality rates portraying an unsatisfactory picture of country's general medical and public health conditions.

The Indian Healthcare service delivery has still not matured to a stage where a hospital is sought for preventive treatment and health check-ups but is being mainly approached for treatment of diseases or surgeries and other health related major problems. As the sector matures, it is expected that the penetration of other verticals of healthcare ecosystem such as primary and secondary care formats will substantially increase and these will satisfactorily serve an appropriate proportion of healthcare needs of the population.

### STRUCTURE OF HEALTHCARE DELIVERY IN INDIA

The Healthcare sector is majorly divided into three categories: primary, secondary and tertiary. The primary sector which mainly operates at the grass-root level has minimal involvement of private players. A major portion of secondary and tertiary healthcare institutions comes from private sector with a concentration in metros, Tier I and Tier II cities.

Currently, the Government of India's expenditure on healthcare is 1.2% of GDP and the Government is targeting to increase that to 2.5% by 2025. However, the country's healthcare expenditure is also disproportionately distributed between urban and rural areas which have resulted in sharp disparity in healthcare availability across the country. Rural India, which accounts for approximately 70% of the population, is set to emerge as a potential demand source. Today, India offers vast opportunities for investment in healthcare infrastructure in both urban and rural India.

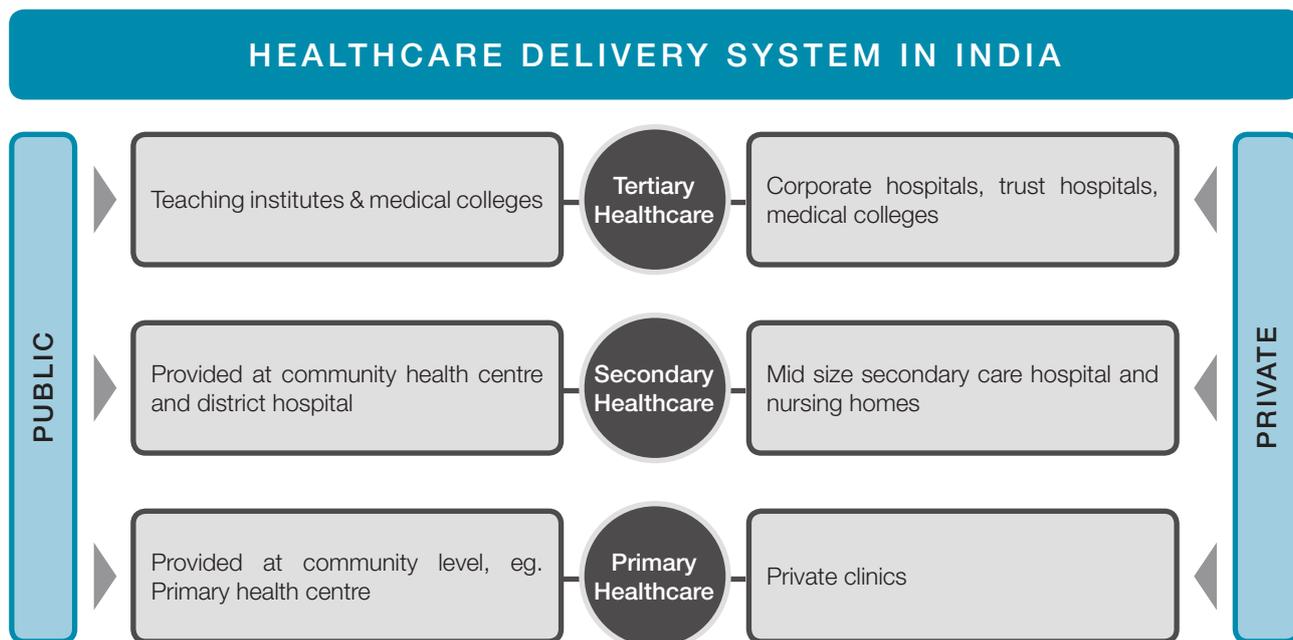
Source: WHO World Health Statistics 2015, E&Y, LSI Financial Services

Even though the country is witnessing rapid expansion in healthcare sector the shortage of medical workforce remains a big challenge. The World Health Organization (WHO) prescribes a doctor population ratio of 1:1000 whereas India's doctor-population ratio stands at 0.62:1000 as per current population which is estimated to be of around 1.33 billion. It is estimated that India will require 2.07 million more doctors by 2030 in order to achieve a doctor-to-population ratio of 1:1000.

Additionally, hospital bed density in India is merely 0.9 per 1000 persons, while the minimum advocated by the WHO is 3.5 beds per 1000 people. It is estimated that an additional 3 million beds would be needed to achieve the target of 3 beds per 1000 people by 2025. These statistics indicate the astonishing healthcare infrastructure gap in the country and the overall tremendous growth potential of the Indian healthcare industry should the country simply progress towards the global mean.

The diagnostic market in India has grown significantly in the past few years. The diagnostic market is split between imaging and pathology with 30% and 70% share respectively. The overall diagnostic industry is growing exponentially owing to its extended coverage, range of services and increasing expenditure by public and private players. Today, foreign hospital chains are increasingly outsourcing their pathology and laboratory tests due to the high costs differential in India. The diagnostic market is expected to witness CAGR of 20.4% and will stand at USD 32 billion, rising enormously from USD 5 billion in 2012.

In order to produce visible changes in the overall healthcare services delivery landscape in the country, it is important that elements like accessibility, quality standards, equitability, resource availability and equitable



Source: Frost & Sullivan analysis

distribution will need to be worked upon with a strong collaboration of the Government and private sector.

### Key Characteristics

Strong fundamentals inherent to the sector are expected to accelerate further growth of healthcare demand in India. This industry in India is broadly characterized by the following:

#### Increase in population and demographic trends:

India's growing population and other socio-demographic factors are expected to boost healthcare services demand in future. India is the second most populous country in the world and predicted to become the most populous in the near future. With steady economic growth, the per capita income of the population as well as the economic stability of the expanding middle class population of India is on the rise. Moreover, changing demographics will also contribute to greater health care spending. While the population of India is considerably young, there is in parallel, a growing elderly population of more than 60 years of age. This segment is vulnerable to various chronic diseases.

Therefore, Healthcare service providers in India have immense growth potential due to the country's sheer population size and due to its changing demographic trends.

#### Rising per capita Income and widening of income Inequalities:

According to the International Monetary Fund (IMF), the Indian economy is poised to be one of the top five economies by 2020, following the robust GDP growth supported by a strong industry base. The last decade has witnessed remarkable economic development with the rise in per capita income. The rise in per capita income has improved affordability and access to better healthcare facilities to millions of Indians. Due to increasing affordability, consumers are demanding and willing to pay for superior health care services. However, even as India continues to develop, the difference in earnings are giving rise to wider levels of inequality. Given its vast population, there are several million citizens in various income slab categories and each category is forming a different market in terms of addressable value proposition.

#### Under-served, Under-Consumed:

The healthcare service delivery landscape lags behind with regard to accessibility and still has miles to go in order to improve its overall capacity and geographical reach to meet the requirements of the nation. The biggest challenge for India's health care system is to provide care that's affordable and accessible to its population of 1.3 billion people, almost 70 percent of whom live in rural areas. Public health care institutions — ranging from primary health centers that form the backbone of the system in rural areas to larger district-level hospitals are hampered by a lack of manpower and inadequate resources such as diagnostics, pathology services and stock-outs.

In terms of global comparison, with only 0.9 bed per 1000 population, versus a global average of approximately 2.9 beds per 1000 population, the current hospital infrastructure in India is inadequate. Approximately 3 million beds need to be added by 2025 to meet the rising demand and address the current shortage. A combination of unaffordability and minimum access to healthcare facilities, especially for the under privileged people belonging to the lower strata of society has led to a massive under consumption of healthcare in the country.

#### Changing nature of disease:

With a large number of the populace living in sub-optimal sanitation conditions, without access to safe drinking water and in a largely tropical climate, communicable diseases is a constant threat. There is also a deep gap in some of the basic primary care services across the country. The private health care service providers should endeavour to provide basic health care service across the length and breadth of the country.

As regards the segment of the population with increasing incomes, the disease profiles are changing. Rising pollution levels, rich diets, sedentary lifestyles and rising stress levels are leading to an increase in the incidence of non-communicable diseases (NCD). Currently about 50% of spending on in-patient beds account for NCD's due to problems related to modern-day living in urban-settings. India needs to be prepared for an increasing incidence of NCDs and the healthcare sector needs to gear up to tackle the requirements of such a large populace. Vast opportunities are foreseen for investment in health care infrastructure in both urban and rural India.

#### Health Infrastructure skewed towards urban areas:

Private investments and FDIs in healthcare have largely focused on urban areas. Private investments are not only skewed towards urban areas, they are also skewed towards curative care (tertiary/quaternary) rather than preventive care (primary/secondary).

Tier II and III cities continue to face challenges in provisioning of adequate health infrastructure and facilities. Rural infrastructure has largely been supported by public investments though they too remain fairly inadequate. While a vast number of our citizens live in rural areas, health access in these areas trails access in urban areas significantly.

Low per capita income, low expenditure on healthcare, poor availability of doctors and health workers, coupled with poor insurance penetration in rural areas are reasons for the vast disparity in offerings when compared with urban and semi-urban areas. Today, there exists a substantial demand for high-quality and specialist healthcare services in tier-II & III cities. The Indian Government has provided fiscal incentives on setting up of private hospitals in rural areas to encourage the private sector to establish hospitals in these regions.

#### Changing Nature of Cities and Towns:

Earlier, patients were found travelling from the various parts of the country to access healthcare services at

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known healthcare centers which were pre-dominantly concentrated in certain pockets within key urban cities. Even within the same city a popular healthcare facility would attract patients from all corners. With the increasing sizes of cities and metros in the country, large standalone multi-specialty hospitals are facing a disadvantage as patients even from the same city prefer neighborhood facilities as they offer greater convenience. Competitive intensity is further heightened as these centers are less intimidating to customers and require lower capital to set up. Further, with increase in economic migration the traditional doctor-patient relationship dynamic has waned. Therefore, patients are found accessing healthcare services which are conveniently located nearer their residences, rather than traveling large distances.

#### **Scaling up Medical Value Travel (MVT):**

Presence of world-class hospitals and skilled medical professionals has strengthened India's position as a preferred destination for Medical Value Travel (MVT). Superior quality healthcare, coupled with cost competitive treatment options in comparison to other countries is benefitting the Indian MVT. Today, the country has become a very attractive destination for foreign patients, which has in turn enhanced the prospects of the Indian healthcare market. The Indian MVT industry which has been growing by leaps and bounds over the past many years is only expected to grow further.

A key driver for this growth has been the quality of health care services by providers and the major cost benefits to overseas patients seeking medical interventions. Statistics reveal that treatment of major surgeries in India costs approximately 20% of that in developed countries. Indian healthcare has also immensely benefitted by consistently improving its standing by being able to successfully deliver a greater sophistication of offerings and for the skill sets of its medical professionals.

The presence of state-of-the-art hospitals, India's cultural diversity and attraction as a tourist destination, and accomplished medical professionals coupled with lower cost of healthcare services, has strengthened India's position as a preferred destination for MVT. In addition to this, several initiatives undertaken by the Government towards supporting the MVT industry is playing a substantial role in strengthening India's position as a preferred destination for MVT.

Large numbers of medical value travelers are also attracted to India by the alternative healthcare service offerings available here like Yoga, Meditation, Ayurveda and other traditional methods of treatment. The specially constituted Ministry of AYUSH, Government of India, has been implementing various initiatives to promote Ayurveda, Yoga and other AYUSH systems of medicine at an international scale with a budget allocation of Rs. 15.28 crore (USD 2.36 million) in 2017-18.

The MVT market in India is estimated to be around USD 3.0 billion as of 2017 and is further expected to grow and reach USD 6 billion by 2020. The sector has witnessed growth at a CAGR of 27% during 2013-2016. The number of foreign patients coming to India rose by almost 50% to 201,333 in 2016 from 134,344 in 2015.

#### **Rising Investments in the Indian Healthcare space:**

India needs to invest more in public healthcare and build a robust health delivery system in all aspects, including infrastructure and human resources, with special focus on rural areas. Dr. Henk Bekedam, the former WHO Representative to India said *"We know that nations need a healthy population to prosper. Stepping up investment in public healthcare is pivotal to sustaining India's economic growth. Investing in health is investing in India's growth story."*

Today, Indian healthcare funding is witnessing a dynamic growth of venture capital and private equity funds. Investor interest in the healthcare space has significantly risen in the past few years.

Multinational players have consistently been focusing on the Indian health care market and are trying to enlarge their presence through partnerships and investments. FDI in the health care sector has gathered momentum in the recent years. Since January 2000, FDI is permitted up to 100 per cent under the automatic route for hospitals in India. These trends indicate rising investor confidence in the Indian healthcare space and the perception of India as an attractive healthcare investment destination.

With Governmental support for the creation of an enabling environment in the coming years, and the leverage of funding, the healthcare sector will have a new impetus for growth.

## **SWOT ANALYSIS**

### **Strengths**

#### **Brand Value**

Indraprastha Medical Corporation Limited (IMCL) has emerged as a pre-eminent brand in the healthcare sector in the Delhi area and is acknowledged in national surveys as amongst the top healthcare service providers in the country. The positive brand image of IMCL has been successful in attracting best-in-class healthcare professionals and has earned itself a name as the service provider of choice for multiple categories of patients across age, geographic location, budgets and the complexity of care needed.

Further, the "Apollo" brand has emerged as the pre-eminent brand in the healthcare sector in India and in the South-Asian region. It is popularly known as the first corporate hospital network in India which has played a pivotal role in pioneering several developments in the healthcare space. The brand has become synonymous with best-in-class health care services across multiple platforms. The combined overall positive brand image has helped IMCL garner several tangible and intangible benefits.

### **Technological Advancements**

We continue to make significant investments in introducing and upgrading our technology. We believe that quality of care and health outcomes are our primary objectives and advancements in technology have proven instrumental in enhancing treatment techniques and protocols, reducing recovery times and elevating healthcare outcomes.

### **Professional Management team with rich industry experience**

Our management team comprises of senior professionals with abundant industry expertise, proven track record and domain know-how. They possess a proven track record in the healthcare services industry and have been instrumental in driving our strategy and growth.

### **Deep Expertise**

As one of the most respected hospitals in the world, IMCL specializes in cutting-edge medical expertise. Apart from being the preferred service provider in India, there are an increasing number of international patients selecting IMCL on the basis of quality of care and healthcare outcomes, thereby validating the high standard of operations, not just in India, but even globally.

### **Integrated Healthcare Delivery Model**

Through our presence in various initiatives across the healthcare services delivery chain, we believe we have a competitive advantage and are able to benefit from economies of scale and cost efficiencies.

### **Focus on Clinical Excellence**

Clinical excellence is of paramount importance to us. We have systems and procedures that frequently and routinely monitor key metrics and we enjoy high success rates and clinical outcomes especially for complex and high-end medical procedures. We were the first hospital in India to be accredited by the Joint Commission International (JCI), an evidence of the strength and maturity of our institution.

### **TASCC Initiative**

Competing globally with the best healthcare institutions of the world has been a stated ambition. Through the Apollo Standards of Clinical Care, IMCL has benchmarked our practices with the best hospitals in the world to ensure the highest quality clinical standards.

### **Attracting Medical Talent**

IMCL has been consistently able to attract senior medical professionals through a range of engagement models which provides them professional comfort and freedom to deliver optimal performance. Our doctors are specialists widely recognized as national and international leaders in their chosen domains. Further, our training programs help build on the clinical skill-sets of our medical professionals, which can otherwise be a serious constraint to growth and efficiency.

### **Weaknesses**

#### **Intensive Regulatory Requirements:**

Healthcare service providers incur huge capital costs in terms of infrastructure, medical equipment and talent. The regulatory requirements for private healthcare providers are cumbersome and this matter needs to be addressed by regulatory authorities in view of Government of India's objective of 'ease of doing business'. In the present scenario, the licensing and accreditation requirements are not hassle-free. There are multiple onerous requirements, some of which are not relevant in the present context of the industry. There appears to be a lack of understanding between various regulatory authorities and healthcare service providers on this subject. It is widely felt that private healthcare service providers cannot be equated with other businesses. They need to be perceived in the appropriate perspective, in the interest of healthcare services rendered towards society.

#### **Extensive Resource Requirement**

We operate in a sector which is highly capital-intensive – for example, construction costs for specialized interiors and upgrading medical equipment are challenges to the overall financial health of any hospital. In addition to this, the upkeep of our facilities requires considerable investment of capital and significant resources are expended on skilled manpower which includes doctors, nurses and para-medical staff comprising lab technicians, radiographers and therapists. These amongst others are major challenges to the fiscal performance of the hospital.

