

# Indraprastha Medical Corporation Limited

(Indraprastha Apollo Hospitals, New Delhi - A Joint Sector Venture of Govt. of Delhi)

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

Corporate Identity Number : L24232DL1988PLC030958

Phones : 91-11-26925858, 26925801, Fax : 91-11-26823629

E-mail : imcl@apollohospitals.com, Website : apollohospdelhi.com

Ref: IMCL/CS/AGM/2020

7<sup>th</sup> September, 2020

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

## Re: Annual Report

Dear Sir,

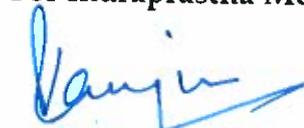
Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit Annual Report of the Company for the financial year 2019-20.

This is for your information and record.

Thanking You,

Sincerely Yours,

For Indraprastha Medical Corporation Limited



Priya Ranjan  
AVP - Corporate Affairs & Legal  
(Company Secretary & Compliance Officer)



ANNUAL REPORT

20<sup>19</sup>/<sub>20</sub>



93.75

**Apollo 24/7**

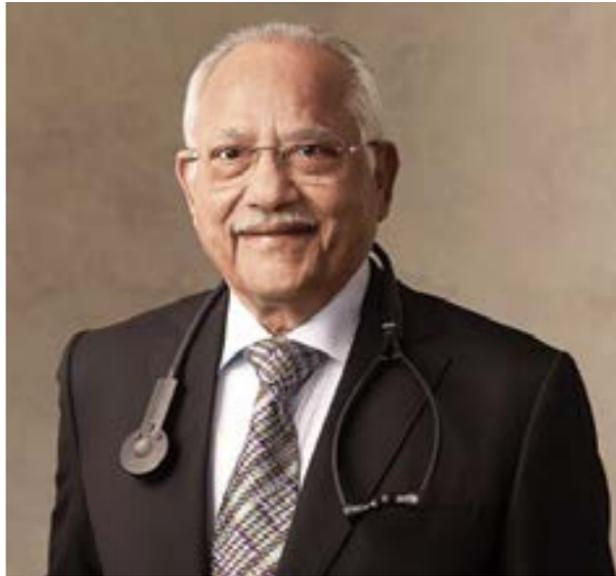
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A person's DNA, which is pivotal to human growth, contains the instructions for that particular individual's development. DNA stores vast amounts of biological data in its four-letter code, and is an extremely efficient and robust storage device. At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

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

## MESSAGE



Dear Members,

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

In pursuit of the well-being of people at large, we have devised specific programs for diabetes management, detection of risk factors and corrective

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

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

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

Suddenly and unexpectedly, in the month of March 2020, another major health crisis erupted for the world with the COVID-19 pandemic. We launched Project Kavach, an integrated and holistic plan for the fight against COVID-19. Kavach includes modalities for screening, testing, assessment, isolation, treatment, monitoring and follow-up. We have designated close to 2,000 beds across our hospitals for COVID-19. We have been working with the Governments of 16 states where our

hospitals are located. We have set up fever clinics in 30 locations. So far, we have made a positive difference to the lives of over 30,000 patients and we will continue to extend care.

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

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

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

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

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

Telemedicine has deepened, facilitating our reach into non-urban geographies to provide access to primary, secondary and tertiary care.

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

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

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

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

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

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

My warm personal regards to all of you,

Stay safe. Stay Healthy.

**Dr. Prathap C. Reddy**

Founder, Apollo Hospitals Group

## CORPORATE INFORMATION

Vice Chairman	Dr. Prathap C. Reddy
Managing Director	Mr. P. Shivakumar
Directors	Dr. Arun Rai Mr. Deepak Vaidya Ms. Madhumita Ganguli Dr. Menaka Guruswami Ms. Sangita Reddy Mr. Satnam Arora Mr. S. Regunathan Ms. Suneeta Reddy Mr. Vinayak Chatterjee Ms. Vineeta Rai
AVP - Corporate Affairs & Legal (Company Secretary & Compliance Officer)	Mr. Priya Ranjan
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	Punjab National Bank ICICI Bank Limited

## NOTICE TO THE MEMBERS

Notice is hereby given that the thirty second Annual General Meeting of Members of Indraprastha Medical Corporation Limited will be held on Tuesday, 29<sup>th</sup> September, 2020, at 10.30 a.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") 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, 2020, together with the Reports of the Board of Directors and Auditors thereon.

#### Item No. 2 – 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.

### SPECIAL BUSINESS:

#### Item No. 3

#### Appointment of Mr. P. Shivakumar as Managing Director

To consider and if thought fit, to pass with or without modification, the following as an ORDINARY RESOLUTION: "RESOLVED THAT in accordance with the provisions of Section 152 read with other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. P. Shivakumar (DIN: 08570283), who was appointed as an additional director in accordance with the provisions of Section 161(1) of the Act and the Articles of Association of the Company by the Board of Directors effective from 5<sup>th</sup> November, 2019, and who holds office up to the date of this meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, 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 Act, 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), and subject

to such other approvals as may be necessary, the approval of the members of the Company be and is hereby accorded to the appointment of Mr. P. Shivakumar (DIN: 08570283) as Managing Director of the Company for a period of 2 years from 5<sup>th</sup> November, 2019 to 4<sup>th</sup> November, 2021, on the terms and conditions as set out in the employment agreement including remuneration as given below:

#### A. Salary

Basic Salary Rs. 7,75,385 (Rupees Seven Lakh Seventy Five Thousand Three Hundred Eighty Five 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

- House Rent Allowance @ 35% of the Basic Salary i.e. Rs 2,71,385 per month.
- Others Allowance - Rs. 1,45,925 per month
- Child Education Allowance - Rs. 200 per month
- Contribution to Provident Fund @12% of Basic Salary.
- Leave Travel Allowance once in a year for self and family as per the rules of the Company.
- Reimbursement of medical expenses, for self and family, as per the rules of the Company
- Group Personal Accident Insurance premium, as per the rules of the Company.
- Leaves as per the rules of the Company.
- Fee of one club membership shall be allowed.
- Reimbursement of Professional Membership fees.
- Medical Insurance Premium for self & family as per the rules of the company.
- Free Telephone facility at residence and Mobile Phone for official and personal use
- Ex-gratia as per the Company Policy

#### C. Other Benefits:

- Free use of Company's maintained car with driver for official and personal use.
- Performance bonus, for each financial year or part thereof, to be paid annually upto a maximum of Rs. 30,00,000 (Rupees Thirty Lacs) per annum as may be decided by the Board of Directors, based on the performance under Apollo Performance Management System. (Outstanding Rating-100 % of performance bonus, Very Good Rating-75% of performance bonus, Good Rating -50% of performance Bonus.)