#### **Limited availability of Skilled Professionals**

Systemic shortcomings in medical education in India have resulted in sub-optimal numbers of qualified healthcare professionals which causes a shortage of skilled manpower including doctors, nurses and para-medical staff across the industry. Further, severe competition in urban areas have caused unsustainable rise in remuneration. Skilled professionals also enjoy attractive entrepreneurial opportunities and are in demand in overseas markets as well. Success in healthcare delivery is highly dependent upon the ability to attract and retain skilled professionals and the shortage of skilled resources can act as a constraint to growth.

#### **Heterogeneous Markets**

Healthcare is an extremely dynamic industry and there are different requirements even in markets which are reasonably proximate. Every market has a unique set of circumstances with variance in demographics, disease profiles, user attitudes, seasonal variations, price sensitivity and so on. Even hospitals in two different cities in the same state will not be subject to identical operating circumstances. Due to the complexities involved, significant management overview is required in sustaining clinical standards, balancing case mix, ensuring adequate volumes and regularly upgrading technology.

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## **Opportunities**

### **Increased Incidence of NCD's**

Poor nutrition, physical inactivity, longer working hours, increase in stress levels, and increased use of tobacco and alcohol are some of the rising negative trends and habits due to increased urbanization and problems related to modern-day living in urban settings. This is compounded by rising pollution levels. This unhealthy lifestyle is giving birth to various lifestyle diseases and non-communicable diseases such as diabetes, heart disease and cancer which are increasing at an alarming rate. India already has the largest population of patients with such diseases. It is indicated that the prevalence of NCD's and related morbidities will continue to grow in India. Further, the incidence of NCD's is showing a demographic shift, with rural and semiurban populations also witnessing an increase of this cohort.

### **Medical Value Travel**

Today, India has successfully evolved into a leading destination for the cost and quality conscious international medical traveler. Apart from the inherent cost advantage, high clinical success rates, top quality medical professionals; rapid adoption of technology and increasing number of globally accredited facilities have strengthened India's position as a preferred destination for MVT. India has also been successful in attracting medical value travelers from developing countries which lack advanced medical facilities. Today, Indian MVT is enhancing the prospects of the Indian healthcare market substantially, benefiting its healthcare service providers in a big way.

### **Increased Affordability**

Continued growth in the Indian economy coupled with rising prosperity is projected to lead to sustained growth in per capita income. As a result, several million citizens are expected to get elevated to the middle class and affluent categories which will lead to enhanced affordability and improved access to healthcare. Increased penetration of medical insurance will also lead to improved affordability of higher quality care.

### **Ageing Population & higher Life Expectancy**

While India is considered to be blessed with a favorable demographic quotient, given the relatively young population, it will also have a very large number of ageing citizens in absolute terms. India is expected to be home to around 168 million elders by 2026, which will undoubtedly accelerate the demand for healthcare services in the country. Further, as life expectancy increases several citizens are opting for surgeries even in cases which are non-threatening but enhance quality of life such as knee replacements and basic bariatric procedures.

### **Under-Served and Poorly Served markets**

There is a significant difference between the quality of healthcare services available in metro cities and large urban areas compared to some of the semi-urban and rural areas in the country. Patients in such areas have the ability and the willingness to pay for good quality

healthcare services, however, due to lack of options they end up travelling to larger cities in search of better quality services. Healthcare service providers who are able to offer services of the desired quality in these areas will benefit from a ready marketplace for their services.

### **Changing formats and consumer preferences**

Psychologically, hospitals tend to be a bit intimidating to the average citizen who responds better to a more relaxed atmosphere. Increasingly, patients prefer accessing single specialty centers and other healthcare delivery formats for most of their healthcare requirements. Most of these other healthcare delivery formats are economically viable as they require less capital investments, have faster breakeven and a better returns profile. Some of these new formats have demonstrated greater specialization and ability to create significant value when compared to larger tertiary care offerings.

### **Threats**

#### **Heightened Competitive Intensity:**

The competitive intensity from unorganized as well as organized players continues to remain high. Given the growing demand, the emergence of private players and huge investment needs in the health care sector in recent years, there has been interest among foreign players to enter the Indian health care market. There is also a growing interest among domestic and international financial institutions and consortiums to explore the investment opportunities across a wide range of health care segments.

Since January 2000, 100% FDI has been permitted in hospitals resulting in increased inflow of foreign funds into the Indian hospital segment. These factors have contributed to a spike in the setting up of greenfield facilities, JV's and acquisitions. There are even pockets of overcapacity in certain metros and this scenario could lead to competitors' adapting to unfair practices in order to survive, hampering the growth and profitability of our business.

#### **Increasing Cost of Resources**

The emergence of several domestic hospital chains combined with the entry of International players is leading to an increasing number of competitors chasing finite resources such as quality medical professionals. It is expected that the demand growth will outpace improved supply of these resources. A failure to acquire resources at fair and reasonable rates will impact the Company's results of operations and financial condition.

#### **Potential loss on the MVT Opportunity**

Several countries in the Asia-Pacific region have realized the opportunity in attracting medical value travelers. These countries provide a number of incentives to domestic service providers in the form of subsidized capital, and ease in permissions and tax benefits. This, coupled with their enhanced infrastructure and simplified visa norms, makes them well positioned to gain a larger share of the opportunity.

## COMPANY OVERVIEW

### Excellence in Operations

Indraprastha Apollo Hospital offers international standard medical care in New Delhi, delivering multi specialties under one roof. The hospital offers world class treatment at an affordable cost, focusing on specific areas where it can optimize efforts and values. Transplants, cardiology, oncology, neurology and orthopedic with higher revenue prospects are some of the key specialties.

Apart from these specialties, the hospital has been able to deliver outstanding clinical outcomes in some critical cases and emergencies.

### Medical Innovations/Special Cases/Consultant Achievements:

- An innovative treatment, SBRT with temporary organ displacement, was carried out and it was presented at the Indian Cancer Congress 2017, Bangalore. It was recognized as the Best paper in the category of 'Young Radiation Oncology'. Stereotactic Ablative Radiosurgery or Stereotactic Body Radiotherapy (SBRT) is the administration of very high dose of radiotherapy with radio surgical accuracy. It offers the possibility of cure and long term control in cancers and oligometastasis, that are otherwise considered inoperable.
- The case of a 66 year old patient who was saved through the intense dedication of hospital staff was witnessed. The patient had a cardiac arrest in Nagpur post Total Knee Replacement (TKR) surgery and was airlifted to Indraprastha Apollo Hospitals. The patient was brought in deep coma and was on inotropic support. After a recovery period of nearly 1.5 months, the patient not only recovered but was able walk freely and recover completely. The family called her recovery a 'miracle'.
- A 22 year old patient from Aligarh suffered from a massive cardiac arrest. Despite continuous CPR and multiple DC shocks, the heart remained non-functional for an hour. When the heart function revived, he suffered another arrest within minutes. While the second CPR was going on, the treating Cardiologist and his team conducted a minimally invasive procedure to remove the clot and insert a stent in the blocked artery. Patient remained comatose for around 3 days but later recovered. This medical feat was also covered by the Times of India as its lead anchor story
- A 57 year old patient from Myanmar underwent successful combined liver and kidney transplant with the combined efforts of Liver and Kidney transplant surgeons.
- A 44 year old patient, underwent successful unicondylar knee replacement surgery. The technique is a unique way to promote half knee (*Oxford Knee*) replacement, which provides quicker rehabilitation, lesser post-operative morbidities and is done without the use of blood transfusion.
- A 24 year old patient, who was one of the victims of an air crash of a Bangladeshi aircraft in Kathmandu, was air evacuated from Nepal by our ER Team. The patient was in a severely critical condition with multiple fractures in the pelvis. The patient was managed actively by a team consisting of a senior consultant, respiratory medicine specialist and critical care professionals. The patient recovered fully.
- The hospital has taken a lead in the field of robotic head and neck surgery. Complex procedures have been done using state-of-the-art robotic surgery techniques. Excellent outcomes have been achieved in thyroid surgeries like transaxillary thyroidectomies. Transoral robotic surgeries are also being done for obstructive sleep apnea. More than 30 cases of Robotic head and neck surgery have been successfully done at the hospital.
- A 28 year old patient who presented to the Hospital's Emergency department at midnight with cardiac arrest without any consciousness, carotid pulse and respiration had a miraculous recovery due to the emergency team's sheer expertise. The team managed to achieve sinus rhythm after about 20 minutes of cardiopulmonary resuscitation. Finally, the cardiac team did an angiography and subsequently a percutaneous coronary intervention. The patient later recovered in the coronary care unit.
- A 37 year old patient was successfully operated at the Hospital, as a rare surgical case, wherein a flow diverticulum was placed for left ICA bifurcation aneurysm, which had 2 perforators arising from the body of the aneurysm. Post procedure, CT study showed good opposition of the flow diverticulum in the vessel with preservation of the perforators and stasis in the aneurysm sac.
- A patient, who was preparing for amputation at Gwalior, was successfully treated by the Hospital's "Advanced Wound Care" team. With successful graft uptake, the patient's leg was saved from amputation and he was discharged in a stable condition. The patient received a new lease of life and freedom from permanent disability.
- A very obese 34 year old patient with BMI of 70, having severe respiratory distress (being managed with Bi-Pap) due to excessive weight was scheduled for a life-saving bariatric surgery with consent. Post a very difficult anesthesia, she underwent a successful robotic bariatric surgery. The patient did very well post operatively and was discharged in a stable condition. The case was a good example of all round best efforts by the operating team, anesthesia team, OT staff, nursing and dietary team.
- A 55 year old UK citizen, was saved at the Hospital after he suffered severe head, facial and chest injuries while paragliding in Kangra, Himachal Pradesh. A trained para-glider with 15 years' experience, he was hit by sudden turbulent weather which

smashed him against a rock face where he was left suspended by his parachute. Due to the severity of his wounds, he needed immediate specialised care. He was then air-lifted to Indraprastha Apollo Hospitals two days later where a team of surgeons successfully operated upon him. This case found wide coverage in the press and media.

- An 11-month old baby was diagnosed with Extrahepatic Biliary Atresia with chronic liver disease. She was 4 months old when she was diagnosed with biliary cirrhosis and giant cell hepatitis. Despite seeking treatment at numerous places, the baby girl's condition did not improve. When the child was brought to Indraprastha Apollo Hospitals, the doctors recommended liver transplant as a treatment for her ailment. The baby girl underwent living related liver transplant. The transplantation was a success and within a month the child was stabilized enough for discharge.
- A patient was diagnosed with chronic liver disease with Caroli disease, which is a rare congenital disorder of the intrahepatic bile ducts. He too underwent living related liver transplant and was discharged after 3 weeks.
- A one-year-old toddler was diagnosed with chronic liver disease with biliary atresia. He was admitted to Indraprastha Apollo Hospitals for liver transplantation which was completed successfully. Though the post-operative period was tense with deranged liver profile, after adequate levels were attained he was discharged with plan for biliary drainage.
- A baby was admitted to the Hospital after she was evaluated for liver disease at a hospital in Philippines and recommended for a liver transplant. Despite developing post-op complications, she was managed medically and remained stable.
- A 1 year old baby was diagnosed with Extrahepatic Biliary Atresia with chronic liver disease. He was 1 month old when he developed jaundice. He was referred to Indraprastha Apollo Hospitals for further management and liver transplantation. His operation was a success and he was discharged 3 weeks after surgery.

## QUALITY INITIATIVES

The hospital organized a campaign amongst staff to reduce medication errors. The campaign was aimed to engage key stakeholders in the development and implementation of strategies for medication safety.

Preventable Errors Campaign was planned and implemented in focused areas like wards / ICUSs and OT where medication errors were high. This encouraged the health care staff (for example nurses, physicians, pharmacists) to take an active role in ensuring safer medication practices and medication use processes including prescription, preparation, dispensing, administration and monitoring.

Unit specific medication error rate, nature and type of errors were discussed in concerned units.

Engagement activities like games and quiz contests were conducted by pharmacy and quality team to increase staff involvement and awareness.

Interactive sessions and discussions were conducted with various staff on the floor to understand common causes of error and measures to improve them. A poster competition was done throughout the hospital. More than 40 posters were submitted to quality department on different types of errors, prevention and importance. The activity mainly focused on patient falls, NSI and medication safety.

A pre-printed calendar was given to all patient care areas and the in charge was asked to mark error free days with green while days with even a single error were marked in red. The unit were then awarded based on maximum number of green days.

## INFECTION CONTROL AND ENVIRONMENT

The Infection Prevention and Control Program, has been an integral part of the organization since its inception. The program focusses on decreasing preventable Health Care Associated Infections to a minimum, and supports a robust Antimicrobial Stewardship Program aimed at judicious use of antimicrobials. The last year witnessed various campaigns focused on infection-preventive measures. Besides strict vigilance of highly restricted antimicrobials which are not allowed to be issued by the pharmacy without clearance from Infection Control, early and accurate diagnosis of infections, focus on appropriate prophylaxis, prohibition of antimicrobials without high impact scientific evidence from our hospital formulary, are some of the measures instituted in this direction. Periodic review of antimicrobial guidelines is carried out.

Continuous efforts are made towards an increase in Hand-hygiene through innovative tools so as to spread the message not only hospital-wide but across other medical institutions and to involve the community also in this most important hygiene aspect.

Through implementation of 'bundles (of measures)' and various campaigns as above, our healthcare indices currently stand at 0.47, 1.43 and 0.70 respectively per 1000 device days for central-line associated bloodstream infections (CLABSI), ventilator associated pneumonia (VAP) and catheter associated urinary tract infections (CAUTI) and are comparable to the best healthcare centers globally.

Indraprastha Apollo Hospitals also has the privilege of being the current secretariat for the Hospital Infection Society – India. There is active representation in various important expert committees in the Bureau of Indian Standards, the Antimicrobials Resistance (AMR) Containment Program of MOHFW, Government of India, and various other programs of WHO-WR for India in healthcare associated infection prevention and control, as well as antimicrobial resistance containment.

## AWARDS AND ACCOLADES

The Hospital has won the following awards during the year under review:-

- **Times of India Ranking Survey**

In the latest All India Lifestyle & Hospital Clinic Ranking Survey 2017, published by *Times of India* in September 2017, the hospital secured the following ranking in the specialties covered:

- Cosmetic & Plastic surgery: 1<sup>st</sup>
- Orthopaedics: 2<sup>nd</sup>
- Skin & Dermatology: 2<sup>nd</sup>
- Bariatrics: 4<sup>th</sup>
- Diabetology: 4<sup>th</sup>
- Trichology: 5<sup>th</sup>
- Ophthalmology: 8<sup>th</sup>

The hospital has been ranked first in the region in five of the above specialties. In dentistry, Apollo White Dental has been ranked as the number one clinic in Delhi and NCR.

- **The Week Nielsen Best Hospitals Survey 2017**

The hospital has been ranked as the number 1 private hospital in Delhi NCT. Department of Pulmonology, Gastroenterology, Paediatrics and Diabetology have also featured amongst the Top 20 specialty wise.

- **Advantage Healthcare India: Medical Value Travel Awards 2017**

Apollo Hospitals Delhi bagged the award for “*Best Hospital in Kidney and Liver Transplants*” at the FICCI Medical Value Travel Awards

## RISK & CONCERNS

Given the increase in operations, our organization is exposed to a wider range of risks and uncertainties. These internal and external factors may affect achievements of the organization’s objectives – whether they are strategic, operational or financial.

Indraprastha Apollo Hospitals operates in a business environment that is characterized by increasing competition and market unpredictability. It is exposed to a number of risks in the ordinary course of business. This is inevitable, as there can be no entrepreneurial activity without the acceptance of risks and associated profit opportunities

At Indraprastha Apollo Hospitals, we identify business sustainability risks and opportunities on an ongoing basis and integrate these into our existing risk management framework. We have adopted certain processes which continuously enhance risk awareness and promote a culture of risk management.

The Board of Directors has constituted a Risk Management Committee comprising of Senior Management Personnel headed by the Managing Director to ensure that internal financial controls are in place. The Risk Management

Committee identifies, assess, prioritize, manage, monitor and communicate suitable measures to manage such risks. The status of major risks faced by the Company and majors taken to address and minimize such risk are being reported on quarterly basis to the Board of Directors.

The risks that may adversely impact the functioning of the Company include, but are not limited to:-

- Competitive intensity and new entrants to the market
- Pace of obsolescence of technology and treatment methods utilized by us
- Inflationary pressures and other factors affecting demand
- Increasing costs of wages, materials, transport and storage
- Labour shortages and attrition of key staff including medical professionals
- Increased statutory compliances and regulatory pressures including changes in tax laws
- Complaints before the Consumer Courts filed by patients or their relatives against the hospital and the Consultant Doctors for medical negligence.
- In a Public Interest Litigation (PIL) on free patient facility in the Hospital, the Hon’ble High Court of Delhi has held that free treatment provided by the Hospital, as per the terms of the lease deed shall be inclusive of medicine and consumables. The Company has filed a Special Leave Petition (SLP) before the Hon’ble Supreme Court of India against the impugned judgment and order of the Hon’ble High Court of Delhi. In pursuance of an interim order dated 30<sup>th</sup> November 2009 by the Hon’ble Supreme Court, the company has been charging for medicines and consumables from patients referred by the Government of Delhi for free treatment. If the impugned judgement of the Hon’ble High Court of Delhi to provide free treatment including medicines and consumables up to 33% IPD and not less than 40% OPD is to be implemented, it will impact the financial performance of the Company.
- Pursuant to the recommendations of the Expert Committee of Ministry of Health and Family Welfare, Govt. of India, which was constituted in compliance of the Hon’ble Supreme Court judgment dated 29-01-2016 in WP (C) 527/2011 in the matter of Trained Nurses Association of India Vs. Union of India & Ors and further on the recommendations of the Expert Committee appointed by DGHS, Govt. of NCT of Delhi vide order dated 04-07-2017, subsequent to WP (C) No. 5103/2017 filed before the Hon’ble High Court of Delhi by Indian Professional Nurses Association seeking directions regarding compliance of Hon’ble Supreme Court Judgement, the DGHS, Govt. of NCT of Delhi has issued an order which inter-alia provides that in case of more than 200 bedded hospitals, salary given to private nurses should be at par with the salary of the State Govt.

nurses given in the concerned State / UT for the similar grade and to comply with the order within 3 months from the date of issue of the order. Failure of compliance of the order shall be viewed seriously and strict action including cancellation of registration of defaulter private hospital would be taken.

The Association of Healthcare Providers of India (AHPI) of which the Company is also a member has filed a writ petition in the High Court of Delhi challenging the order issued by DGHS. The Notice on the petition has been issued and the matter is sub-judice. If the order issued by DGHS, Govt. of NCT of Delhi is to be implemented, the consequent rise in costs shall have major adverse impact on the financials of the Company.

- The Govt. of NCT of Delhi announced a revision in minimum wages of around 37% w.e.f 03.03.17 vide its gazette notification dated 04.03.17. The Company has filed a writ petition in the Hon'ble High Court seeking injunction against the minimum wage notification on grounds of procedural inappropriateness. The Court was pleased to accept our writ and tagged along with the similar matters filed by Apex Chambers of Commerce & Industry of NCT of Delhi and other employers' association and an interim order was issued in the matter mentioning that no coercive steps may be taken against the petitioner until further orders. Judgment in the matter is awaited.
- The Govt. of NCT of Delhi (GNCTD) in the month of December 2017 has constituted a committee to formulate norms regarding various regulations including capping profit margin of private hospitals in Delhi. The move came after allegations of overcharging and negligence against some hospitals in NCR. Based on the recommendations of the committee, GNCTD in May end had put a draft advisory in public domain seeking comments from the public. The GNCTD has received more than 20 responses including responses from Delhi Medical Association (DMA), Indian Medical Association (IMA) and hospitals opposing the provisions of draft advisory. The hospital through AHPI (Association of Healthcare providers of India) has also given point wise reply against provisions

mentioned in the draft advisory. As we understand, GNCTD is currently studying the responses made by the hospitals and medical bodies before deciding the future course of action in this matter. The draft advisory, if issued in its current form, would have an adverse impact on the profits of the Company.

- Increasing pricing pressure from insurance companies, e.g., requests for discounts on rack rates, medication etc. will have an adverse impact on margins and revenues.

### Internal Control Systems and their Adequacy

We are committed to maintaining a high standard of internal controls in our operations. Our internal controls deploy a well-designed robust system which allows optimal use and protection of assets, facilitates accurate and timely compilation of financial statements and management reports, apart from ensuring compliance with statutory laws, regulations and company policies.

While no system can provide absolute assurance against material loss or financial misstatement, our robust internal control systems which are reviewed periodically provide reasonable assurance that all of our assets are safeguarded and protected. Our Internal control system is designed to manage rather than to completely eliminate the risk of failure to achieve business objectives.

The internal control system is designed to ensure that all transactions are evaluated, authorized, recorded and reported accurately. In addition to this, extensive budgetary control reviews the mechanism for timely review of comparison of actual performance with forecasts.

Such internal control procedures are further augmented by an extensive programme of internal, external audits and periodic review by the management.

Our management is responsible for assessing the business risks in all aspects of its operations and for implementing effective and efficient processes and controls whilst ensuring compliance with internal and external rules and regulations. While reviewing our 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.

### Discussion on Financial Performance and Results of Operations

The total revenue declined from Rs. 76617.33 lacs in FY2017 to Rs. 74995.51 lacs in FY2018.

The following table shows the key drivers of our revenues for the periods presented:

Particulars	31.03.2018	31.03.2017	Increase	% Increase
			(Decrease)	(Decrease)
Discharges	57,799	56,460	1339	2%
Revenues per patient (Rs.)	1,29,476	1,35,621	(6145)	(5%)
Average length of stay (days)	3.31	3.53		
Out-patients	4,69,862	4,63,826	6036	1%
Revenue per bed day (Rs.)	39,117	38,420	697	2%

## Expenses

### Salaries and Benefits

Our salaries and benefits expense of Rs. 19025.71 lacs during FY2017 increased by 2% to Rs. 19401.37 lacs in FY2018.

Particulars	31.03.2018	% of Revenue	31.03.2017	% of Revenue	Increase (Decrease)	% Increase (Decrease)
Salaries, wages and benefits (excluding managerial remuneration)	1,90,27,40,598	25%	1,86,58,73,251	24%	3,68,67,347	2%
No. of employees	3019		2966		53	2%

### Consultation Fees paid to doctors

During the year, consultation fees paid to doctors has been decreased from Rs. 19145.51 lacs during FY2017 to Rs. 19025.68 lacs during FY2018.

### Administrative Expenses

The following table summarizes our operating and administrative expenses for the periods presented

Particulars	31.03.2018	% of Revenue	31.03.2017	% of Revenue	Increase (Decrease)	% Increase (Decrease)
Repairs and maintenance	19,46,46,306	3%	19,86,33,121	3%	(39,86,815)	(2%)
Rents and leases	4,97,96,253	1%	4,99,84,738	1%	(1,88,485)	-
Outsourcing expenses	36,40,14,234	5%	34,20,12,208	4%	2,20,02,026	6%
Marketing and advertising	38,76,31,361	5%	38,66,90,555	5%	9,40,806	-
Legal and professional fees	5,84,04,312	1%	5,96,78,450	1%	(12,74,138)	(2%)
Rates & taxes	3,88,63,874	1%	4,65,14,633	1%	(76,50,759)	(16%)
Provision for doubtful debts & Bad debts written off	2,55,03,621	0%	1,75,07,020	0%	79,96,601	46%
Other administrative expenses	40,37,08,352	5%	42,70,86,980	6%	(2,33,78,628)	(5%)
Total	1,52,25,68,313		1,52,81,07,705		(55,39,392)	

### Provision for Income Taxes

The provision for taxes during the year ended March 31, 2018 is Rs. 1290.19 lacs compared to Rs. 1457.22 lacs in the previous year ended March 31, 2017.

### Human Resources

Our people form the nucleus of what we do at our hospital and we acknowledge the contribution of all our employees in our journey. The total number of employees in the Company as on 31<sup>st</sup> March, 2018 was 3019 as against 2966 employees in the previous year. The Company has also engaged contractors for various support services in the Hospital and they have deployed 1013 workers as against 1018 workers in previous year. Besides the above, there are Consultant Doctors who work on a 'Fee for Service' basis.

These diverse employees bring their experience, culture and commitment to the work they do every day to improve the health of our patients. Every employee of our family has embraced our philosophy of "Tender Loving Care" in the Patient Care Journey.

We understand the value of diversity in culture, language, religious beliefs, and gender, and have been a key

supporter to nurture the same in the company. Therefore, the Group strives to build a conducive work environment which embraces diversity and fosters inclusion. We are committed to nurturing and developing potential leaders who will continue to enhance our values and culture even further.

We believe that the foundation of outstanding quality care is a highly skilled, caring workforce that is proficiently trained to provide personalized and evidence-based care. Therefore, our success largely depends on the high level of skills, commitment and professionalism of our people. Continuous learning is an integral component of the HR system which empowers our employees to be well-prepared for providing superior patient care. The human resource systems and procedures, and the organization's environment, encourage creativity and innovation whilst driving dedication and efficiency amongst the employees. We are aware that commitment and competence of our employees are key drivers of overall organizational performance and thus we endeavor to strengthen the organizational culture and retain the best talent. As we plan for the future, our workforce continues to grow and we continue to focus on attracting the best talent in the country and across the globe.

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### **Cautionary Statement**

Some of the statements in this Management Discussion & Analysis describing the Company's objectives, projections, estimates, expectations and predictions contain certain 'forward looking statements' 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 number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts. Important developments that could alter your Company's performance include increase in material

costs, technology developments and significant changes in the political and economic environment, tax laws and labour relations.

**For and on behalf of the Board**

**Dr. Prathap C. Reddy**  
(DIN : 00003654)  
Vice Chairman

**Ashok Bajpai**  
(DIN : 002463754)  
Managing Director

**Place: New Delhi**  
**Date : 28<sup>th</sup> July, 2018**

# REPORT ON CORPORATE GOVERNANCE

## 1. COMPANY'S PHILOSOPHY ON CORPORATE 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 meeting statutory requirements but goes beyond by putting into place procedures and systems which are in accordance with best practices of governance. Your Company believes that good Corporate Governance enhances the trust and confidence of all stakeholders. Good corporate behaviour helps to enhance and maintain public trust in companies and the stock markets.

Your Company reviews its corporate governance practices periodically against the backdrop of the latest developments in the corporate arena, thereby endeavoring to conform to the highest standards of corporate governance practices. Your Company is committed to the pursuit of excellence in all its activities and to maximizing shareholders' confidence and wealth.

The Company's corporate governance policies and practices are founded 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 the optimum level of disclosure
3. To ensure and maintain high ethical standards in all areas of the Company's functioning
4. To render high importance to investor relations
5. To ensure adequate risk management system 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

## 2. BOARD OF DIRECTORS

### (a) Composition of Board

As on 31<sup>st</sup> March 2018, the Board of Directors consists of 15 (Fifteen) members comprising of 1 (one) Executive Director and 14 (Fourteen) Non-Executive Directors including 8 (eight) Independent Directors and 4 (four) women Directors. The composition of the Board of Directors of the Company is in conformity with Section 149(1) of the Companies Act, 2013 read with Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

As per the provisions of the Articles of Association of the Company, one of the Directors nominated by the President of India shall be recommended by him in consultation with Apollo Hospitals Enterprise Limited as Chairman of the Board of the Directors. The Company has received no recommendation from the President of India for the appointment of the Chairman of the Board of Directors. In the absence of the appointment of Chairman of the Board, Vice-Chairman of the Board is acting as a Chairman of the Board. The acting Chairman of the Board is Non-Executive. The Vice-Chairman, Managing Director and Independent Directors of the Company are not liable to retire by rotation.

All other Directors are liable to retire by rotation.

### (b) Names and Category of Directors, attendance of the Directors at the Board Meetings and the last Annual General Meeting, Outside Directorships and other Membership or Chairmanship of Board Committees

Above information as on 31<sup>st</sup> March, 2018, is as under:-

Name of the Director and Category	DIN	No. of Board Meetings Attended	Attendance at the last AGM	Number of Directorships in other public companies (A)		Number of Committee positions held in other public companies (B)	
				Chairperson	Member	Chairperson	Member
Dr. Prathap C Reddy (Vice-Chairman) /Non - Executive	00003654	5	Yes	7	1	Nil	Nil
Mr. Jaideep Gupta (Managing Director)/Executive (1)	02647974	4	Yes	Nil	Nil	Nil	Nil
Mr. Ashok Bajpai (Managing Director)/ Executive (2)	02463754	1	NA	Nil	Nil	Nil	Nil
Mr. S. N. Sahai /Non-Executive	00860449	4	No	Nil	7	6	1
Ms. Suneeta Reddy /Non- Executive	00001873	5	Yes	Nil	4	Nil	1
Ms. Shobana Kamineni/ Non- Executive	00003836	3	Yes	Nil	9	Nil	Nil
Ms. Vineeta Rai/Non-Excutive	07013113	4	Yes	Nil	Nil	Nil	Nil
Ms. Renu S. Karnad/Non- Executive	00008064	4	Yes	Nil	6	3	5

Name of the Director and Category	DIN	No. of Board Meetings Attended	Attendance at the last AGM	Number of Directorships in other public companies (A)		Number of Committee positions held in other public companies (B)	
				Chairperson	Member	Chairperson	Member
Dr. B.Venkataraman - Independent/Non – Executive (3)	00040114	4	Yes	Nil	2	Nil	1
Mr. T. S. Narayanasami - Independent/Non-Executive	01786981	5	Yes	Nil	2	Nil	2
Mr. S. Regunathan - Independent/Non-Executive	00286505	5	Yes	Nil	1	Nil	Nil
Prof. V. N. Rajasekharan Pillai - Independent/ Non-Executive (4)	02415889	4	No	Nil	Nil	Nil	Nil
Mr. Satnam Arora - Independent/Non-Excutive	00010667	4	Yes	Nil	2	Nil	2
Mr. Deepak Vaidya - Independent/Non-Executive	00337276	5	Yes	1	2	2	1
Dr. Arun Rai - Independent/Non-Executive	07159822	4	No	Nil	1	Nil	Nil
Mr. Vinayak Chatterjee - Independent/ Non-Executive	00008933	3	Yes	1	5	1	1

#### Notes:

(1) Resigned from the position of Managing Director of the Company w.e.f. 31-12-2017

(2) Appointed by the Board as an Additional Director & Managing Director w.e.f. 01-01-2018.

(3) Retired as Independent Director w.e.f. 31-03-2018.

(4) Retired as Independent Director w.e.f. 31-03-2018.

(A) Directorship in companies registered under the Companies Act, 2013 (earlier Companies Act, 1956), excluding companies under Section 8 of the Companies Act, 2013 (earlier Section 25 of the Companies Act, 1956).

(B) Only covers Membership / Chairmanship of Audit Committee and Stakeholders Relationship Committee of public limited companies.

The number of Directorship(s), Committee Membership(s)/ Chairmanship(s) of all Directors is within respective limits prescribed under the Companies Act, 2013 and Listing Regulations. Necessary disclosures regarding Committee positions in other companies as on 31<sup>st</sup> March, 2018, have been made by the Directors.

None of the Independent Directors of the Company serve as an Independent Director in more than seven listed companies as prescribed under Regulation 25(1) of Listing Regulations.

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 Meetings 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.

#### (c) Number of Board Meetings held and the dates of the Board Meeting

Five (5) Board meetings were held during the financial year ended 31<sup>st</sup> March, 2018. The dates of the meetings are as follows: 26<sup>th</sup> May, 2017, 28<sup>th</sup> July, 2017, 26<sup>th</sup> September, 2017, 14<sup>th</sup> November, 2017, and 7<sup>th</sup> February, 2018. The time gap between two consecutive Board meetings was not more than one hundred and twenty days.

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 and capital expenditure. It monitors overall operating performance 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.

#### Meeting of Independent Directors

In compliance with the requirements of Schedule IV of the Companies Act, 2013, a meeting of the Independent Directors was held on 26<sup>th</sup> May, 2017 without the participation of the Non-Independent Directors and members of the management.

The Independent Directors carried out performance evaluation of Non-Independent Directors and the Board of Directors, as a whole, performance of Chairman of the Company, the quality, contents and timelines of flow of information between the Management and the Board.

#### (d) Relationships between Directors:

Name of the Director	Relationship with other Directors
Dr. Prathap C Reddy	Father of Ms. Suneeta Reddy and Ms. Shobana Kamineni
Ms. Suneeta Reddy	Daughter of Dr. Prathap C Reddy and sister of Ms. Shobana Kamineni
Ms. Shobana Kamineni	Daughter of Dr. Prathap C Reddy and sister of Ms. Suneeta Reddy.

Note: None of the Directors had relationships inter-se, except above named Directors.

#### (e) Shares held by Non-Executive Directors

The number of shares held by Non-Executive Directors, in the share capital of the Company as on 31<sup>st</sup> March, 2018, is as under:-

Name of the Non-Executive Director	Number of shares held
Dr. Prathap C Reddy	237187
Ms. Suneeta Reddy	138293
Ms. Shobana Kamineni	116918
Ms. Vineeta Rai	1

Note: None of the Directors was holding shares as on 31<sup>st</sup> March, 2018, in the share capital of the Company, except above named Directors.

#### (f) Familiarisation Programmes

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

The Board Members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarize themselves with the Company's procedures and practices. Directors are periodically advised about the changes effected in Corporate Laws, Listing Regulations with regard to their roles, rights and responsibilities as Director of the Company.