- c. In the absence or inadequacy of profits in any financial year during the currency of tenure of the Managing Director, Mr. P. Shivakumar be paid remuneration, for each financial year, as per the provisions of Section II of Part II of Schedule V to the Act, as may be decided by the Board.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

#### Item No. 4

##### Re-Appointment of Dr. Arun Rai as an Independent Director

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

"RESOLVED THAT in accordance with the provisions of Section 149, 152 read with other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Schedule IV to the Act and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Dr. Arun Rai (DIN : 07159822), be and is hereby re-appointed as an Independent Director of the Company to hold office for five consecutive years effective from 26<sup>th</sup> May, 2020 to 25<sup>th</sup> May, 2025, not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

#### Item No. 5

##### Appointment of Dr. Menaka Guruswamy as an Independent Director.

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

"RESOLVED THAT in accordance with the provisions of Section 149, 152 read with other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Schedule IV to the Act and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Dr. Menaka Guruswamy (DIN : 0008742679), who was appointed as an additional director in accordance with the provisions of Section 161(1) of the Act and the Articles of Association of the Company by the Board of Directors effective from 23<sup>rd</sup> May, 2020, and who holds office up to the date of this meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent

Director of the Company to hold office for five consecutive years effective from 23<sup>rd</sup> May, 2020 to 22<sup>nd</sup> May, 2025, not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

#### Item No. 6

##### Appointment of Ms. Sangita Reddy as a Director.

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

"RESOLVED THAT in accordance with the provisions of Section 152 read with other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Ms. Sangita Reddy (DIN: 00006285), who was appointed as an additional director in accordance with the provisions of Section 161(1) of the Act and the Articles of Association of the Company by the Board of Directors effective from 24<sup>th</sup> August, 2020, and who holds office up to the date of this meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

#### Item No. 7

##### Adoption of new Articles of Association pursuant to the Companies Act, 2013.

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

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the new draft Articles as contained in the Articles of Association submitted to this meeting and as available for inspection at the registered office of the Company during working hours, be and are hereby approved and adopted in substitution, which shall include exclusion of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

#### Item No. 8

##### Ratification of Remuneration to Cost Auditors.

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, 2021, at a remuneration of Rs. 5.50 lakhs 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

Priya Ranjan

AVP - Corporate Affairs & Legal  
(Company Secretary & Compliance Officer)

##### Registered Office:

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

Date: 24<sup>th</sup> August, 2020

##### NOTES:

- In view of the global outbreak of the COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular No. 20/2020 dated May 5, 2020 in relation to 'Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM) read with General Circular No. 14/2020 dated April 8, 2020 and the General Circular No. 17/2020 dated April 13, 2020 in relation to 'Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by COVID-19' (collectively referred to as 'MCA Circulars') and the Securities and Exchange Board of India ('SEBI') vide its circular dated May 12, 2020 in relation to 'Additional relaxation in relation to compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - COVID-19 pandemic' ('SEBI Circular') permitted the holding of the AGM through VC or OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Act, SEBI Listing Regulations and MCA Circulars & SEBI Circular, the 32<sup>nd</sup> AGM of the Company is being held through VC/OAVM on Tuesday, 29<sup>th</sup> September, 2020 at 10.30a.m. (IST).
- Pursuant to the Circular, the facility to appoint proxy to attend and cast vote for the members is not available

for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

- Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
- The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
- In line with the Circulars, the Notice calling the AGM has been uploaded on the website of the Company at <https://delhi.apollohospitals.com/>. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with the Circulars.
- The Explanatory Statement setting out material facts, pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business as set out above, is annexed hereto.
- Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- Due to the impact of COVID-19 and uncertainty of growth in business, the Board of Directors of the Company have decided not to recommend dividend on shares for the year 2019-20.

11. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, M/s Link Intime India Pvt. Ltd. (Link Intime) for assistance in this regard.
12. The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, 19<sup>th</sup> September, 2020 to Tuesday, 29<sup>th</sup> September, 2020 (both days inclusive) for the purpose of Annual General Meeting.
13. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 22<sup>nd</sup> September, 2020, through email on [imclshares@apollohospitalsdelhi.com](mailto:imclshares@apollohospitalsdelhi.com). The same will be replied by the Company suitably.
14. 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 20<sup>th</sup> September, 2019 (date of last AGM) are available under "Investor Relations" section on the website of the Company and on Ministry of Corporate Affairs' website.
- The summary of the dates on which the unpaid dividend amount shall be due for transfer 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 IEPF Fund
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
31/03/2018	24/09/2018	28/10/2025
31/03/2019	20/09/2019	24/10/2026

15. (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 2019-20, transferred to the IEPF Authority all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more. 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.
16. Members holding shares in physical form are requested to intimate the following directly to the Company's Registrar and Share Transfer Agents (RTA), M/s. Link Intime India Pvt. Ltd., Noble Heights, 1st Floor, NH-2, C-1 Block, LSC, Near Savitri Market, Janakpuri, New Delhi - 110058 :-
- a) Permanent Account Number (PAN) and bank account details, if not registered with the Company, as mandated by SEBI.
- b) to register nomination in respect of their shareholding in the Company.
- c) to register / update their e-mail address for receiving all communications from the Company electronically.
17. Members holding shares in electronic mode are:
- a) requested to submit their PAN and bank account details to their respective Depository Participants ("DPs") with whom they are maintaining their demat accounts.
- b) advised to contact their respective DPs for registering nomination.
- c) requested to register / update their e-mail address with their respective DPs for receiving all communications from the Company electronically.
18. Non-Resident Indian members are requested to inform RTA / respective DPs, immediately of:
- a) Change in their residential status on return to India for permanent settlement.
- b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
19. Details under Regulation 26 and 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.

20. In compliance with the aforesaid MCA Circulars and SEBI Circular, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website <https://delhi.apollohospitals.com/>, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of NSDL <https://www.evoting.nsdl.com>
21. Members of the Company had approved the appointment of M/s 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 AGM 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.
22. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
23. 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.
24. 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, and the Circulars issued by the Ministry of Corporate Affairs, 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 thirty second 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 remote e-voting period commences on 26<sup>th</sup> September, 2020 (9:00 a.m. IST) and ends on 28<sup>th</sup> September, 2020 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on 22<sup>nd</sup> September, 2020 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
- III. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- IV. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- V. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
- VI. The details of the process and manner for remote e-voting are explained herein 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:**

**How to Log-in to NSDL e-Voting website?**

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
  - Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
  - 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:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- 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.
- How to retrieve your 'initial password'?
  - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - If your email ID is not registered, please follow steps mentioned below in.