The familiarisation programme along with details of the same imparted to the Independent Directors during the year are available on the website of the Company <https://delhi.apollohospitals.com/downloads/Familiarization-Program-for-Independent-Directors-2017.pdf>

#### (g) Code of Conduct

The Board of Directors had adopted a Code of Conduct for all the Board Members, Key Managerial Personnel and Senior Managerial Personnel's of the Company. The Code of Conduct has been placed on the website of the Company. All the Board Members, Key Managerial Personnel and Senior Managerial Personnel of the Company have affirmed compliance with the Code of Conduct, for the financial year ended 31<sup>st</sup> March, 2018. A declaration to this effect signed by the Managing Director is annexed herewith.

### 3. AUDIT COMMITTEE

#### (a) Terms of Reference

The terms of reference of the Audit Committee covers the areas as contemplated in Section 177 of the Companies Act, 2013, and Regulation 18(3) of the Listing Regulations, which inter-alia shall include:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by them;
- Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - Changes, if any, in accounting policies and practices and reasons for the same
  - Major accounting entries involving estimates based on the exercise of judgment by management
  - Significant adjustments made in the financial statements arising out of audit findings
  - Compliance with listing and other legal requirements relating to financial statements
  - Disclosure of any related party transactions
  - Qualifications in the draft audit report
- Reviewing with the management, the quarterly financial statements before submission to the board for approval
- 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
- Review and monitor the auditor's independence, performance, and the effectiveness of the audit process
- Approval or any subsequent modification of transactions of the company with related parties
- Scrutiny of inter-corporate loans and investments
- Valuation of undertakings or assets of the company, wherever it is necessary

11. Evaluation of internal financial controls and risk management systems
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems
13. 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
14. Discussion with internal auditors of any significant findings and follow up there on
15. 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
16. 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
17. To look into the reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
18. To review the functioning of the Whistle Blower mechanism.
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate
20. Carrying out any other function as may be referred by the Board.

The Audit Committee shall mandatorily review the following information.

- (1) Management discussion and analysis of financial condition and results of operations.
- (2) Statement of significant related party transactions (as defined by the audit committee), submitted by management.
- (3) Management letters / letters of internal control weaknesses issued by the statutory auditors.
- (4) Internal audit reports relating to internal control weaknesses.
- (5) The appointment, removal and terms of remuneration of the Chief Internal Auditors.
- (6) statement of deviations:
  - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

## Powers of 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 it necessary
5. To have full access to information contained in the records of the Company.

## (b) Composition, Name of Members and Chairperson

As on 31<sup>st</sup> March, 2018, the Audit Committee consists of six Non-Executive Directors (including four Independent Directors) viz. Mr. T. S. Narayanasami, Dr. B Venkataraman, Ms. Suneeta Reddy, Mr. S. N. Sahai, Mr. Satnam Arora and Mr. Deepak Vaidya. Mr. T. S. Narayanasami (Independent Director) is the Chairman of the Audit Committee. Dr. B. Venkataraman - Independent Director & Member of the Audit Committee, retired as Independent Director w.e.f. 31-03-2018.

Mr. Ajay Kumar Singhal, Vice President cum Company Secretary is the Secretary to the Audit Committee.

## (c) Meetings and attendance during the year

The Audit Committee met four (4) times during the year on 25<sup>th</sup> May, 2017, 27<sup>th</sup> July, 2017, 14<sup>th</sup> November, 2017, and 6<sup>th</sup> February, 2018, and the time gap between two consecutive meetings was not more than one hundred and twenty days. The names of Members, Chairman and their attendance at the Audit Committee Meetings are as under:

Members	Category	Meetings Held	Meetings Attended
Mr. T. S. Narayanasami (Chairman)	Independent - Non – Executive	4	4
Dr. B Venkataraman	Independent - Non – Executive	4	3
Ms. Suneeta Reddy	Non – Executive	4	2
Mr. S. N. Sahai	Non – Executive	4	3
Mr. Satnam Arora	Independent - Non – Executive	4	3
Mr. Deepak Vaidya	Independent - Non – Executive	4	4

The Managing Director, Vice President cum Company Secretary, Chief Financial Officer and representatives of Statutory Auditors & Internal Auditors, were also present at the Audit Committee meetings.

Mr. T. S. Narayanasami – Chairman of the Audit Committee was present at the last AGM of the Company to address the queries of the shareholders.

#### 4. NOMINATION AND REMUNERATION COMMITTEE

##### a. Terms of Reference

The terms of reference to the Nomination and Remuneration Committee covers the areas as contemplated in Section 178 of the Companies Act 2013 and Regulation 19 of the Listing Regulations, which inter alia includes the following:-

- (i) identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down; recommend to the Board their appointment and removal and carry out evaluation of every director's performance.
- (ii) formulate the criteria for determining qualifications, 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.
- (iii) while formulating the policy, ensure that—
  - (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
  - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- (iv) Formulate the criteria for evaluation of performance of Independent Directors and the Board.
- (v) Devise a policy on Board diversity.
- (vi) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

##### b. Composition, name of members and Chairperson

As on 31<sup>st</sup> March, 2018, the Nomination and Remuneration Committee consists of five Non-Executive Directors (including three Independent Directors) viz. Dr. B Venkataraman, Ms. Suneeta Reddy, Mr. S. Regunathan, Mr. T. S. Narayanasami and Mr. S. N. Sahai. Dr. B. Venkataraman - Independent Director & Chairman of the Nomination and Remuneration Committee, retired as Independent Director w.e.f. 31-03-2018.

##### c. Meetings and Attendance during the year

The Nomination and Remuneration Committee met three (3) times during the year on 25<sup>th</sup> May, 2017, 26<sup>th</sup> September, 2017, and 14<sup>th</sup> November, 2017. The names of Members, Chairman and their attendance at the

Nomination and Remuneration Committee Meetings are as under:

Members	Category	Meetings Held	Meetings Attended
Dr. B Venkataraman (Chairman)	Independent - Non – Executive	3	3
Ms. Suneeta Reddy	Non – Executive	3	2
Mr. S. N. Sahai	Non – Executive	3	3
Mr. T. S. Narayanasami	Independent - Non – Executive	3	3
Mr. S. Regunathan	Independent - Non – Executive	3	3

Dr. B. Venkataraman - Chairman of the Nomination and Remuneration Committee was present at the last AGM of the Company to address the queries of the shareholders.

##### d. Performance Evaluation Criteria for Independent Directors

The criteria for performance evaluation cover the areas relevant to the functioning as Independent Directors such as preparation, participation, conduct and effectiveness. The performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation, the Directors who were subject to evaluation had not participated.

#### 5. REMUNERATION OF DIRECTORS

##### (a) Remuneration Policy

The Company's Remuneration Policy for Directors, Key Managerial Personnel, Senior Management Personnel and other employees is annexed as per Annexure - 5 to the Directors' Report.

The remuneration policy of the Company is to remain competitive in the industry and to attract and retain quality talent and appropriately reward employees for their contribution.

The details of Remuneration paid to Directors for the year ended 31<sup>st</sup> March, 2018, are as under:-

i) The Non-Executive Directors are paid by way of sitting fee for attending each meeting of the Board of Directors or Committees thereof. In addition to the sitting fees being paid by the Company for attending each meeting of the Board of Directors or Committees thereof, the Board has approved the payment of commission of Rs. 2,50,000/- to each of the Non-Executive Director including Independent Directors in respect of the financial year 2017-18. The aggregate commission payable to all Non-Executive Directors is well within the limit of 1% of net profits of the Company calculated in accordance with the provisions of the Companies Act, 2013.

The details of sitting fees paid and commission payable to Non-Executive Directors are as under:-

Amount (Rs.)

Name of the Director	Relationship with other Directors	Remuneration paid / payable for the year ended 31 <sup>st</sup> March, 2018		
		Remuneration		
		Sitting Fee Paid	Commission Payable	Total
Dr. Prathap C Reddy	Father of Ms. Suneeta Reddy and Ms. Shobana Kamineni	1,00,000	2,50,000	3,50,000
Mr. S. N. Sahai	-	2,00,000	2,50,000 **	4,50,000
Ms. Suneeta Reddy	Daughter of Dr. Prathap C Reddy and sister of Ms. Shobana Kamineni	2,20,000	2,50,000	4,70,000
Ms. Shobana Kamineni	Daughter of Dr. Prathap C Reddy and sister of Ms Suneeta Reddy.	60,000	2,50,000	3,10,000
Ms. Vineeta Rai	-	1,80,000	2,50,000	4,30,000
Ms. Renu S Karnad	-	80,000	2,50,000	3,30,000
Dr. B Venkataraman	-	2,60,000	2,50,000	5,10,000
Mr. T S Narayanasami	-	2,60,000	2,50,000	5,10,000
Mr. S. Regunathan	-	2,20,000	2,50,000	4,70,000
Prof. V N Rajasekharan Pillai	-	80,000	2,50,000	3,30,000
Mr. Satnam Arora	-	1,60,000	2,50,000	4,10,000
Mr. Deepak Vaidya	-	2,00,000	2,50,000	4,50,000
Dr. Arun Rai	-	1,00,000	2,50,000	3,50,000
Mr. Vinayak Chatterjee	-	80,000	2,50,000	3,30,000

\*\* As per the instructions received from the Govt. of Delhi, the amount of commission payable to director nominated by the Govt. of NCT of Delhi, has been paid to DDO, Health & Family Welfare Dept., Govt. of NCT of Delhi.

Apart from receiving director's remuneration by way of sitting fee for attending each meeting of the Board or Committee thereof and commission, none of the Non-Executive Directors has any pecuniary relationship or transactions with the Company during the year ended 31<sup>st</sup> March, 2018. The Company does not have any stock option scheme.

(ii) The details of Remuneration paid to Executive Director are as under:-

Amount (Rs.)

Name of the Director	Relation-ship with other Directors	Remuneration paid for the year ended 31 <sup>st</sup> March, 2018		
		Remuneration		
		Salary	Perquisite	Total
Mr. Jaideep Gupta	-	68,56,320	3,41,700	71,98,020
Mr. Ashok Bajpai	-	34,91,481	9,900	35,01,381

## 6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Company has a Stakeholders Relationship Committee to consider and resolve the grievances of security holders of the Company. As on 31<sup>st</sup> March, 2018, the Stakeholders Relationship Committee consists of four Directors (including two Independent Directors) viz. Ms. Vineeta Rai, Mr. Ashok Bajpai, Dr. B Venkataraman and Mr. Satnam Arora. Ms. Vineeta Rai is the Chairperson of the Stakeholders Relationship Committee. Dr. B. Venkataraman - Independent Director & Member of the Stakeholders Relationship Committee, retired as Independent Director w.e.f. 31-03-2018.

The Stakeholders Relationship Committee met twice during the year on 1<sup>st</sup> November, 2017 and 29<sup>th</sup> March, 2018.

- Name of the Non-Executive Director heading the Committee:** Ms. Vineeta Rai
- Name and Designation of the Compliance Officer:** Mr. Ajay Kumar Singhal - Vice President cum Company Secretary
- Number of Shareholders Complaints:** The Company has received two hundred twenty complaints during the year and no complaint was pending at the beginning of the year.
- Numbers not resolved to the satisfaction of shareholders:** All the complaints have been resolved to the satisfaction of the complainants during the year.
- Number of pending complaints as on 31<sup>st</sup> March, 2018:** None

## 7. GENERAL BODY MEETINGS

a) The last three Annual General Meetings were held as under :-

Financial Year	Location	Date	Time
2016-17	Sirifort Auditorium Siri Fort Cultural Complex, August Kranti Marg, New Delhi – 110 049	26 <sup>th</sup> September, 2017	11.00 A.M.
2015-16	Sirifort Auditorium Siri Fort Cultural Complex, August Kranti Marg, New Delhi – 110 049	30 <sup>th</sup> August, 2016	10.30 A.M.

Financial Year	Location	Date	Time
2014-15	FICCI K. K. Birla Auditorium 1, Tansen Marg New Delhi – 110 001	29 <sup>th</sup> September, 2015	10.30 A.M.

**b. Special Resolutions passed in the previous 3 AGMs:-**

- 1) Special Resolution was passed at the AGM on 30<sup>th</sup> August, 2016, for re-appointment of Dr. B. Venkataraman (DIN 00040114) as an Independent Director of the Company to hold office for two consecutive years effective from 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2018, not liable to retire by rotation.
- 2) Special Resolution was passed at AGM on 30<sup>th</sup> August, 2016, for re-appointment of Prof. V. N. Rajasekharan Pillai (DIN 02415889) as an Independent Director of the Company to hold office for two consecutive years effective from 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2018, not liable to retire by rotation
- 3) **Special resolution passed last year through postal ballot:** No Resolution was required to be put through postal ballot last year.
- 4) **Special resolution proposed to be conducted through postal ballot:** No Special Resolution is proposed to be conducted through postal ballot.

**8. MEANS OF COMMUNICATION**

- a) **Quarterly Results:** Quarterly Results of the Company are published in Financial Express - All Editions and Jansatta (Hindi) – Delhi Edition and are displayed on the Company's website <https://delhi.apollohospitals.com/>

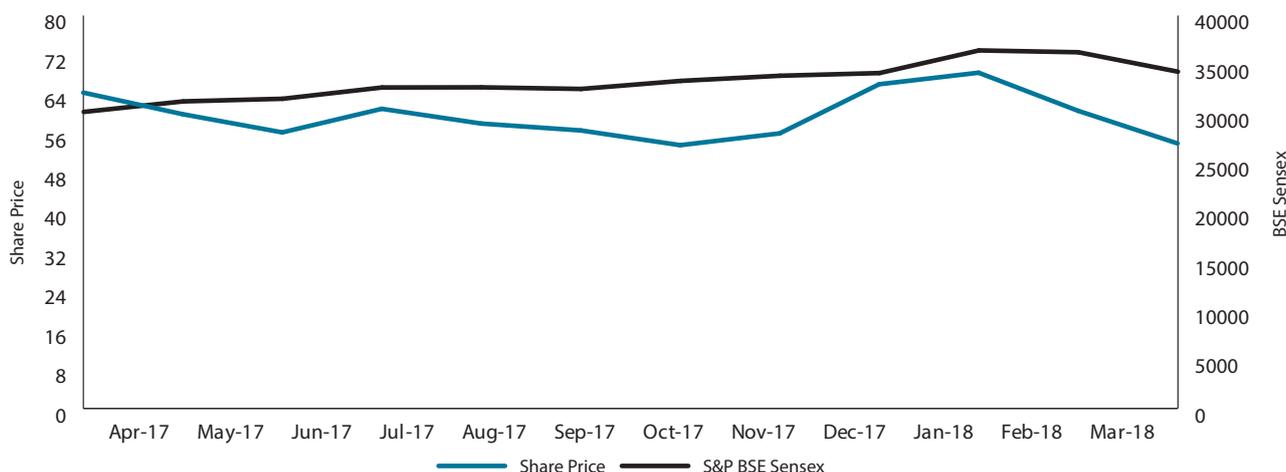
- b) **Official News Releases :** The Company's website also displays official news releases.
- c) **Presentations made to Institutional Investors or to the Analysts :** No presentation was made to institutional investors or to the analysts by the Company.

**9. GENERAL SHAREHOLDER INFORMATION**

- a) **Annual General Meeting:** Monday, 24<sup>th</sup> September, 2018, at 11.00 a.m. at Sirifort Auditorium, Siri Fort Cultural Complex, August Kranti Marg, New Delhi – 110 049.
- b) **Financial Year :** 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2018
- c) **Date of Book Closure :** From Saturday, 15<sup>th</sup> September, 2018 to Monday, 24<sup>th</sup> September, 2018 (both days inclusive) for declaration of dividend for the year 2017-18 and Annual General Meeting.
- d) **Dividend Payment Date:** On or after 28<sup>th</sup> September, 2018
- e) **Listing on Stock Exchanges:** BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001 and National Stock Exchange of India Limited (NSE), "Exchange Plaza", C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051. Annual Listing Fee for the year 2018-19 has been paid by the Company to BSE & NSE.
- f) **Stock Code :** BSE – 532150, NSE – INDRAMEDCO, Demat ISIN – INE681B01017
- g) **Market Price Data :** Monthly High & Low during each month of the financial year 2017-18 at National Stock Exchange (NSE) and BSE Ltd. (BSE) are as under :-

Month	National Stock Exchange			Bombay Stock Exchange		
	Highest (Rs.)	Lowest (Rs.)	Volume (Nos.)	Highest (Rs.)	Lowest (Rs.)	Volume (Nos.)
April, 2017	64.50	53.60	4022160	64.30	53.80	1283823
May, 2017	60.00	52.65	4081546	59.90	52.80	1003576
June, 2017	55.85	52.20	1532422	56.20	52.30	429185
July, 2017	60.90	52.55	5260564	61.00	52.40	1532204
Aug., 2017	58.00	52.05	2326317	58.00	52.15	730764
Sep., 2017	56.80	50.65	2464227	56.60	50.60	646192
Oct., 2017	53.75	50.85	1413836	53.60	50.30	311986
Nov., 2017	56.00	50.25	3084328	56.00	50.25	803495
Dec. 2017	66.00	51.10	8414979	66.00	51.20	2363178
Jan., 2018	68.50	55.25	9256774	68.35	55.35	2514244
Feb., 2018	60.50	51.90	3526904	60.60	45.35	823500
March, 2018	53.70	46.30	2474151	53.95	48.30	516714

h. Performance of the share price of the Company in comparison to BSE Sensex



- i) **Registrar and Transfer Agents:** M/s. Link Intime India Pvt. Ltd. continue to be the Registrar & Transfer Agents of the Company and their address is as under:-

M/s. Link Intime India Pvt. Ltd.  
44 Community Centre, 2<sup>nd</sup> floor  
Naraina Industrial Area Phase I  
Near PVR, Naraina , New Delhi – 110 028  
E-mail : delhi@linkintime.co.in  
Phone : 011-41410592-94

- j) **Share Transfer System:** The Company's shares are traded in the Stock Exchanges compulsorily in demat mode. Physical Shares which are lodged with the Registrar and Transfer Agents / or with the Company for transfer are processed and returned to the shareholders duly transferred within the time limit stipulated under the Listing Regulations, subject to the documents being in order.