- If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - 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).
  - Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - 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.
  - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- Now, you will have to click on "Login" button.
- 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?

- 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.
- 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.
- Select "EVEN" of company i.e 113834.
- Now you are ready for e-Voting as the Voting page opens.
- 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.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### General Guidelines for shareholders

- 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@gmail.com](mailto:bskashtwal@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- 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.
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request to:-  
Ms. Pallavi Mhatre at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)/  
[pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in), Tel: +91 22 24994545/4360/4738

#### Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

#### Physical Holding

Send a request to the Registrar and Transfer Agent of the company at [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in) providing Folio no., Name of Shareholders, Scanned copy of Share Certificate (front and back), PAN (Self attested copy of PAN card), Aadhar (Self attested copy of Aadhar card) for registering Email address.

Following additional details need to be provided for updating bank account details:

- Name and branch of the bank in which you wish to receive the dividend in the coming years,
- The Bank Account type,
- Bank Account number allotted by your Bank after implementation of Core Banking Solutions,
- 9 Digit MICR Code Number
- 11 Digit IFSC Code, and
- A scanned copy of the cancelled cheque bearing the name of the first Shareholder

#### Demat Holding

Please contact your Depository Participant (DP) and register your Email address and Bank Account details in your demat account, as per the process advised by your DP.

#### THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

- The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- Members who have voted through remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for remote e-voting.

#### INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/ members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
- Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id, mobile number at [imclshares@apollohospitalsdelhi.com](mailto:imclshares@apollohospitalsdelhi.com) from 26<sup>th</sup> September, 2020 (9.00 a.m.) to 28<sup>th</sup> September, 2020 (5.00 p.m.). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

#### Other Instructions

- 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.

- 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.
- Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Meeting i.e. 29<sup>th</sup> September 2020.

### EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 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. 3

Upon the recommendations of the Nomination and Remuneration Committee, the Board of Directors in the meeting held on 5<sup>th</sup> November, 2019, has appointed Mr. P. Shivakumar as an Additional Director. As an Additional Director, Mr. P. Shivakumar 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. P. Shivakumar as a Director of the Company.

The Board of Directors has also appointed Mr. P. Shivakumar as a Managing Director of the Company for a period of two years effective from 5<sup>th</sup> November, 2019, on the terms and conditions including remuneration as set out in the resolution.

Mr. P. Shivakumar does not hold by himself or through his relatives on a beneficial basis, any shares in the Company.

Brief Profile of Mr. P. Shivakumar is provided in section "Profile of Directors Seeking Appointment / Reappointment". The remuneration of Mr. P. Shivakumar 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. P. Shivakumar as

Managing Director requires the approval of the members in General Meeting of the Company.

Except Mr. P. Shivakumar, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 3.

The Board of Directors of the Company recommends the resolution No. 3 for approval of the members.

#### Item No. 4

Dr. Arun Rai was appointed as an Independent Director of the Company and his term as an Independent Director of the Company was upto 25<sup>th</sup> May, 2020 ("first term").

The Nomination and Remuneration Committee of the Board, on the basis of the report of performance evaluation, has recommended re-appointment of Dr. Arun Rai as an Independent Director for a second term of 5 (five) consecutive years on the Board of the Company

The Board, based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee, considers that given his background and experience and contributions made by him during his tenure, the continued association of Dr. Arun Rai would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly, the Board of Directors in the meeting held on 23<sup>rd</sup> May, 2020, have re-appointed Dr. Arun Rai as an Independent Director of the Company, not liable to retire by rotation, for second term of five consecutive years from 26<sup>th</sup> May, 2020 to 25<sup>th</sup> May, 2025, subject to the approval of the shareholders.

Dr. Arun Rai is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 ("the Act") and has given his consent to act as a Director.

The Company has also received declaration from Dr. Arun Rai that he meets the criteria of independence as prescribed both under Section 149(6) of the Act and under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

In the opinion of the Board, Dr. Arun Rai fulfils the conditions of appointment as an Independent Director as specified in the Act and the Listing Regulations. He is independent of the management.

Details of Dr. Arun Rai, pursuant to the provisions of (i) the SEBI Listing Regulations and (ii) Secretarial Standards on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India are provided as part of the Notice of the Annual General Meeting.

A copy of the draft letter of appointment of Dr. Arun Rai as an Independent Director setting out the terms and conditions 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.

Except Dr. Arun Rai, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board of Directors of the Company recommends the special resolution at Item No. 4 of the Notice, in relation to the re-appointment of Dr. Arun Rai as an Independent Director, for approval of the members.

#### Item No. 5

Based on the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on 23<sup>rd</sup> May, 2020, appointed Dr. Menaka Guruswamy as an Additional Director and Independent Director, subject to the approval of the shareholders at the AGM of the Company, to hold office for five consecutive years effective from 23<sup>rd</sup> May, 2020 to 22<sup>nd</sup> May, 2025, not liable to retire by rotation.

Dr. Menaka Guruswamy does not hold by herself or through her relatives on a beneficial basis, any shares in the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013 ("the Act"), Dr. Menaka Guruswamy will hold office upto the date of the ensuing Annual General Meeting.

The Company has received a notice in writing under the provisions of Section 160 of the Act from a member proposing the candidature of Dr. Menaka Guruswamy for the office of Director.

The Company has received from Dr. Menaka Guruswamy (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under sub-section (2) of Section 164 of the Act and (iii) a declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations").

The resolution seeks the approval of members for the appointment of Dr. Menaka Guruswamy as an Independent Director of the Company for a period of five consecutive years, from 23<sup>rd</sup> May, 2020 to 22<sup>nd</sup> May, 2025, pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and the SEBI Listing Regulations, by way of ordinary resolution She will not be liable to retire by rotation.

In the opinion of the Board, Dr. Menaka Guruswamy fulfils the conditions for her appointment as an Independent Director of the Company as specified in the Act and rules made thereunder and Listing Regulations.

Dr. Menaka Guruswamy is independent of the management and possesses appropriate skills, experience and knowledge.

Details of Dr. Menaka Guruswamy, pursuant to the provisions of (i) the SEBI Listing Regulations and (ii) Secretarial Standards on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India are provided as part of the Notice of the Annual General Meeting.

A copy of the draft letter of appointment of Dr. Menaka Guruswamy as an Independent Director setting out the terms and conditions 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 Board considers that appointment of Dr. Menaka Guruswamy as an Independent Director will be of immense benefit to the Company and it is desirable to avail services of Dr. Menaka Guruswamy as an Independent Director. Dr. Menaka Guruswamy would bring with her immense experience to the Company in the areas of legal, leadership and governance.

Except Dr. Menaka Guruswamy, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board of Directors of the Company recommends the resolution at Item No. 5 of the Notice, in relation to the appointment of Dr. Menaka Guruswamy as an Independent Director, for approval of the members.

#### Item No. 6

Based on the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on 24<sup>th</sup> August, 2020, appointed Ms. Sangita Reddy as an Additional Director of the Company.

Ms. Sangita Reddy holds 8600 Equity shares in the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013 ("the Act"), Ms. Sangita Reddy will hold office upto the date of the ensuing Annual General Meeting.

The Company has received a notice in writing under the provisions of Section 160 of the Act from a member proposing the candidature of Ms. Sangita Reddy for the office of Director.

The Company has received from Ms. Sangita Reddy (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014, and (ii) intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under sub-section (2) of Section 164 of the Act.

The resolution seeks the approval of members for the appointment of Ms. Sangita Reddy as a Director of the Company, liable to retire by rotation

Details of Ms. Sangita Reddy, pursuant to the provisions of (i) the SEBI Listing Regulations and (ii) Secretarial Standards on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India are provided as part of the Notice of the Annual General Meeting.

Ms. Sangita Reddy is the daughter of Dr. Prathap C. Reddy and sister of Ms. Suneeta Reddy. Except Ms. Sangita Reddy, Dr. Prathap C. Reddy and Ms. Suneeta Reddy, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Board of Directors of the Company recommends the resolution at Item No. 6 of the Notice, in relation to the appointment of Ms. Sangita Reddy as a Director, liable to retire by rotation, for approval of the members.

#### Item No. 7

The existing Articles of Association (AOA) are based on the Companies Act, 1956 and several articles in the existing AOA contain references to specific sections of the Companies Act, 1956 and some articles in the existing AOA need to be in conformity with the Companies Act, 2013 ("Act"). Substantive sections of the Act which deal with the general working of companies stand notified.

With the coming into force of the Act, several articles in the existing AOA of the Company, which contain references to the sections of the erstwhile Companies Act, 1956, require alteration or deletions.

Given this position, it is considered expedient to update the existing AOA by a new set of Articles.

The new AOA to be substituted in place of the existing AOA are based on Table 'F' to Schedule I to the Act which sets out the model Articles of Association for a company limited by shares.

Certain provisions of the existing AOA have been simplified by providing reference to relevant sections to the Act, and the Rules framed thereunder, to avoid repetition in its entirety.

The Board at its meeting held on 23<sup>rd</sup> May, 2020, has approved alteration of the AOA of the Company and the Board now seeks Members' approval for the same. Pursuant to Section 14 of the Act, the consent of the Members by way of Special Resolution is required for alteration of AOA of the Company.

The Board of Directors of the Company recommends the special resolution at Item No. 7 of the Notice, in relation to adoption of new set of AOA pursuant to the Act, for approval of the members.

The proposed draft AOA is uploaded on the Company's website for perusal by the Members. Further, a copy of the proposed AOA of the Company would be available

for inspection of the Members at the Registered Office of the Company during normal business hours on any working day excluding Saturday till the date of the AGM.

None of the Directors or Key Managerial Personnel of the Company including their relatives are interested or concerned in the Resolution except to the extent of their shareholding, if any, in the Company.

#### Item No. 8

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, 2021, at a remuneration of Rs. 5.50 lakhs 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. 8 of the Notice for ratification of the remuneration payable to the cost auditors for the year ending 31<sup>st</sup> March, 2021.

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. 8.

The Board of Directors of the Company recommends the resolution at Item No. 8 of the Notice, in relation to the ratification of remuneration to Cost Auditors, for approval of the members.

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

**Priya Ranjan**  
AVP - Corporate Affairs & Legal  
(Company Secretary & Compliance Officer)

#### Registered Office:

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

Date: 24<sup>th</sup> August, 2020

## PROFILE OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT

The particulars of the Directors who are proposed to be appointed / re-appointed, are as given below:

#### i. Name : Ms. Suneeta Reddy

Age : 61 years

DIN : 00001873

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

**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 34 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<sup>st</sup> August, 2005

**Directorship of other board as on 31<sup>st</sup> March, 2020:** Public Limited Companies

1. Apollo Hospitals Enterprise Ltd.
2. Apollo Gleneagles Hospital Ltd.
3. Apollo Sindoori Hotels Ltd.
4. Medics International Life Sciences Ltd.
5. Apeejay Surrendra Park Hotels Ltd.

**Private Companies**

1. Faber Sindoori Management Services Private Ltd.
2. Garuda Energy Private Ltd.
3. Helios Holdings Private Ltd.
4. Hrisheeksha Solar Power Private Ltd.
5. Viswambhara Power Private Ltd.

**Membership / Chairmanship of Committees of other Boards as on 31<sup>st</sup> March, 2020:**

**Stakeholders Relationship Committee:**

Apollo Hospitals Enterprise Limited, Member  
Apeejay Surrendra Park Hotels Limited, Member

**Nomination and Remuneration Committee:**

Medics International Lifesciences Limited, Member

#### ii. Name : Mr. P. Shivakumar

Age : 55 years

DIN : 08570283

**Relationship with other Directors:** None

**Qualifications:** Associate Member of the Institute of Chartered Accountants of India (ICAI) & the Institute of Cost Accountants of India

**Experience:** Mr. P. Shivakumar is a professional with experience spanning over 28 years with 22 years in the Healthcare domain.

**Expertise in specific functional areas:** Corporate Leadership, Hospital Operations, Financial Acumen, Governance, Technology, Risk Management

**Terms and conditions of Appointment / Re-appointment:** As per the resolution at item no. 3 of the Notice convening Annual General Meeting on 29<sup>th</sup> September, 2020, read with explanatory statement thereto.

**Date of first appointment on the Board:** 05<sup>th</sup> November, 2019

**Directorship of other board as on 31<sup>st</sup> March, 2020:**

Private Companies

1. Apollo Rajshree Hospitals Private Limited

**Membership / Chairmanship of Committees of other Boards as on 31<sup>st</sup> March, 2020:** None

#### iii. Name : Dr. Arun Rai

Age : 57 years

DIN : 07159822

**Relationship with other Directors:** None

**Qualifications:** Ph.D. in Information Systems, Master of Business Administration and Master of Science and Technology

**Experience:** Dr. Arun Rai is Regents' Professor of the University System of Georgia and J. Mack Robinson Chair at the Robinson College of Business (RCB) at Georgia State University.