- k) **Distribution of shareholding as on March 31, 2018:**

Shareholding of shares	Shareholders		Numbers	
	Number	% to total	Numbers	% to total
1 - 500	39107	83.72	4996447	5.45
501 - 1000	3625	7.76	3187897	3.48
1001 - 2000	1752	3.75	2822481	3.08
2001 - 3000	628	1.34	1639013	1.79
3001 - 4000	344	0.73	1263089	1.38
4001 - 5000	330	0.71	1589174	1.73
5001 - 10000	457	0.98	3467740	3.78
10001 & above	470	1.01	72753707	79.31
<b>Total</b>	<b>46626</b>	<b>100.00</b>	<b>91673000</b>	<b>100.00</b>

**Shareholding Category as on 31<sup>st</sup> March, 2018**

Category	No. of Shares held	% to total
Indian Promoters	45276700	49.39
Foreign Promoters	1475000	1.61
Foreign Portfolio Investor	33189	0.04
Financial Institutions / Banks	321396	0.35
Bodies Corporate	13323837	14.53
NRI's/OCB's	2035765	2.22
IEPF	428759	0.47
Indian public	29207113	31.86
<b>Grand Total</b>	<b>91673000</b>	<b>100.00</b>

- l) **Dematerialisation of shares:** About 70% of the Company's paid-up equity share capital has been dematerialised up to 31<sup>st</sup> March, 2018.

The details of demat of shares as on 31<sup>st</sup> March, 2018, are as under:-

	No. of Shareholders	No. of Shares	% of capital
NSDL	19697	54576567	59.53
CDSL	11802	9935529	10.84

Requests for dematerialisation of shares are processed and confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL) within 15 days.

Shares of the Company are regularly traded at NSE & BSE.

- m) **Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity:** The Company has not issued any GDRs/ADRs/Warrants or any other convertible instruments.

n) **Foreign Exchange Risk and hedging activities:** The Company has no foreign exchange exposure except to the extent of Letter of Credit established with overseas supplier in the routine course of business.

o) **Hospitals Location:**

Indraprastha Apollo Hospitals,  
Sarita Vihar, Delhi-Mathura Road,  
New Delhi – 110 076

&

Apollo Hospitals,  
E-2, Sector-26,  
Noida – 201 301

p) **Address for Correspondence :**

M/s. Indraprastha Medical Corporation Limited  
Sarita Vihar, Delhi-Mathura Road  
New Delhi – 110 076

E-mail Address for Investors:-  
imclshares@apollohospitals.com  
Phone: 011-29872126

## 10. OTHER DISCLOSURES

### a. Disclosure on materially significant related party transactions that may have potential conflict with the interests of the company at large

During the year ended 31<sup>st</sup> March, 2018, the Company had not entered into any material transaction with any of its related parties. Accordingly, the disclosure of related party transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC 2 is not applicable to your Company.

None of the transactions with any of related parties were in conflict with the interests of the Company. Attention of the members is drawn to the disclosure of transactions with related parties set out in Note No. 30M of Financial Statements, forming part of the Annual Report.

The Company's related party transactions are with the enterprises over which Directors are able to exercise significant influence.

All related party transactions are entered on arms-length basis and have prior approval of the Audit Committee.

### b. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years

During the last three years, neither was there any incidence of non-compliance by the Company nor any penalty, stricture has been imposed on the Company by Stock Exchange or SEBI, or any statutory authority, on any matter related to capital markets.

### c. Whistle Blower Policy

The Company requires that all directors and employees adhere to high ethical standards in business conduct

and comply with laws and regulations, the Company's code of conduct and ethics policies and practices and procedures. Ethical behavior in the areas of business conduct is of utmost priority to the Company.

The Company has established a vigil mechanism namely 'Whistle Blower Policy' for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy. The purpose of the Whistle Blower Policy of the Company is to provide adequate safeguards against victimization of directors and employees who avail of the vigil mechanism provision and to provide direct access to the chairperson of the Audit Committee.

During the year ended 31<sup>st</sup> March, 2018, no personnel has been denied access to the Chairman of the Audit Committee of the Company.

d. **Compliance with mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.** The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the Listing Regulations.

## CEO/ CFO CERTIFICATION

The Managing Director and the Chief Financial Officer of the Company have certified to the Board of Directors, inter alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting as required under Regulation 17(8) of the Listing Regulations for the year ended 31<sup>st</sup> March, 2018. A certificate to this effect signed by the Managing Director and the Chief Financial Officer is **annexed** herewith.

## Unpaid / Unclaimed Dividends

In accordance with the provisions of Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules) dividends not encashed / claimed within seven years from the date of declaration are to be transferred to the Investor Education and Protection Fund (IEPF) Authority.

The IEPF Rules mandate companies to transfer shares of Members whose dividends remain unpaid / unclaimed for a continuous period of seven years to the demat account of IEPF Authority. The Members whose dividend / shares are transferred to the IEPF Authority can claim their shares / dividend from the Authority.

In accordance with the said IEPF Rules and its amendments, the Company had sent notices to all the Shareholders whose shares were due to be transferred to the IEPF Authority and simultaneously published newspaper advertisement.

In terms of the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 / Investor Education and Protection Fund

(Awareness and Protection of Investors) Rules, 2001, Rs. 16,94,467/- of unpaid / unclaimed dividend for the year 2009-10 and 4,28,759 shares were transferred during the financial year 2017-18 to the Investor Education and Protection Fund.

The Company has appointed a Nodal Officer under the provisions of IEPF, the details of which are available on the website of the Company.

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 26<sup>th</sup> September, 2017 (date of last AGM) on the Company's website <https://delhi.apollohospitals.com/> and on the website of the Ministry of Corporate Affairs at [www.iepf.gov.in/](http://www.iepf.gov.in/).

## **DISCRETIONARY REQUIREMENTS**

### **A. The Board**

No office for the Chairman is maintained at the Company's expense. There was no reimbursement of expenses to the Chairman in performance of his duties.

### **B. Shareholders Rights**

As the Company's quarterly results are published in an English newspaper having circulation all over India and in a Hindi newspaper having circulation in the Delhi region and is uploaded on Company's website

<https://delhi.apollohospitals.com/>, the half-yearly declaration of financial performance is not sent separately to each household of the shareholders of the Company.

### **C. Modified Opinion in audit report**

The Company already has a regime of un-qualified financial statements. Auditors have raised no qualification on the financial statements.

### **D. Separate posts of Chairman and CEO**

The Company has separate Chairman and Managing Director (CEO).

### **E. Reporting of Internal Auditors**

The Report of the Internal Auditors has been placed before the Audit Committee on quarterly basis.

**For and on behalf of the Board**

**Dr. Prathap C. Reddy**  
(DIN : 00003654)  
Vice Chairman

**Ashok Bajpai**  
(DIN : 002463754)  
Managing Director

**Place: New Delhi**  
**Date : 28<sup>th</sup> July, 2018**

# INDEPENDENT AUDITOR'S REPORT

To the Members of  
Indraprastha Medical Corporation Limited

## REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Indraprastha Medical Corporation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, 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 the significant accounting policies and other explanatory information.

## MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 accounting principles generally accepted in India, including the Ind AS prescribed under section 133 of the Act read with the companies (Indian Accounting Standards) Rules, 2015 as amended, 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the order issued under section 143(11) of the act.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at March 31, 2018, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

## OTHER MATTERS

The comparative financial statements of the Company for the financial year ended March 31, 2017 included in these financial statements have been audited by the predecessor auditor whose report for the year ended March 31, 2017 dated May 26, 2017 expressed an unmodified opinion on those financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, based on our audit 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.
  - 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 Financial Statements dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 B".
  - g) 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 financial statements - Refer Note 30.B (i) and (iii) to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For S.N. Dhawan & Co LLP**  
(Formerly S. N. Dhawan & Co.)

**Chartered Accountants**

**Firm Registration No.: 000050N/N500045**

**Rajeev K Saxena**

**Partner**

**Place: New Delhi**

**Dated: 9<sup>th</sup> May, 2018**

**Membership No.: 077974**

**Annexure A to the Independent Auditor's Report of even date to the members of Indraprastha Medical Corporation Limited, on the financial statements for the year ended March 31, 2018**

**ANNEXURE A**

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the members of Indraprastha Medical Corporation Limited on the financial statements as of and for the year ended March 31, 2018)**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year and according to the information and explanation given to us, no material discrepancies were noticed on such verification between book records and the physical inventories. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) (c) According to the information and explanations given to us and the records examined by us and based on the examination of the audit evidences provided to us, we report that, the title deeds of all the immovable properties (which are included under the head 'fixed assets) are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and according to the information and explanations given to us, no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year and had no unclaimed deposits at the beginning of the year within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, goods and services tax, duty of customs, value added tax, cess and other material statutory dues, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, there are no dues outstanding in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute, except as below;

Name of the statute	Nature of dues	Amount in INR Lacs	Amount paid under Protest In INR Lacs	Period to which the amount relates	Forum where dispute is pending
Service tax under Finance Act, 1994	Service tax dues	276.14	77.14	2006-07 to 2010-11	CESTAT (Delhi)

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.

- (ix) In our opinion and according to the information and explanations given to us, the Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) In our opinion and according to the information and explanations given to us, managerial remuneration has been paid by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V of the Act.
- (xii) The Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of Act, and the requisite details have been disclosed in the financial statements etc., 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. Accordingly, provisions of clause 3 (xiv) of the order are not applicable.
- (xv) In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act. Accordingly, provisions of clause 3 (xv) of the order are not applicable.
- (xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of clause 3 (xvi) of the order are not applicable.

**For S.N. Dhawan & Co LLP**  
(Formerly S. N. Dhawan & Co.)

**Chartered Accountants**  
**Firm Registration No.: 000050N/N500045**  
**Rajeev K Saxena**

**Place: New Delhi**  
**Dated: 9<sup>th</sup> May, 2018**

**Partner**  
**Membership No.: 077974**

**Annexure B to the Independent Auditor's Report of even date to the members of Indraprastha Medical Corporation Limited, on the financial statements for the year ended March 31, 2018**

**ANNEXURE B**

**Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

1. We have audited the internal financial controls over financial reporting of Indraprastha Medical Corporation Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

2. 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 the company's business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**AUDITORS' RESPONSIBILITY**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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.
5. 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 over financial reporting.

**MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

6. A company's internal financial controls 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 controls 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**

7. 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 internal financial controls 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**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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 S.N. Dhawan & Co LLP**  
(Formerly S. N. Dhawan & Co.)

**Chartered Accountants**

**Firm Registration No.: 000050N/N500045**

**Rajeev K Saxena**

**Place: New Delhi**

**Partner**

**Dated: 9<sup>th</sup> May, 2018**

**Membership No.: 077974**

## BALANCE SHEET AS AT 31ST MARCH, 2018

Particulars	Note No.	As at 31 <sup>st</sup> March, 2018 (Rs. in lacs)	As at 31 <sup>st</sup> March, 2017 (Rs. in lacs)
<b>I. ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Property, Plant and Equipment	1	29,277.22	29,389.31
(b) Intangible Assets	2	118.95	183.67
(c) Financial Assets	3	276.94	278.54
(d) Other non-current Assets	4	335.64	198.84
<b>Total of Non-current assets</b>		<b>30,008.75</b>	<b>30,050.36</b>
<b>2. Current Assets</b>			
(a) Inventories	5	912.41	994.87
(b) Financial Assets			
(i) Trade receivables	6	8,745.52	9,831.12
(ii) Cash and cash equivalents	7	251.59	193.76
(iii) Bank Balances other than (ii) above	8	542.55	505.04
(iv) Loans	9	39.94	36.64
(v) Others	10	659.49	1,087.08
(c) Current Tax Assets (Net)		776.48	886.36
(d) Other current assets	11	1,683.14	2,259.14
<b>Total of Current assets</b>		<b>13,611.12</b>	<b>15,794.01</b>
<b>TOTAL OF ASSETS</b>		<b>43,619.87</b>	<b>45,844.37</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
(b) Equity Share capital	12	9,167.30	9,167.30
(c) Other Equity	13	14,064.01	13,915.47
<b>Total of Equity</b>		<b>23,231.31</b>	<b>23,082.77</b>
<b>Liabilities</b>			
<b>2. Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	14	2,100.00	-
(ii) Others	15	276.00	251.39
(b) Provisions	16	873.04	870.16
(c) Deferred tax liabilities (Net)	17	2,975.98	3,065.83
<b>Total of Non-current liabilities</b>		<b>6,225.02</b>	<b>4,187.38</b>
<b>3. Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	18	3,855.75	6,481.01
(ii) Trade payables	19	7,156.49	9,620.87
(iii) Others	20	764.79	326.08
(b) Other current liabilities	21	1,649.25	1,783.66
(c) Provisions	22	737.26	362.60
<b>Total of Current liabilities</b>		<b>14,163.54</b>	<b>18,574.22</b>
<b>TOTAL OF EQUITY AND LIABILITIES</b>		<b>43,619.87</b>	<b>45,844.37</b>
<b>III. Summary of significant accounting policies</b>	29		
<b>The accompanying notes are integral part of the financial statements</b>			

As per our separate report of even date attached

**For S.N. Dhawan & Co. LLP**

(Formerly S. N. Dhawan & Co.)