**Expertise in specific functional areas:** Technology, Corporate Leadership, Governance and Diversity

**Terms and conditions of Appointment / Re-appointment:** Non-Executive Independent Director, not liable to retire by rotation

**Date of first appointment on the Board:** 26<sup>th</sup> May, 2015

**Directorship of other board as on 31<sup>st</sup> March, 2020:**

Public Limited Companies

1. Apollo Health and Lifestyle Limited

**Membership / Chairmanship of Committees of other Boards as on 31<sup>st</sup> March, 2020:** None

**iv. Name :** Dr. Menaka Guruswamy

**Age :** 46 years

**DIN :** 0008742679

**Relationship with other Directors:** None

**Qualifications:** B.A. L.L.B. (Honors) from Indian Law School of India University; Bachelors in Civil Law from Oxford University (England); M.A. Masters in Law from Harvard Law School, Cambridge; Doctorate (D.Phil in Law) from Oxford University (England)

**Experience:** Dr. Menaka Guruswamy is a Senior Advocate at the Supreme Court of India.

**Expertise in specific functional areas:** Corporate Leadership, Diversity, Governance.

**Terms and conditions of Appointment / Re-appointment Non-Executive:** Independent Director, not liable to retire by rotation

**Date of first appointment on the Board:** 23<sup>rd</sup> May, 2020

**Directorship of other board as on 23<sup>rd</sup> May, 2020:** None

**Membership / Chairmanship of Committees of other Boards as on 23<sup>rd</sup> May, 2020:** None

**v. Name :** Ms. Sangita Reddy

**Age :** 58 Years

**DIN :** 00006285

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

**Qualifications:** Bachelor of Science degree from Womens Christian College, Chennai; Diploma in Computer Studies from University of Cambridge and Diploma in National Computing Centre, London; Graduate Courses in Operations Research - Rutgers University, New Jersey; Diploma in Hospital Management conducted by Harvard University, USA & NSU, Singapore

**Experience:** Ms. Sangita Reddy has over 30 years experience in Healthcare Industry

**Expertise in specific functional areas:** Hospitals Operations, Clinics, CRM, Education, Mobile Health, Clinical Information System, HIS, Digital Technology and Artificial Intelligence

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

**Date of first appointment on the Board:** 24<sup>th</sup> August, 2020

**Directorship of other board as on 24<sup>th</sup> August, 2020:**

Public Limited Companies

1. Apollo Hospitals Enterprise Ltd.
2. Apollo Health and Lifestyle Ltd.
3. Family Health Plan (TPA) Ltd.
4. PCR Investments Ltd.
5. Apollo Med Skills Ltd.
6. HealthNet Global Ltd.
7. Apollo Home Healthcare Ltd.
8. Apollo Sugar Clinics Ltd.
9. Imperial Hospitals and Research Centre Ltd.

Private Companies

1. Apollo Gleneagles PET-CT (P) Ltd.
2. Kar Auto Private Ltd.
3. Searchlight Health Private Ltd.
4. Elixir Communities Private Ltd.
5. Apollo TeleHealth Services (P) Ltd.
6. AMG Healthcare Destination Pvt. Ltd.

**Membership / Chairmanship of Committees of other Boards as on 24<sup>th</sup> August, 2020:**

**Audit Committee:**

Apollo Health and Lifestyle Ltd., Member  
AMG Healthcare Destination Pvt. Ltd., Member

**Corporate Social Responsibility Committee:**

Apollo Hospitals Enterprise Ltd., Member

## 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 2020.

### FINANCIAL RESULTS

(Rs. in million)

	Particulars	FY 2019-20	FY 2018-19
I.	Revenue from Operations	8,307.68	7,881.72
II.	Other Income	6.87	4.67
III.	<b>Total Income (I+II)</b>	<b>8,314.55</b>	<b>7,886.39</b>
IV.	<b>EXPENSES</b>		
	Stores & Spares consumed	1,516.07	1,449.62
	Employee benefits expense	2,139.30	2,002.05
	Finance costs	59.17	68.71
	Depreciation and amortization expense	329.69	297.54
	Other expenses	3,788.40	3,622.26
	<b>Total expenses (IV)</b>	<b>7,832.63</b>	<b>7,440.18</b>
V.	Profit before exceptional items and tax (III-IV)	481.92	446.21
VI.	Exceptional Items	-	-
VII.	Profit/(loss) before tax (V-VI)	481.92	446.21
VIII.	Tax expense:		
	(1) Current tax	109.41	185.28
	(2) Deferred tax	(63.73)	(23.20)
IX.	Profit/(loss) for the year (VII-VIII)	436.24	284.13
X.	Other Comprehensive Income		
	(i) Items that will not be reclassified subsequently to profit or loss		
	Re-measurement gains (losses) on defined benefit plans	(27.54)	(1.72)
	Income Tax effect (Deferred Tax)	7.06	0.60
		(20.48)	(1.12)
XI.	Total Comprehensive Income for the year (Comprising Profit (Loss) and Other Comprehensive Income for the year)	415.76	283.01

### 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.

### DIVIDEND

Due to the impact of COVID-19 and uncertainty of growth in business, the Board of Directors have decided not to recommend dividend on shares for the year 2019-20 (previous year Rs. 1.60 per share).

### RESULTS OF OPERATIONS AND THE STATE OF COMPANY AFFAIRS

#### Operations

Your Company 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.

During the year under review, there has been improvement in the financial performance of the Company. The total

income increased from Rs. 7,886.39 million in the previous year to Rs. 8,314.55 million. The Profit Before Tax (PBT) increased by 8%, from Rs. 446.21 million to Rs. 481.92 million and the Profit After Tax (PAT) increased by 53.54%, from Rs. 284.13 million to Rs. 436.24 million.

During the year under review, the following rare procedures have been performed at the Hospital :-

- An Auditory Brainstem Implant procedure was conducted by the neurosurgical and ENT team of the Hospital. This procedure is being performed at only a few centres globally, with almost all of them being in the western, developed world.
- Three patients underwent cadaveric kidney transplant and 4 patients underwent cadaveric liver transplant.
- Hybrid procedure - Intra-operative ERCP guided and controlled dilatation of the stricture Hepatico-jejunostomy in pediatric liver transplant recipients was conducted by the liver transplant team and specialists in radiology and gastroenterology.
- BiVAD (CENTRIMAG) - a rare and difficult procedure was conducted by the cardiothoracic surgical team of the Hospital.
- Robotic partial laryngectomy was performed by the ENT surgeon for carcinoma epiglottis T1/ T2 - Histopathology confirmed that there was no neuro or lymphovascular or cartilage invasion and margins were free. Hence no chemotherapy or radiotherapy was required. There are no unsightly scars on the neck and there was minimal blood loss during surgery.
- A novel procedure, Innovative Local Antibiotic Delivery Method, to Treat Chronic Open Infected wounds of the Muscular Skeletal System using Vitamin D3 impregnated with tobramycin or a combination of vancomycin and tobramycin was published for the first time by the Orthopaedician as an observational study and taken up as a clinical trial.
- A large, extremely vascular, pterional meningioma, which caused torrential haemorrhage during surgery as experienced by the doctors in Nepal during the 1<sup>st</sup> surgery, was successfully operated with complete excision not requiring any additional therapy by neurosurgeon. Correct planning and surgical strategy led to the excellent outcome in the 2<sup>nd</sup> surgery performed here.
- Rare Reconstructive Surgery performed on a child who had been tracheostomized following a critical injury several years ago and was unable to speak. He underwent a technically challenging reconstructive surgery by ENT surgeons to correct the subglottic stenosis following which he is now able to speak after several years.
- A large tumour arising from the thyroid but placed mainly in the chest, compressing the larynx and oesophagus and very close to the large vessels of the heart, was operated jointly by cardiothoracic and ENT teams of the Hospital.

- Bentall's operation (combined replacement of aortic valve, aortic root, ascending aorta with re-implantation of both coronary arteries) using a biological valve and polyester vascular graft was conducted.
- Big ventricular septal defect (more than 4 cm) in postero - inferior ventricular septum, aneurysmal involvement of adjacent portion, pericardial effusion, EF 35%, mild to moderate MR, pericarditis and myocarditis was repaired using synthetic patch (almost half the septum).

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 shall be inclusive of medicines and consumables. The company has filed a Special Leave Petition before the Hon'ble Supreme Court challenging the order of the Hon'ble Delhi High Court. The Hon'ble Supreme Court of India has admitted the Special Leave Petition and has been pleased to pass an interim order on 30<sup>th</sup> November, 2009. In pursuance of the interim order, the Company has been providing free treatment to the patients referred by the Govt. of NCT of Delhi and has been charging only for medicines & medical consumables. The financial impact in the matter can be quantified only upon the final decision by the Hon'ble Supreme Court of India.

The Directorate of Health Services, Govt. of NCT of Delhi has appointed a Nodal Medical Officer to be permanently stationed in the hospital to support, guide and monitor the treatment of patients referred by the Government.

During the year, a total of 34000 patients (30384 Out Patients and 3616 In Patients) were treated under the free category.

### COVID-19 pandemic

Your Company, Indraprastha Apollo Hospitals, as a health care institution entrusted with the task of managing COVID-19 patients, without interrupting the non COVID healthcare services, a comprehensive plan was drawn and executed keeping in mind the need to prevent the spread, and scientifically segregate and promptly identify Covid patients at the same time protecting and monitoring the healthcare professionals adhering to the various advisories issued by the Government agencies from time to time. Your Company has marched hand in hand with the Government agencies in its fight against the COVID pandemic sweeping over the NCT of Delhi. Maintaining and reporting appropriate data to the government was effectively ensured.

A focused COVID management team of all stakeholders under the leadership of the Managing Director, evolved the facility, protocols and processes which were constantly monitored and necessary changes, wherever required were made.

Dedicated areas were established for patient management, in accordance with stipulated requirements for screening, testing, triaging, admission and OTs for emergency surgeries for suspected / proven COVID-19 cases. The ICUs and wards with negative pressure areas, as deemed necessary, were created. Additional equipment like video laryngoscopes, high flow nasal cannulas, ultrasonic nebulizers, waste disposal macerators etc. were also procured.

Quarantine arrangements for staff during Covid duty and focused training were undertaken. All processes and protocols were shared with staff along with constant engagement to ensure adherence to the said protocols.

An internal communication plan which included emails, online & physical meetings with small groups and individual conversations to allow rapid communication to all staff and patients/visitors was also established.

Supplies of hand sanitizers and personal protective equipment (PPE), display of instructions for hand hygiene and donning and doffing of PPE, cleaning and biomedical waste management and detailed cleaning protocols for all areas as advised by Government and the infection control department, was ensured.

Regulation of entry points, screening, triaging and segregation for patients and staff was established. The discharge process was expedited, and electronic transfer of files/ documents was ensured. Mortuary protocols were diligently followed.

Infrastructural changes with retrofitting had been achieved despite the lockdown and without disrupting existing patient care. Adequate supplies of materials to support existing and additional requirements had also been ensured.

Restoration of comprehensive care of non-COVID conditions is the immediate priority going forward. Enhanced protective measures and building public confidence is of paramount importance. The current situation may be considered as an opportunity for adoption of digital technology to enhance virtual consultation and risk stratification and your Company is committed to capitalizing such opportunities. The role of electronic medical records, real time access to reports will both provide better follow-up care.

Collaboration with medical equipment and consumable manufacturers, innovators and entrepreneurs will help us to stay ahead of the requirements for diagnosis, treatment and follow up.

### Quality

Healthcare accreditation has empowered hospitals to provide high quality and safe patient care, which has transformed the healthcare ecosystem. The hospital has continued its journey in Quality and Patient Safety through various accreditations and certifications. The following is the list of accreditations and certifications:

JCI ACCREDITATION

NABL ACCREDITATION FOR LABORATORY SERVICES

NABL ACCREDITATION FOR IMMUNOLOGY LABORATORY

ISO 14001:2015 CERTIFICATION FOR ENVIRONMENT MANAGEMENT SYSTEM

ISO 27001:2013 CERTIFICATION FOR INFORMATION SECURITY AND MANAGEMENT SYSTEM

NABH CERTIFICATION FOR CLINICAL TRIALS

AMERICAN ACCREDITATION FOR HUMAN CLINICAL TRIALS (AAHRPP)

### Awards and Accolades

The Hospital received a number of awards and accolades during the year. Some of them are as under:-

AWARD	CATEGORY / PROJECT AWARDED
CSR health impact award 2019 (3 <sup>rd</sup> annual edition)	Wash Initiative
CAHOTTECH 2019 Award	DIAL 77
Hospital Management Awards (HMA)	Everyone Goes Home Safe - Creating A Culture Of Safety
FICCI Healthcare Award	Uberization of Patient Transportation
Week Nielsen Survey	Best Multispecialty Hospital
Swacch Hospital Award	on 150 <sup>th</sup> Gandhi Jayanti (by Ministry of Urban Affairs and Noida Authority)
Medical Value Travel Awards	Liver Transplant, Kidney Transplant
ASSOCHAM Conference-cum-Awards	Best hospital for Diabetes Outreach Programs
AHPI Healthcare Excellence Award, 2020	Nursing Excellence
Economic Times Healthworld. com Hospital Awards	Plastic Surgery

### CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

#### (A) Conservation of Energy

Conservation of Energy and natural resources has continued to be one of the major objectives of your Company.