Chartered Accountants

Firm Reg. No. 000050N/N500045

**Rajeev K Saxena**

Partner

M. No. 077974

Place: New Delhi

Date: 9<sup>th</sup> May, 2018

**Ashok Bajpai**

(DIN 02463754)

*Managing Director*

**Suneeta Reddy**

(DIN 00001873)

*Director*

**Ajay Kumar Singhal**

*Vice President Cum Company Secretary*

**C P Tyagi**

*Chief Financial Officer*

Place: New Delhi

Date: 9<sup>th</sup> May, 2018

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

Particulars	Note No.	For the Year ended 31 <sup>st</sup> March, 2018 (Rs. in lacs)	For the Year ended 31 <sup>st</sup> March, 2018 (Rs. in lacs)
<b>I. Revenue from Operations</b>	23	74,835.58	76,571.62
<b>II. Other Income</b>	24	159.93	45.71
<b>III. Total Income (I+II)</b>		<b>74,995.51</b>	<b>76,617.33</b>
<b>IV. EXPENSES</b>			
Stores & Spares consumed		13,984.14	15,239.53
Employee benefits expense	25	19,401.37	19,025.71
Finance costs	26	889.94	790.54
Depreciation and amortization expense		3,068.18	3,053.21
Other expenses	27	34,251.36	34,426.59
Total expenses (IV)		71,594.99	72,535.58
<b>V. Profit before exceptional items and tax (III-IV)</b>		3,400.52	4,081.75
<b>VI. Exceptional Items</b>	-	-	-
<b>VII. Profit/(loss) before tax (V-VI)</b>		3,400.52	4,081.75
<b>VIII. Tax expense:</b>			
(1) Current tax		1,393.07	1,854.10
(2) Deferred tax		(102.88)	(396.88)
<b>IX. Profit/(loss) for the year (VII-VIII)</b>		2,110.33	2,624.53
<b>X. Other Comprehensive Income</b>			
(i) Items that will not be reclassified subsequently to profit or loss			
Re-measurement gains (losses) on defined benefit plans		37.27	106.14
Income Tax effect (Deferred Tax)		(13.02)	(36.73)
		<b>24.25</b>	<b>69.41</b>
<b>XI. Total Comprehensive Income for the year (Comprising Profit (Loss) and Other Comprehensive Income for the year)</b>		<b>2,134.58</b>	<b>2,693.94</b>
<b>XII. Earnings per equity share</b>			
(1) Basic		2.30	2.86
(2) Diluted		2.30	2.86
<b>XIII. Summary of significant accounting policies</b>	29		
<b>The accompanying notes are integral part of the financial statements</b>			

As per our separate report of even date attached

**For S.N. Dhawan & Co. LLP**  
(Formerly S. N. Dhawan & Co.)  
Chartered Accountants  
Firm Reg. No. 000050N/N500045

**Rajeev K Saxena**  
Partner  
M. No. 077974

Place: New Delhi  
Date: 9<sup>th</sup> May, 2018

**Ashok Bajpai**  
(DIN 02463754)

*Managing Director*

**Suneeta Reddy**  
(DIN 00001873)

*Director*

**Ajay Kumar Singhal**

*Vice President Cum Company Secretary*

**C P Tyagi**

*Chief Financial Officer*

Place: New Delhi  
Date: 9<sup>th</sup> May, 2018

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

### EQUITY SHARE CAPITAL

Particulars	Balance as at 1 <sup>st</sup> April, 2017		Changes in equity share capital during the year		Balance as at 31 <sup>st</sup> March, 2018	
	Number	Amount Rs. in lacs	Number	Amount Rs. in lacs	Number	Amount Rs. in lacs
<b>Authorised</b>						
10,00,00,000 Equity Shares of Rs.10/- each	10,00,00,000	10,000.00	-	-	10,00,00,000	10,000.00
<b>Issued, Subscribed and Paid up</b>						
Equity Shares of Rs. 10/- each Fully paid up	9,16,73,000	9,167.30	-	-	9,16,73,000	9,167.30

### OTHER EQUITY

(Rs. in lacs)

Particulars	Reserves & Surplus				Items of Other Comprehensive Income	Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings		
Balance as at 1 <sup>st</sup> April, 2017	-	-	4,275.00	9,599.69	40.78	13,915.47
Total Comprehensive Income for the year	-	-	-	2,110.33	24.25	2,134.58
Dividend (including tax on dividend)	-	-	-	(1,986.04)	-	(1,986.04)
<b>Balance as at 31<sup>st</sup> March, 2018</b>	<b>-</b>	<b>-</b>	<b>4,275.00</b>	<b>9,723.98</b>	<b>65.03</b>	<b>14,064.01</b>

As per our separate report of even date attached

**For S.N. Dhawan & Co. LLP**  
(Formerly S. N. Dhawan & Co.)  
Chartered Accountants  
Firm Reg. No. 000050N/N500045

**Rajeev K Saxena**  
Partner  
M. No. 077974

Place: New Delhi  
Date: 9<sup>th</sup> May, 2018

**Ashok Bajpai**  
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*Managing Director*

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(DIN 00001873)

*Director*

**Ajay Kumar Singhal**  
**C P Tyagi**

*Vice President Cum Company Secretary*  
*Chief Financial Officer*

Place: New Delhi  
Date: 9<sup>th</sup> May, 2018

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

Particulars	Year ended 31 <sup>st</sup> March, 2018 (Rs. in lacs)	Year ended 31 <sup>st</sup> March, 2017 (Rs. in lacs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	3,400.52	4,081.75
<b>Add:</b>		
Depreciation and amortization expense	3,068.18	3,053.21
Interest expense	558.54	468.25
Loss on discarded Property, Plant & Equipment	138.66	55.08
<b>Deduct:</b>		
Interest received	79.08	31.81
Profit on Sale of Property, Plant & Equipment	1.13	1.78
Operating Profit before Working Capital changes	7,085.69	7,624.70
<b>Adjustments for:</b>		
Trade & Other Receivables	2,042.49	(673.10)
Trade payables	(2,788.84)	(1,969.99)
Inventories	82.46	(39.55)
Cash Generated from Operations	6,421.80	4,942.06
<b>Deduct:</b>		
Interest paid	368.60	411.23
Income tax paid	1,283.18	1,766.77
Net Cash from Operating Activities	4,770.02	2,764.06
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment (Net of sale)	(3,069.20)	(2,291.38)
Interest received	79.00	50.89
Net Cash from Investing Activities	(2,990.20)	(2,240.49)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from current borrowings	17,000.00	16,000.00
Proceeds from non-current borrowings	3,000.00	-
Repayment of non-current borrowings	(550.00)	(500.00)
Repayment of current borrowings	(19,000.00)	(14,000.00)
Interest paid	(189.94)	(57.02)
Dividend paid (including Tax on Dividend)	(1,982.05)	(1,981.99)
Net Cash from Financing Activities	(1,721.99)	(539.01)
<b>Net increase / (decrease) in Cash and Cash equivalents</b>	<b>57.83</b>	<b>(15.44)</b>
<b>Opening Cash and Cash equivalents</b>	<b>193.76</b>	<b>209.20</b>
<b>Closing Cash and Cash equivalents</b>	<b>251.59</b>	<b>193.76</b>
<b>Components Cash and Cash equivalents</b>		
<b>Cash balance on hand</b>	<b>50.77</b>	<b>56.15</b>
<b>Balance with Banks</b>	<b>200.82</b>	<b>137.61</b>

As per our separate report of even date attached

**For S.N. Dhawan & Co. LLP**  
(Formerly S. N. Dhawan & Co.)  
Chartered Accountants  
Firm Reg. No. 000050N/N500045

**Rajeev K Saxena**  
Partner  
M. No. 077974

Place: New Delhi  
Date: 9<sup>th</sup> May, 2018

**Ashok Bajpai**  
(DIN 02463754)

*Managing Director*

**Suneeta Reddy**  
(DIN 00001873)

*Director*

**Ajay Kumar Singhal**

*Vice President Cum Company Secretary*

**C P Tyagi**

*Chief Financial Officer*

Place: New Delhi  
Date: 9<sup>th</sup> May, 2018

## NOTES TO FINANCIAL STATEMENTS

### 1. PROPERTY, PLANT & EQUIPMENT

(Rs. in lacs)

Particulars	Building	Furniture & Fittings	Plant & Machinery	Office Equipment	Medical Equipment	Surgical Instruments	Vehicles	Total
Cost as at 1 <sup>st</sup> April, 2017	18,740.97	1,439.10	200.12	2,226.14	12,085.45	700.92	249.36	35,642.06
Additions	-	92.97	206.27	157.29	2,323.74	237.54	63.37	3,081.18
Deletions / Adjusted	(10.02)	(1.22)	(0.34)	-	(401.92)	-	-	(413.50)
Cost at 31 <sup>st</sup> March, 2018	18,730.95	1,530.85	406.05	2,383.43	14,007.27	938.46	312.73	38,309.74
Accumulated Depreciation upto 31 <sup>st</sup> March, 2017	(1,966.23)	(405.27)	(36.85)	(1,089.22)	(2,367.37)	(324.78)	(63.03)	(6,252.75)
Depreciation for the year	(726.90)	(193.62)	(23.79)	(452.05)	(1,321.85)	(211.94)	(37.71)	(2,967.86)
Written Back / Adjusted	5.81	0.49	0.07	-	181.72	-	-	188.09
Accumulated Depreciation up to 31 <sup>st</sup> March, 2018	(2,687.32)	(598.40)	(60.57)	(1,541.27)	(3,507.50)	(536.72)	(100.74)	(9,032.52)
Net carrying amount as at 31 <sup>st</sup> March, 2018	16,043.63	932.45	345.48	842.16	10,499.77	401.74	211.99	29,277.22

Particulars	Building	Furniture & Fittings	Plant & Machinery	Office Equipment	Medical Equipment	Surgical Instruments	Vehicles	Total
Cost as at 1 <sup>st</sup> April, 2016	18,344.18	1,365.79	169.79	1,722.67	11,023.08	502.81	200.53	33,328.85
Additions	446.47	73.31	30.33	503.47	1,130.57	198.11	57.07	2,439.33
Deletions / Adjusted	(49.68)	-	-	-	(68.20)	-	(8.24)	(126.12)
Cost at 31 <sup>st</sup> March, 2017	18,740.97	1,439.10	200.12	2,226.14	12,085.45	700.92	249.36	35,642.06
Accumulated Depreciation upto 31 <sup>st</sup> March, 2016	(1,264.91)	(202.72)	(19.61)	(562.82)	(1,147.61)	(179.36)	(34.70)	(3,411.73)
Depreciation for the year	(731.20)	(202.55)	(17.24)	(526.40)	(1,245.23)	(145.42)	(35.06)	(2,903.10)
Written Back / Adjusted	29.88	-	-	-	25.47	-	6.73	62.08
Accumulated Depreciation up to 31 <sup>st</sup> March, 2017	(1,966.23)	(405.27)	(36.85)	(1,089.22)	(2,367.37)	(324.78)	(63.03)	(6,252.75)
Net carrying amount as at 31 <sup>st</sup> March, 2017	16,774.74	1,033.83	163.27	1,136.92	9,718.08	376.14	186.33	29,389.31

## NOTES TO FINANCIAL STATEMENTS

Particulars	As at 31 <sup>st</sup> March, 2018 (Rs. in lacs)	As at 31 <sup>st</sup> March, 2017 (Rs. in lacs)
<b>2. INTANGIBLE ASSETS</b>		
	Software Licenses	Software Licenses
Cost as at beginning of the year	447.29	299.57
Additions	35.60	147.72
Disposals	-	-
Cost at end of the year	482.89	447.29
Accumulated Amortization at beginning of the year	(263.62)	(113.51)
Amortization for the year	(100.32)	(150.11)
Disposals	-	-
Accumulated Amortization at end of the year	(363.94)	(263.62)
Net carrying amount as at end of the year	<b>118.95</b>	<b>183.67</b>
<b>3. FINANCIAL ASSETS</b>		
Financial Assets at amortised cost		
Fixed deposits kept as Margin Money with Bank	30.16	31.24
Other Fixed Deposit	0.56	-
Security Deposit	246.22	247.30
	<b>276.94</b>	<b>278.54</b>
<b>4. OTHER NON-CURRENT ASSETS</b>		
(Considered good)		
Capital Advances	159.92	30.68
Security Deposits	175.72	168.16
	<b>335.64</b>	<b>198.84</b>
<b>5. INVENTORIES</b>		
Stores & spares	808.96	774.11
Crockery & utensil	34.15	25.16
Linen	69.30	195.60
	<b>912.41</b>	<b>994.87</b>
<b>6. TRADE RECEIVABLES</b>		
Unsecured		
– Considered Good	8,745.52	9,831.12
– Considered Doubtful	1,089.56	1,009.60
Less: Allowances for doubtful receivables	(1,089.56)	(1,009.60)
	<b>8,745.52</b>	<b>9,831.12</b>
Includes amount due from related parties (refer note 30M)		
<b>7. CASH &amp; CASH EQUIVALENT</b>		
Cash balance on hand	50.77	56.15
Balances with Banks		
– in current accounts	200.82	137.61
	<b>251.59</b>	<b>193.76</b>

## NOTES TO FINANCIAL STATEMENTS

Particulars	As at 31 <sup>st</sup> March, 2018 (Rs. in lacs)	As at 31 <sup>st</sup> March, 2017 (Rs. in lacs)		
<b>8. BANK BALANCES OTHER THAN CASH &amp; CASH EQUIVALENT</b>				
Fixed Deposit - Margin Money with Bank	304.50	224.76		
Fixed Deposit others (restricted)	83.93	130.15		
Earmarked Balances - Unpaid dividend Accounts	154.12	150.13		
	<b>542.55</b>	<b>505.04</b>		
<b>9. LOANS</b>				
Financial Assets at amortised cost				
Employee loans	39.94	36.64		
	<b>39.94</b>	<b>36.64</b>		
<b>10. OTHER FINANCIAL ASSETS</b>				
Financial Assets at amortised cost				
Lease Rent Receivable	162.48	111.18		
Patient Treatment in Progress (Net of Advances)	474.49	930.76		
Advances recoverable	22.52	45.14		
	<b>659.49</b>	<b>1,087.08</b>		
<b>11. OTHER CURRENT ASSETS</b>				
(Unsecured, considered good)				
Advance for expenses	75.34	137.21		
Export Incentives	592.90	1,033.56		
Prepaid Expenses	1,014.90	1,088.37		
	<b>1,683.14</b>	<b>2,259.14</b>		
<b>12. EQUITY SHARE CAPITAL</b>				
<b>Authorised</b>				
10,00,00,000 Equity Shares of Rs.10/- each	10,000.00	10,000.00		
	10,000.00	10,000.00		
<b>Issued, Subscribed and Paid up</b>				
(9,16,73,000 equity shares of Rs. 10/- each fully paid up)	9,167.30	9,167.30		
	<b>9,167.30</b>	<b>9,167.30</b>		
(i) Details of Shareholders holding more than 5% shares in the company.				
	<b>As at 31<sup>st</sup> March, 2018</b>		<b>As at 31<sup>st</sup> March, 2017</b>	
<b>Name of Shareholder</b>	<b>No. of Shares held</b>	<b>% of Holding</b>	<b>No. of Shares held</b>	<b>% of Holding</b>
Government of National Capital Territory of Delhi (Including nominees)	2,38,34,200	26.00%	2,38,34,200	26.00%
Apollo Hospitals Enterprise Limited	2,01,90,740	22.02%	2,01,90,740	22.02%
Housing Development Finance Corporation Limited	61,46,897	6.71%	61,46,897	6.71%
(ii) The company has not issued any shares for consideration other than cash, bonus shares and no shares have been bought back during the period of five years immediately preceding the reporting date.				
(iii) There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.				

## NOTES TO FINANCIAL STATEMENTS

(iv) Terms / Rights attached to Equity Shares.

The company has only one class of Equity Shares having par value of Rs. 10/- per share. Each holder of Equity Shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing General Meeting.

The Board of Directors have recommended a dividend @ 15% (Rs. 1.50/- per share) for the financial year 2017-18.

In the event of liquidation of the company Equity shareholders will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts.

(v) There is no holding / ultimate holding company of the company.

Particulars	As at 31 <sup>st</sup> March, 2018 (Rs. in lacs)	As at 31 <sup>st</sup> March, 2017 (Rs. in lacs)
<b>13. OTHER EQUITY</b>		
<b>a. General Reserve</b>		
Opening balance	4,275.00	4,275.00
Add : Transferred from Statement of Profit and Loss	-	-
	4,275.00	4,275.00
<b>b. Surplus in Statement of Profit and Loss</b>		
Opening balance	9,599.69	8,961.19
Add : Surplus for the year	2,110.33	2,624.53
Less: Dividend	1,650.11	1,650.11
Less: Tax on Dividend	335.93	335.92
	9,723.98	9,599.69
<b>c. Other Comprehensive Income</b>		
Opening balance	40.78	(28.63)
Add : Re-measurements of Defined Employee Benefits plans	24.25	69.41
	65.03	40.78
<b>Total</b>	<b>14,064.01</b>	<b>13,915.47</b>

### 14. NON - CURRENT BORROWINGS

Term Loans (Secured Loans)		
Loans from Banks	2,100.00	-
	<b>2,100.00</b>	<b>-</b>

Term loan of Rs. 3,000 lacs from Hongkong and Shanghai Banking Corporation Limited was taken during the current financial year 2017-18 and carry interest @ 8.85% p.a. This loan is repayable in 20 quarterly instalments of Rs. 150 lacs each starting from the end of three months from the date of first disbursement. This loan is secured by way of exclusive charge on the plant and machinery and other moveable assets except those financed by other lenders.