The Company has kept itself continuously engaged over years and pursued various energy conservation initiatives to reduce energy consumption in order to bring down carbon foot prints and remain competitive.

During the year, the following initiatives were implemented:-

1. Automatic Tube cleaning system commissioned for HVAC Chillers to get optimum operational efficiency. This has helped in lowering chiller electricity consumption to the tune of 1.7 lakh units equivalent to 5.9 % reduction in HVAC electricity consumption.
2. An average reduction of 700 KL of fresh DJB water per month by utilizing CSSD reject water to Boilers with minor process change and automation has resulted in monetary saving.
3. By using ultrasonic oxygen leakage detector, the Hospital was able to achieve 4% reduction in the liquid oxygen consumption.

### (B) Technology Absorption

Your Company 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 upgrades.

During the year, the following new equipment has been installed in the hospital: -

#### Tomotherapy

Tomotherapy is a radiation therapy modality, in which the patient is scanned across a modulated strip-beam, so that only one "slice" of the target is exposed at any one time by the linear accelerator beam. It uses a linear accelerator to deliver high-dose radiation to the tumour with sub-millimetre precision. It's advance technology helps treat multiple targets simultaneously. It uses imaging to guide treatment each day, so doctors can adjust treatment, based on even the smallest change in anatomy. It attacks tumour with highly precise radiation delivered at 360 degrees. It can be adapted at any point to deliver the best treatment, to ensure right doses, in the right place and at the right time. It is one of the most comprehensive cancer treatment.

### 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

Your 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.1408.21 million  
Outgo : Rs. 343.98 million

### BOARD MEETINGS

Four (4) Board meetings were held during the financial year ended 31<sup>st</sup> March, 2020 on 8<sup>th</sup> May, 2019, 26<sup>th</sup> July, 2019, 5<sup>th</sup> November, 2019, and 3<sup>rd</sup> February, 2020. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 read with Listing requirements.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

- Mr. Ashok Bajpai resigned as Managing Director of the Company with effect from 15<sup>th</sup> June, 2019.
- Mr. P. Shivakumar was appointed as an Additional Director with effect from 5<sup>th</sup> November, 2019. Mr. P. Shivakumar holds office of Director only up to the next Annual General Meeting. A notice has been received from a member pursuant to Section 160 of the Companies Act, 2013, indicating his intention to propose the appointment of Mr. P. Shivakumar as a Director of the Company. Mr. P. Shivakumar was also appointed as Managing Director of the Company, effective from 5<sup>th</sup> November, 2019.
- Mr. T. S. Narayanasami resigned as an Independent Director of the Company owing to personal reasons, effective from 29<sup>th</sup> February, 2020.
- Dr. Arun Rai has been re-appointed as an Independent Director of the Company, not liable to retire by rotation, for second term of five consecutive years from 26<sup>th</sup> May, 2020 to 25<sup>th</sup> May, 2025, subject to the approval of the shareholders.
- Dr. Menaka Guruswamy has been appointed as an Additional Director w.e.f. 23<sup>rd</sup> May, 2020. Dr. Menaka Guruswamy holds office of Director 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 Dr. Menaka Guruswamy as a Director of the Company. Dr. Menaka Guruswamy has also been appointed as an Independent Director of the Company, not liable to retire by rotation, for five consecutive years from 23<sup>rd</sup> May, 2020 to 22<sup>nd</sup> May, 2025, subject to the approval of the shareholders.
- Ms. Shobana Kamineni resigned as Director of the Company effective from 12<sup>th</sup> August, 2020.
- Ms. Sangita Reddy has been appointed as an Additional Director w.e.f. 24<sup>th</sup> August, 2020. Ms. Sangita Reddy holds office of Director 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 Ms. Sangita Reddy as a Director of the Company.

- In accordance with the provisions of the Companies Act, 2013 read with the Articles of Association of the Company, Ms. Suneeta Reddy, Director of the Company shall retire by rotation at the ensuing Annual General Meeting. Ms. Suneeta Reddy being eligible, has offered herself for re-election.
- Mr. Ajay Kumar Singhal has completed his tenure as Vice President cum Company Secretary effective from 15<sup>th</sup> July, 2020.
- Mr. Priya Ranjan has been appointed by the Board as Company Secretary & Compliance Officer designated as AVP - Corporate Affairs & Legal effective from 24<sup>th</sup> August, 2020.
- In pursuance to the provisions of Section 203 of the Companies Act, 2013, Mr. P. Shivakumar - Managing Director, Mr. Chander Prakash Tyagi - Chief Financial Officer and Mr. Priya Ranjan - Associate Vice President - Corporate Affairs & Legal, are the Key Managerial Personnel of the Company.

### INDEPENDENT DIRECTORS

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field / profession and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee, for appointment, as Independent Director on the Board.

The Committee inter alia considers qualification, positive attributes, area of expertise and number of Directorship(s) and Membership(s) held in various committees of other companies by such persons in accordance with the Company's Policy for Selection of Directors and determining Directors' independence. The Board considers the Committee's recommendation and takes the appropriate decision.

Every Independent Director, at the first meeting of the Board in which he / she participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he / she meets the criteria of independence as provided under the law and that he / she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his / her ability to discharge his / her duties with an objective independent judgement and without any external influence.

In the opinion of the Board, the Independent Directors fulfil the conditions specified in the Listing Regulations and are independent of the management.

### 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 <https://delhi.apollohospitals.com/downloads/Whistle%20Blower%20Policy.pdf>

During the year under review, no matter or incident has been received under the Whistle Blower Policy of the Company.

### SEXUAL HARASSMENT

The Company has zero tolerance towards sexual harassment at the workplace. In order to comply with provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and the Rules framed thereunder, your Company has formulated and implemented a policy on prevention, prohibition and redressal of complaints related to sexual harassment of women at the workplace. All women employees whether permanent, temporary or contractual are covered under the above policy. An Internal Complaint Committee (ICC) has been set up in compliance with the said Act. During the year under review, 11 (eleven) complaints pertaining to sexual harassment of women employees were reported to the Company and the same were investigated in accordance with the procedures prescribed 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, 2020 and of the profit of the Company for the year ended 31<sup>st</sup> March, 2020.
- 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 on-going concern basis.
- the internal financial controls to be followed by the Company had been laid down and such internal financial controls are adequate and were operating effectively; and
- 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. Also, it does not have any joint venture operation with any other entity.