### 15. OTHER FINANCIAL LIABILITIES

Financial liabilities at amortised cost		
Security Deposits	276.00	251.39
	<b>276.00</b>	<b>251.39</b>

### 16. NON - CURRENT PROVISIONS

Provision for Employees Benefits	873.04	870.16
	<b>873.04</b>	<b>870.16</b>

## NOTES TO FINANCIAL STATEMENTS

Particulars	As at 31 <sup>st</sup> March, 2018 (Rs. in lacs)	As at 31 <sup>st</sup> March, 2017 (Rs. in lacs)
<b>17. DEFERRED TAX LIABILITIES (NET)</b>		
Deferred tax liability (net) as on date is as follows:		
On account of depreciation	3,991.26	3,959.40
Less: Deferred tax assets arising on account of		
Allowance for doubtful receivables	380.74	349.40
Provision for Employee benefits and others	634.54	544.17
Net deferred tax liability	2,975.98	3,065.83
<b>18. CURRENT BORROWINGS</b>		
Loan repayable on demand (Secured)		
From Banks	1,855.75	2,481.01
Commercial Paper (Unsecured)		
From Banks	1,000.00	3,000.00
From Others	1,000.00	1,000.00
	<b>3,855.75</b>	<b>6,481.01</b>
<p>The company has availed cash credit limit of Rs. 1,500 lacs from State Bank of India to meet the working capital requirements at an interest rate of 8.35% p.a. The limit is secured by first pari-passu charge on the entire current assets of the company. Company also have an overdraft limit of Rs. 2,500 lacs from ICICI bank at an interest rate of 8.65%, which is secured by first pari passu charge on the current assets of the company. Total utilization of the cash credit /overdraft limits from all the banks at any point cannot exceed Rs. 2,500 lacs.</p> <p>The details of commercial paper outstanding as on 31<sup>st</sup> March, 2018 are as follows:</p> <ol style="list-style-type: none"> <li>Commercial paper of Rs. 1,000 lacs has been subscribed by ICICI Bank Limited at interest rate of 7.80% and with maturity date of 13<sup>th</sup> June, 2018.</li> <li>Commercial paper of Rs. 1,000 lacs subscribed by Invesco Trustee Pvt Ltd. at interest rate of 7.90% and with maturity date of 15<sup>th</sup> June, 2018.</li> </ol>		
<b>19. TRADE PAYABLES</b>		
Due to Micro & Small Enterprises	-	-
Due to Others:		
For Expenses	4,240.36	7,212.42
For others	2,916.13	2,408.45
	<b>7,156.49</b>	<b>9,620.87</b>
Includes amount payable to related parties (refer note 30M)		
<b>20. OTHER FINANCIAL LIABILITIES</b>		
Financial liabilities at amortised cost		
Current Maturities of non-current debt	600.00	250.00
Sundry Creditors for capital items	164.48	75.54
Others	0.31	0.54
	<b>764.79</b>	<b>326.08</b>
<b>21. OTHER CURRENT LIABILITIES</b>		
Advance from patients	1,068.17	1,046.15
Unclaimed Dividend	154.12	150.13
Statutory Liabilities	337.34	503.40
Others	89.62	83.98
	<b>1,649.25</b>	<b>1,783.66</b>

## NOTES TO FINANCIAL STATEMENTS

Particulars	As at 31 <sup>st</sup> March, 2018 (Rs. in lacs)	As at 31 <sup>st</sup> March, 2017 (Rs. in lacs)
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### 22. CURRENT PROVISIONS

Employees benefits:		
Provision for Leave	100.70	102.21
Provision for Gratuity	636.56	260.39
	<b>737.26</b>	<b>362.60</b>

Particulars	For the Year ended 31 <sup>st</sup> March, 2018 Rs.	For the Year ended 31 <sup>st</sup> March, 2017 Rs.
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### 23. REVENUE FROM OPERATION

Sale of services	72,027.43	72,909.08
Other operating revenue		
License fee & commission from licensees	1,748.61	1,882.75
Chamber rent received from doctors	244.35	244.06
Export incentive	605.50	1,216.26
Miscellaneous income	209.69	319.47
	<b>74,835.58</b>	<b>76,571.62</b>

### 24. OTHER INCOME

Interest Income	79.09	31.80
Other Non operating income	80.84	13.91
	<b>159.93</b>	<b>45.71</b>

### 25. EMPLOYEE BENEFITS EXPENSE

Salaries and wages	17,401.35	17,433.72
Contribution to provident & other funds	1,314.67	1,028.26
Staff welfare	685.35	563.73
	<b>19,401.37</b>	<b>19,025.71</b>

### 26. FINANCE COSTS

Interest Cost	558.54	468.25
Others	331.40	322.29
	<b>889.94</b>	<b>790.54</b>

### 27. OTHER EXPENSES

Consultation fees paid to doctors	19,025.68	19,145.51
Outside lab investigations	112.07	105.55
Leasehold ground rent	-	-
Power & Fuel	1,926.25	2,091.20
Lease Rent	497.96	499.84
Travelling and Conveyance	859.31	939.25
Insurance	119.81	110.43
Directors' sitting fees	24.98	22.05

## NOTES TO FINANCIAL STATEMENTS

Particulars	For the year ended	For the year ended
	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
	Rs.	Rs.
Communication	158.56	177.84
Printing and stationery	533.11	574.50
Advertisement	3,876.32	3,866.92
Legal and professional charges	584.04	596.79
Security charges	407.46	383.41
Payment to auditors	22.25	19.75
Auditors out of pocket expenses	1.33	2.10
Rates, taxes and licenses	388.64	465.15
Corporate social responsibility expenses	91.93	100.06
Loss on Discarded Assets	138.66	55.07
Service Charges	3,232.69	3,036.71
Repairs and maintenance		
– Building	569.34	604.18
– Plant & Machinery	958.05	964.04
– Others	419.06	418.11
Miscellaneous expenses	48.83	73.06
Allowance for doubtful receivables	255.03	175.07
	<b>34,251.36</b>	<b>34,426.59</b>

### 28. GENERAL INFORMATION

Indraprastha Medical Corporation Limited ('the Company') is a public Company incorporated in India. The address of its registered office and principal place of business is at Sarita Vihar, Mathura Road, New Delhi, India. 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. The company has its primary listings on BSE Limited and National Stock Exchange of India Limited.

### 29. SIGNIFICANT ACCOUNTING POLICIES

#### A. Basis of preparation of financial statements

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis (except certain Financial Instruments which are measured at fair value and Building, Plant & Medical Equipment, which are recognised at deemed cost on the basis of fair values), the provisions of the Companies Act, 2013 ('Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

#### B. Statement of compliance

The financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended.

#### C. Capital Management

The capital includes issued equity capital and other equity reserves attributable to the equity holders of the company. The primary objective of the company's capital management is to maintain optimum capital structure to reduce cost of capital and to maximize the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants which otherwise would permit the banks to immediately call loans and borrowings. In order to maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

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## NOTES TO FINANCIAL STATEMENTS

### D. Use of estimates and Judgements

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

### E. Revenue recognition

#### Healthcare Services

Revenue primarily comprises fees charged for inpatient and outpatient hospital services. Services include charges for accommodation, theatre, medical professional services, equipment, radiology and laboratory. Revenue is recorded and recognised during the period in which the hospital service is provided, based upon the estimated amounts due from patients and/or medical funding entities in respect of services rendered. Unbilled revenue is recorded for the service where the patients are not discharged and invoice is not raised for the service.

#### Interest income

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.

#### Export Incentive

Under the "Served from India Scheme" and "Service Export from India Scheme" introduced by Government of India, an exporter of service is entitled to 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 reasonable assurance as to the amount of consideration that would be derived and as to its ultimate collection.

#### Rental income

The Company's policy for recognition of revenue from operating leases is described in note F below.

### F. 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.

#### The Company as lessor

Rental income from operating leases is 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 period in which such benefits accrue.

#### The Company as lessee

Rental expense from operating leases is 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.

### G. 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 income statement over the period of the borrowings using the effective interest rate method.

## NOTES TO FINANCIAL STATEMENTS

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 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 statement of profit and loss in the period in which they are incurred.

### H. Cash flow statement

The Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity period of three months or less from the balance sheet date, which are subject to an insignificant risk of changes in value.

The cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS) - 7 "Statement of Cash flows" using the indirect method for operating activities.

### I. Employee benefits

#### 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 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 reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) 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 reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost and net interest cost is recognised in statement of profit and loss.

#### Short-term employee benefits

Short Term Employee Benefits are recognized as an expense on an undiscounted basis in the Statement of Profit and Loss of the year in which the related service is rendered.

#### Long-term employee benefits

The liability for leave encashment and other compensated absences is recognized on the basis of actuarial valuation made at the end of each reporting period.

### J. Taxation

Income tax expense represents the sum of the current tax and deferred tax.

#### 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.

#### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

## NOTES TO FINANCIAL STATEMENTS

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.

### K. Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment loss, if any.

Depreciation is provided for property, plant and equipment so as to write off the cost over their estimated useful lives based on evaluation. The estimated useful lives and residual value are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Based on technical evaluation, the management believes that its estimates of useful lives as given below best represent the period over which management expects to use these assets.

If significant parts of an item of property, plant & equipment have different useful life, then they are accounted for as separate items (major components) of property, plant & equipment.

The estimated useful lives are as mentioned below:

Type of Asset	Method	Useful Lives
Buildings (Leasehold)	Straight Line	Over the period of Lease or Estimated useful life, which ever is lower
Furniture & Fittings	Straight Line	10 Years
Plant and Medical Equipment	Straight Line	13 - 15 Years
Office Equipment	Straight Line	3 - 6 Years
Surgical Instruments	Straight Line	3 Years
Vehicles	Straight Line	8 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 statement of profit and loss.

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

For transition to Ind AS, the company has elected to adopt fair value of Building, Plant and Medical Equipment recognised as of April 1, 2015 as the deemed cost as of the transition date. The resulting adjustments have been directly recognised in retained earnings.

### L. Intangible assets

Intangible assets purchased are measured at cost as of the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Intangible assets consist of software licences which are amortised over license period which equates the useful life of 3 years on a straight line basis.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

## NOTES TO FINANCIAL STATEMENTS

### M. Impairment of assets

#### Non-financial assets

##### **Intangible assets and property, plant and equipment**

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

#### Financial assets

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

### N. Inventories

- (i) Inventories are valued at cost. Crockery and utensils are valued at cost and are subject to 1/5 write off. In the absence of any further estimated costs of completion and estimated costs necessary to make the sale, the Net realisable value is not applicable.
- (ii) The cost in respect of the items constituting the inventories has been computed on FIFO basis.

### O. Earnings per share

Basic earnings per share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The Company did not have any potentially dilutive securities in any of the years presented.

### P. Foreign currency

The functional currency of the company is Indian rupee. These financial statements are presented in Indian rupees.

The foreign currency transactions are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

The foreign currency monetary items are translated using the closing rate at the end of each reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in statement of profit and loss in the period in which they arise.

### Q. Provisions, contingent liabilities and contingent assets

A provision is recognised when the Company has a present obligation as a result of past event and it is probable than an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of a present obligation arising from a past event when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or a possible obligation, unless the probability of outflow in settlement is remote.

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## NOTES TO FINANCIAL STATEMENTS

### R. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Initial Recognition and measurement

On initial recognition, all the financial assets and liabilities are recognized at their fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

#### Subsequent measurement

##### (i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### (ii) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### (iii) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories is subsequently measured at fair value through profit or loss.

##### (iv) Financial liabilities

The financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short-term maturity of these instruments.

#### Fair value measurement of financial instruments

The fair value of financial instruments is determined using the valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Based on the three level fair value hierarchy, the methods used to determine the fair value of financial assets and liabilities include quoted market price, discounted cash flow analysis and valuation certified by the external valuer.

In case of financial instruments where the carrying amount approximates fair value due to the short maturity of those instruments, carrying amount is considered as fair value.

#### **Derecognition of financial instrument**

A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability is derecognized when the obligation specified in the contract is discharged or cancelled or expired.

#### Equity instruments

Equity shares issued by the company are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

## 30. NOTES ON ACCOUNTS

A. Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. 88.89 lacs (Previous year Rs. 345.46 lacs).

### B. Contingent Liability

- i) Claims against the company not acknowledged as debt Rs. 4,670.33 lacs (Previous Year Rs. 3,924.70 lacs) and interest thereon. This represents suits filed against the company and the consultant doctor. Based on the facts and circumstances, possibility of any of the claims resulting in a major financial loss to the company is remote. Notwithstanding above, the company is adequately insured to mitigate the possibility of any loss.

## NOTES TO FINANCIAL STATEMENTS

- ii) Letters of credit / Bank guarantees outstanding on account of stores / spares and medical equipment amounting to Rs. 228.30 lacs (Previous year Rs. 1,132.74 lacs)

(Rs. in lacs)

		31.03.2018	31.03.2017
iii)			
	In respect of:		
	a) Service Tax	199.00	199.00
	b) Others	1,071.37	161.60

- C. i) Under the terms of the agreement between the Government of NCT of Delhi and the company, the Hospital project of the company has been put up on the land belonging to Government of NCT of Delhi. The Government of NCT of Delhi is committed to meet the expenditure to the extent of Rs. 1,547.80 lacs out of IMCL Building fund account (funds earmarked for the period) together with the interest thereon for construction of definite and designated buildings while the balance amount of the cost of the building will be borne by the Company. As at 31<sup>st</sup> March, 2018, the aforesaid fund, together with interest thereon amounting to Rs. 1,923.58 lacs have been utilized towards progress payments to contractors, advances to contractors, payments for materials, etc. The ownership of the building between Government of NCT of Delhi and the company will be decided at a future date keeping in view the lease agreement.
- ii) Other expenses include Rs. 12/- (previous year Rs. 12/-) towards leasehold ground rent as per the terms of agreement between Govt. of NCT of Delhi and the company.
- D. On a Public Interest Litigation (PIL) regarding free treatment in the hospital the Hon'ble Delhi High Court vide its order dated 22<sup>nd</sup> September, 2009 has held that free treatment provided by the hospital as per the terms of lease deed with Government of National Capital Territory of Delhi shall be inclusive of medicines and consumables. In response to the said order the company filed a Special Leave Petition in the Hon'ble Supreme Court for appropriate directions with a prayer to stay the judgment of the Hon'ble Delhi high court. The Hon'ble Supreme Court of India has admitted the Special Leave Petition and passed an interim order on 30.11.2009. In pursuance of the interim order, the Hospital is charging for medicines & medical consumables from patients referred by the Govt. of Delhi for free treatment in the Hospital. As the matter is sub judice, the financial impact in the matter can be quantified only upon a decision by the Hon'ble Supreme Court of India.

### E. Employee benefits

#### Defined benefit plan

##### Gratuity

The Company provides to the eligible employees, defined benefit plans in the form of gratuity. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days' salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service.

The following table sets out the details of the defined benefit retirement plans and the amounts recognised in the financial statements:

		(Rs. in lacs)	
		2017-18	2016-17
<b>i) Change in Present Benefit Obligation</b>			
	Present value of obligation as at the beginning of the year	1,479.41	1,358.43
	Interest Cost	108.74	108.13
	Service Cost	394.31	157.41
	Benefits Paid	(189.96)	(107.62)
	Total Actuarial (Gain)/Loss on Obligation	(50.85)	(36.94)
	Present value of obligation as at the End of the year	1,741.65	1,479.41
<b>ii) Change in plan assets</b>			
	Fair value of plan assets at the beginning of the year	1,219.03	1,164.72
	Expected return on plan assets	89.60	92.71
	Actuarial gain / (loss) on plan assets	(13.58)	69.20
	Employer contribution	-	-
	Benefits paid	(189.96)	(107.60)
	Fair value of plan assets at the end of the year	1,105.09	1,219.03

## NOTES TO FINANCIAL STATEMENTS

	(Rs. in lacs)	
	2017-18	2016-17
<b>iii) Balance Sheet and related analyses</b>		
Present Value of the obligation at year end	1,741.65	1,479.41
Fair value of plan assets	1,105.09	1,219.03
Unfunded Liability/provision in Balance Sheet	(636.56)	(260.38)
Unfunded liability recognized in Balance Sheet	(636.56)	(260.38)
<b>iv) The amounts recognized in the income statement</b>		
Service Cost	394.31	157.41
Net Interest Cost	108.74	108.13
Expected return on plan assets	(89.60)	(92.71)
Expense recognized in the Income Statement	413.45	172.83
<b>v) Other Comprehensive Income (OCI)</b>		
Net cumulative unrecognized actuarial gain/(loss) opening	-	-
Actuarial gain / (loss) for the year on PBO	50.85	36.94
Actuarial gain / (loss) for the year on Asset	(13.58)	69.20
Unrecognized actuarial gain/(loss) at the end of the year	37.27	106.14
<b>vi) Actuarial (Gain)/Loss on Obligation</b>		
Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	(18.39)
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(72.15)	149.63
Actuarial (Gain)/Loss on arising from Experience Adjustment	21.31	(168.20)
<b>vii) Major categories of plan assets (as percentage of total plan assets)</b>		
Government of India Securities	0%	0%
State Government securities	0%	0%
High Quality Corporate Bonds	0%	0%
Equity Shares of listed companies	0%	0%
Property	0%	0%
Special Deposit Scheme	0%	0%
Funds Managed by Insurer	100%	100%
Bank Balance	0%	0%
	100%	100%
<b>viii) Net periodic gratuity cost, included in employee cost consists of the following components:</b>		
Current Service Cost	394.31	157.41
Interest Cost on Defined Benefit Obligation	108.74	108.13
	503.05	265.54
<b>ix) Sensitivity Analysis of the defined benefit obligation</b>		
a) Impact of the change in discount rate		
Present Value of Obligation at the end of the period	1,741.65	
Impact due to increase of 0.50 %	(75.70)	
Impact due to decrease of 0.50 %	81.67	
b) Impact of the change in salary increase		
Present Value of Obligation at the end of the period	1,741.65	
Impact due to increase of 0.50 %	83.11	
Impact due to decrease of 0.50 %	(77.64)	
<b>x) Maturity Profile of Defined Benefit Obligation</b>		
April 2018- March 2019	190.20	
April 2019- March 2020	39.54	
April 2020- March 2021	70.30	
April 2021- March 2022	93.87	
April 2022- March 2023	103.40	
April 2023- March 2024	78.05	
April 2024 onwards	1,166.29	

## NOTES TO FINANCIAL STATEMENTS

	(Rs. in lacs)	
	2017-18	2016-17
<b>xi) The assumptions used in accounting for the defined benefit plan are set out below:</b>		
	31-Mar-18	31-Mar-17
Discount Rate	7.80%	7.35%
Future Salary Increase	5.50%	5.50%
Retirement Age	58 years	58 years
Method used	Projected unit Credit Method	Projected unit Credit Method
<b>Defined contribution plans</b>		
The company's contribution to provident fund, pension fund and ESI scheme recognised as expense for the year are as under:		
	2017-18	2016-17
– Contribution to Provident fund	490.97	482.28
– Contribution to Pension fund	283.99	308.20
– Contribution to ESI	91.54	30.24

### F. Financial Risk Management

The principal financial assets of the Company include loans, trade and other receivables, and cash and bank balances that derive directly from its operations. The principal financial liabilities of the company include loans and borrowings, trade and other payables and the main purpose of these financial liabilities is to finance the day to day operations of the company.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks and advises on financial risks and the appropriate financial risk governance framework for the Company. The risks which the company is exposed to and policies and framework adopted by the company to manage these risks are explained as under:

#### Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Company is exposed to interest rate risk as its Market risk.

#### Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

As the Company has no significant interest-bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates, which are included in interest bearing loans and borrowings in these financial statements. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

At the reporting date the interest rate profile of the Company's interest bearing financial instrument is at its fair value:

Particulars	Carrying Amount (Rs. in lacs)	
	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>Fixed rate instruments</b>		
Long term borrowings	2,100.00	-
Current maturities of long term debt	600.00	250.00
<b>Variable rate instruments</b>		
Short term borrowings	1,855.75	2,481.01

## NOTES TO FINANCIAL STATEMENTS

### Liquidity Risk

The financial liabilities of the company include loans and borrowings, trade and other payables. The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations.

The below is the detail of contractual maturities of the financial liabilities of the company at the end of each reporting period:

(Rs. in lacs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b><u>Borrowings:</u></b>		
0-1 years	4,455.75	6,731.01
More than 1 years	2,100.00	-
<b><u>Trade Payables:</u></b>		
0-1 years	7,156.49	9,620.87
More than 1 years	-	-
<b><u>Other Financial liabilities:</u></b>		
0-1 years	764.79	326.08
More than 1 years	276.00	251.39

### Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The exposure to the credit risk at the reporting date is primarily from trade receivables which are typically unsecured. 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. 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 low.

The company assesses the creditworthiness of the customers internally to whom services are rendered on credit terms in the normal course of business. The credit limit of each customer is defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

### G. Financial Instruments by category

The carrying value and fair value of financial instruments by categories as of 31<sup>st</sup> March, 2018 (Rs. in lacs)

Particulars	FVTPL	FVTOCI	Amortised Cost	Carrying Cost
<b><u>Assets:</u></b>				
Fixed deposits being Margin Money with Bank	-	-	30.16	30.16
Other Fixed Deposit	-	-	0.56	0.56
Security Deposit	-	-	246.22	246.22
Trade Receivables	-	-	8,745.52	8,745.52
Cash & Cash Equivalent	-	-	251.59	251.59
Bank Balances other than Cash & Cash equivalent	-	-	542.55	542.55
Loans	-	-	39.94	39.94
Lease Rent Receivable	-	-	162.48	162.48
Patient Treatment in Progress (Net of Advances)	-	-	474.49	474.49
Advances recoverable	-	-	22.52	22.52

## NOTES TO FINANCIAL STATEMENTS

(Rs. in lacs)

Particulars	FVTPL	FVTOCI	Amortised Cost	Carrying Cost
<b>Liabilities:</b>				
Non - Current Borrowings	-	-	2,100.00	2,100.00
Security Deposits	-	-	276.00	276.00
Current Borrowings	-	-	3,855.75	3,855.75
Trade Payables	-	-	7,156.49	7,156.49
Other Financial liabilities	-	-	764.79	764.79

The carrying value and fair value of financial instruments by categories as of 31<sup>st</sup> March, 2017 (Rs. in lacs)

Particulars	FVTPL	FVTOCI	Amortised Cost	Carrying Cost
<b>Assets:</b>				
Fixed deposits being Margin Money with Bank	-	-	31.24	31.24
Security Deposit	-	-	247.30	247.30
Trade Receivables	-	-	9,831.12	9,831.12
Cash & Cash Equivalent	-	-	193.76	193.76
Bank Balances other than Cash & Cash equivalent	-	-	505.04	505.04
Loans	-	-	36.64	36.64
Lease Rent Receivable	-	-	111.18	111.18
Patient Treatment in Progress (Net of Advances)	-	-	930.76	930.76
Advances recoverable	-	-	45.14	45.14
<b>Liabilities:</b>				
Non - Current Borrowings	-	-	-	-
Security Deposits	-	-	251.39	251.39
Current Borrowings	-	-	6,481.01	6,481.01
Trade Payables	-	-	9,620.87	9,620.87
Other Financial liabilities	-	-	326.08	326.08

\* FVTPL - Fair value through profit and loss, FVTOCI - Fair value through other comprehensive income.

- H. Travelling and conveyance expenses include Rs. 32.66 lacs ( Previous year Rs. 24.42 lacs ) on account of Directors' travelling.
- I. The Basic earning per share (EPS) disclosed in the Statement of Profit and Loss has been calculated by dividing the net profit for the year ended 31<sup>st</sup> March, 2018 attributable to equity shareholders by the weighted average number of equity shares outstanding during the said financial year. The net profit attributable to equity share holders is Rs. 2,110.33 lacs (Previous Year Rs. 2,624.53 lacs) and the weighted average number of equity share is 9,16,73,000 (Previous Year 9,16,73,000) for this purpose.
- J. There is no amount due to Micro, Small and Medium Enterprises for the year ended 31<sup>st</sup> March, 2018 (Previous year Rs. Nil). The information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. Further no interest has been paid during the year and payable as on 31<sup>st</sup> March 2018 as well as 31<sup>st</sup> March 2017 to such parties.
- K. Property, Plant & Equipment includes expenditure amounting to Rs. 774.90 lacs (Previous year Rs. 774.90 lacs) on building in connection with setting up 57 bedded hospital at Noida (U.P.). The hospital has been set up on land taken on lease by SABCO Medicare (P) Limited from Noida Authority. The rights of the lease deed has been acquired through an assignment deed in favour of the company from Apollo Hospital Enterprises Limited who are the Sub-lessee. Depreciation on such building has been charged over the period of lease.
- L. In accordance with Ind AS - 36 on Impairment of Assets, the company has assessed whether any indications with regard to impairment of any assets exists as on the Balance Sheet date. Based on such assessment, it has been ascertained that there are no such indications and thereby no formal estimate of the recoverable amount has been made.

## NOTES TO FINANCIAL STATEMENTS

### M. Related party disclosures

(Rs. in lacs)

Name	Relationship	Nature of Transactions	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
Apollo Hospitals Enterprise Limited	Enterprise in respect of which the company is an associate	Pharmacy Consumables	1,315.67	1,540.90
		License Fees	120.00	120.00
		Commission on Pharmacy Sales	1,177.06	1,281.14
		Reimbursement of Expenses	707.49	396.51
		Account Payable	56.89	658.15
Dishnet Wireless Limited		Purchase of services	18.67	24.92
		Account Payable	-	-
Apollo Home Healthcare Limited		Purchase of services	5.39	-
		Account Payable	0.07	-
Faber Sindoori Management Services (P) Limited		Purchase of services	638.13	618.86
		Account Payable	137.07	156.18
Family Health Plan Limited	Enterprise over which Directors are able to exercise significant influence	Sale of Services	780.55	565.35
		Account Receivable	93.88	99.16
Apollo Sugar Clinics Limited		Purchase of services	28.14	27.58
		Reimbursement of Expenses	25.79	15.07
Alliance Dental Care Limited		Account Payable	11.78	14.37
		Share of revenue	114.89	114.78
		Account Payable	44.64	28.36
Apollo Munich Health Insurance Company Limited		Medical Health Insurance premium	507.40	482.43
		Sale of Services	1,745.91	1,411.83
		Account Receivable	132.04	235.11
Jaideep Gupta*	Key Management Personnel	Managing Director	71.98	111.11
Ashok Bajpai		Managing Director	35.01	-
P. Shivakumar#		Chief Financial & Operating Officer	44.77	107.66
Ajay Kumar Singhal		Vice President cum Company Secretary	90.87	105.85
C P Tyagi		Chief Financial Officer	54.33	-
Non Executive Directors	Directors	Sitting fees	24.98	22.05
		Commission	77.00	37.13

\* Mr. Jaideep Gupta, resigned as Managing Director effective from 31<sup>st</sup> December, 2017.

# Mr. P. Shivakumar, resigned as Chief Financial & Operating Officer effective from 31<sup>st</sup> May, 2017.

N. Pursuant to sub section (5) of section 135 of the Companies Act, 2013, the Company was required to spend Rs. 90.61 lacs (Previous Year Rs. 98.79 lacs) in respect of its "Corporate Social Responsibility Policy (CSR Policy)" on eligible activities. During the financial year, the company has spent Rs. 91.93 lacs (Previous Year Rs. 100.06 lacs) on such eligible activities. The said amount stands debited under the head "other expenses".

	2017-18 Rs. in lacs	2016-17 Rs. in lacs
<b>O. Earnings in Foreign Currency</b>		
On account of Hospital Revenue	15,575.13	12,575.54
<b>P. Expenditure incurred in Foreign Currency</b>		
On account of travel	197.14	224.24
On account of other matters	725.33	812.56
Outflow of Foreign Currency :		
On account of remittance of dividend	38.93	38.93
<b>For financial year</b>	<b>2016-17</b>	<b>2015-16</b>
Number of non-resident shareholders	23	23
Number of shares held by them	21,62,771	21,62,771

## NOTES TO FINANCIAL STATEMENTS

	2017-18 Rs. in lacs	2016-17 Rs. in lacs
<b>Q. Value of Imports on CIF basis</b>		
Capital Goods	1,471.33	870.22
Stores & Spares	155.46	58.38
<b>R. Payment to Auditors</b>		
As Statutory Auditor	21.00	18.50
For Taxation matters	1.25	1.25
Reimbursement of Expenses	1.33	2.10
<b>Total</b>	<b>23.58</b>	<b>21.85</b>

### S. Stores & Spares Consumed

Particulars	2017-18		2016-17	
	Rs. in lacs	%	Rs. in lacs	%
Imported	199.73	1.43%	67.39	0.45%
Indigenous	13,784.41	98.57%	15,172.14	99.55%
<b>Total</b>	<b>13,984.14</b>	<b>100.00%</b>	<b>15,239.53</b>	<b>100.00%</b>

T. The company is engaged in the healthcare business, which in context of Ind AS 108 issued by the Institute of Chartered Accountants of India is considered the only business segment.

### U. Income Taxes

(a) Reconciliation of Deferred tax liabilities (net):

(Rs. in lacs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Balance at the beginning of the year	3,065.84	3,425.99
Deferred tax (income)/expenses during the year recognized in Statement of Profit and loss	(102.88)	(396.88)
Deferred tax (income)/expenses during the year recognized in Other Comprehensive income	13.02	36.73
Deferred tax (income)/expenses during the year recognized directly in equity	-	-
<b>Balance at the end of the year</b>	<b>2,975.98</b>	<b>3,065.84</b>

(b) A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before taxes is summarized as below:

(Rs. in lacs)

Particulars	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
Accounting profit before tax	3,437.79	4,187.89
Applicable tax rates	34.608%	34.608%
Computed expected tax expense	1,189.75	1,449.35
Effect of Non-deductible expenses	113.46	44.61
<b>Tax expense</b>	<b>1,303.21</b>	<b>1,493.95</b>

V. Previous year figures have been regrouped / rearranged wherever necessary.

As per our separate report of even date attached

**For S.N. Dhawan & Co. LLP**

(Formerly S. N. Dhawan & Co.)

Chartered Accountants

Firm Reg. No. 000050N/N500045

**Rajeev K Saxena**

Partner

M. No. 077974

Place: New Delhi

Date: 9<sup>th</sup> May, 2018

**Ashok Bajpai**

(DIN 02463754)

Managing Director

**Suneeta Reddy**

(DIN 00001873)

Director

**Ajay Kumar Singhal**

Vice President Cum Company Secretary

**C P Tyagi**

Chief Financial Officer

Place: New Delhi

Date: 9<sup>th</sup> May, 2018

## ROUTE MAP

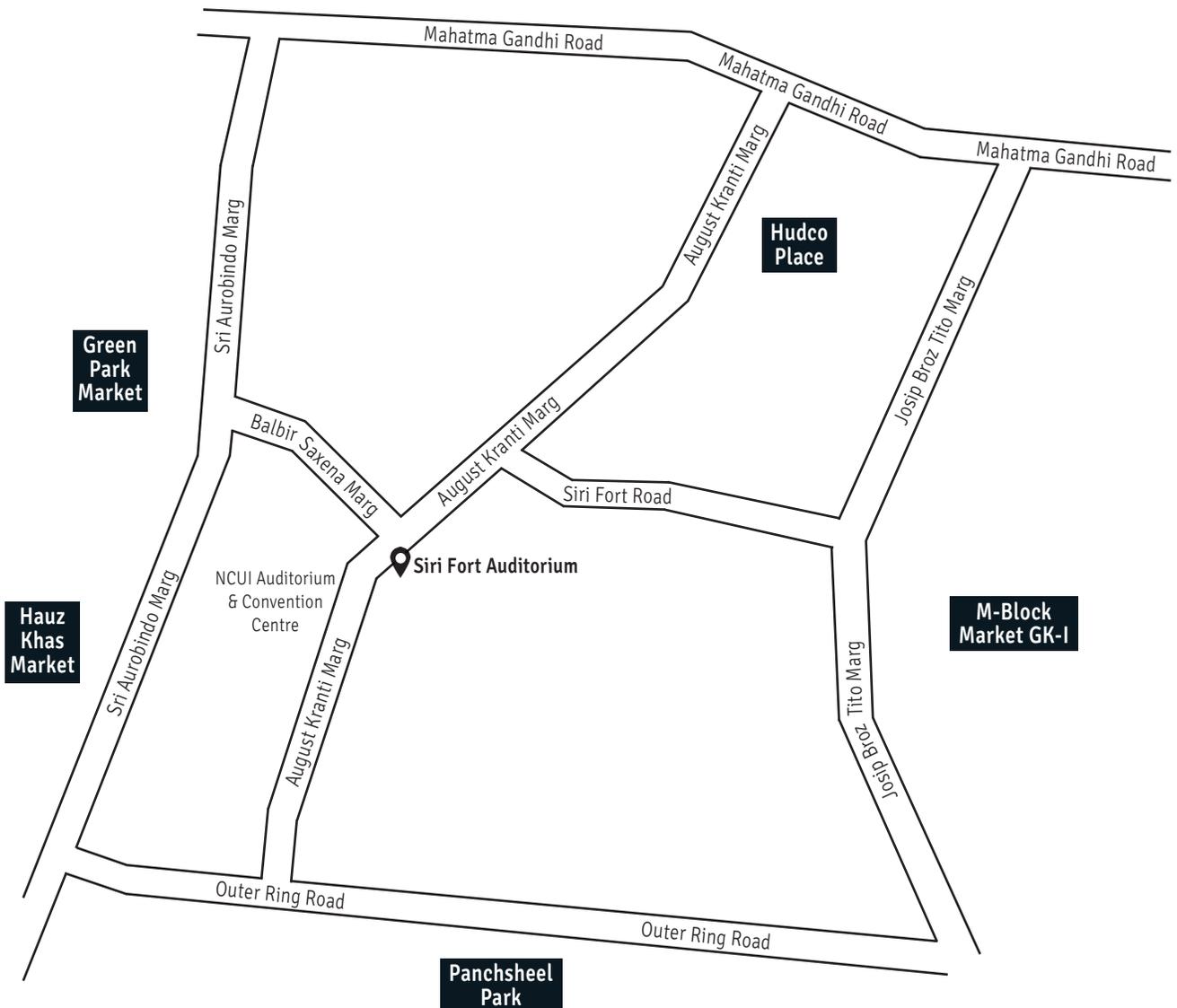
### Indraprastha Medical Corporation Limited 30<sup>th</sup> Annual General Meeting

Date : 24<sup>th</sup> September, 2018

Day : Monday

Time : 11.00 A.M.

Venue : Sirifort Auditorium  
Siri Fort Cultural Complex  
August Kranti Marg  
New Delhi - 110 049





## **Indraprastha Medical Corporation Limited**

[CIN: L24232DL1988PLC030958]

Regd. Office: Sarita Vihar, Delhi-Mathura Road, New Delhi – 110 076

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