### EXTRACT OF ANNUAL RETURN

As required under Section 134(3)(a) of the Act, the Annual Return is put up on the Company's website and can be accessed at [www.delhi.apollohospitals.com](http://www.delhi.apollohospitals.com). Extract of the Annual return in form MGT 9 for the FY 2019-20 can be accessed at <https://delhi.apollohospitals.com/annual-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 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.

The Report given by M/s. S. N. Dhawan & Co. LLP, Statutory Auditors on the financial statement of the Company for the year 2019-20 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 ended 31<sup>st</sup> March, 2020. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2020, is annexed herewith marked as Annexure 1, to this Report.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. covered under the Secretarial Audit save and except to the extent of the Govt. of NCT of Delhi - one of the promoters of the Company, have not dematerialised their shareholding in the Company, as required under Regulation 31(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and continue to hold the shares in physical mode.

Requests have been made by the Company to the Govt. of NCT of Delhi to get their shareholding dematerialized.

Further, an Independent Woman Director was required to be appointed by the Company, as required under Regulation 17(1)(a) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 by 31<sup>st</sup> March, 2020. The Company was in the process of identifying and appointing Independent Woman Director before 31<sup>st</sup> March, 2020, but due to Covid-19 Pandemic and nationwide restrictions & complete lockdown imposed in the country during the month of March, 2020, the appointment of Independent Woman Director by the Board of Directors of the Company could not take place by 31<sup>st</sup> March, 2020. However, Dr. Menaka Guruswamy has been appointed as the Independent Woman Director on 23<sup>rd</sup> May, 2020.

### 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, 2020. The Cost Auditor has given the Cost Audit Report for the financial year ended 31<sup>st</sup> March 2020, 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, re-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 ending 31<sup>st</sup> March, 2021, on a remuneration of Rs. 5.50 lakhs plus taxes (previous year Rs. 5.50 lakhs plus taxes)

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) for the financial year ending 31<sup>st</sup> March, 2021, is proposed 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 robust 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 any guarantees in terms of 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 of senior executives.

The Company has also formulated a Risk Management Policy for identification, evaluation and mitigation of business risks and opportunities. This framework helps establish ownership throughout the organization and embed risk management as an integral part of the business, and 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 identifies elements of risks in different areas of operations and develops policies for associated actions to mitigate the risks. The Risk Management Committee reviews and approves the risk management report on a quarterly basis, then after it is placed before the Board of Directors.

### CORPORATE SOCIAL RESPONSIBILITY

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

With the said objective in mind, your Company has constituted a Corporate Social Responsibility (CSR) Committee, which is responsible for fulfilling the CSR obligations and objectives of the Company. As on 31<sup>st</sup> March, 2020, the Committee comprised of four Directors viz. Ms. Vineeta Rai, Mr. S. Regunathan, Ms. Suneeta Reddy and Mr. Vinayak Chatterjee. Ms. Vineeta Rai is the Chairperson of the CSR Committee.

As part of its initiatives under CSR, the Company has undertaken projects in the areas of Sanitation, Promoting Education and Health, which are in conformity 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:

- Community Development
- Healthcare
- Education and Skills Development
- Research in Healthcare

The report on CSR activities for the financial year 2019-20, 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 2 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, is annexed herewith marked as Annexure 3 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 Policy of the Company on directors' appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013, is available on the website of the Company, at <https://delhi.apollohospitals.com/downloads/Remuneration-Policy.pdf>.

### PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report, however, having regard to the provisions of the second proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company.

Any member interested in obtaining such information may write to the Company to email id: [imclshares@apollohospitalsdelhi.com](mailto:imclshares@apollohospitalsdelhi.com)

### 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 are attached with this Report.

A Certificate from Practicing 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, 2020, 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, 2020, 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

**Suneeta Reddy**  
(DIN : 00001873)  
Director

Place: Chennai  
Date : 24<sup>th</sup> August, 2020

## ANNEXURE-1: FORM NO. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2020

[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 -110076**

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 31<sup>st</sup> March, 2020 complied with the statutory provisions listed hereunder and also that the company has proper Board - Processes and Compliance - Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:-

We have 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, 2020 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015;

- (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (to the extent applicable)
- (c) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable to the company during the financial year 2019-2020);
- (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the financial year 2019-2020);
- (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 2019-2020);
- (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 2019-2020);
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the financial year 2019-2020);
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the financial year 2019-2020);
- (i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; (to the extent applicable during the financial year 2019-2020); 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;

(xvi) 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) The Uniform Listing Agreements entered into by the Company with BSE Ltd. and the National Stock Exchange of India Limited.

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

1. *The Govt. of NCT of Delhi is one of the promoters of the Company and is holding 23834200 Equity Shares of Rs.10/- each fully paid - up in the Company. However, these shares are yet to be dematerialised as required under Regulation 31(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*
2. *An Independent Woman Director was not appointed by the Company, as required under Regulation 17(1) (a) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 by 31<sup>st</sup> March, 2020. However, as on date the Company has appointed an Independent Woman Director and the composition of the Board is in compliance with the Regulation 17 of the Sebi (Listing Obligation and Disclosure Requirements) Regulations, 2015.*

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 Woman 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**  
**ICSI - UDIN: F003616B000291420**

Place : Delhi  
Date : 23<sup>rd</sup> May, 2020

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, 2020 of even date is to be read along 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 of the scanned copies of the records 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.
- g) Due to seriousness of COVID-19 Pandemic and lockdown in the country, the physical verification of the original documents could not be done.

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

Place : Delhi  
Date : 23<sup>rd</sup> May, 2020

**ANNEXURE-2:**

**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 Mr. Vinayak Chatterjee - Independent Director
3.	Average net Profit for last 3 financial years	Rs. 4034.82 lakhs
4.	Prescribed CSR expenditure (two percent of the amount as in item 3 above)	Rs. 81.01 lakhs
5.	Details of CSR spent during the financial year	
	a. Total amount to be spent for the financial year	Rs. 81.91 lakhs
	b. Amount unspent, if any	None
	c. 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 2018-19**

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs Area, District	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</b>	<b>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	798,000	812,134	-	812,134	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.							
<b>2</b>	<b>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	1,397,000	1,397,000	-	1,397,000	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 by students and teachers.							

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs Area, District	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		
	Psychosocial rehabilitation for paediatric cancer patients through Art for Healing programme	Promoting healthcare [Schedule VII (i)]	Delhi	450,000	450,000	-	450,000	Implementing agency
	<i>Project Synopsis:</i> In order to bring positivity to cancer afflicted children in Indraprastha Apollo Hospitals, psycho-social activities under Art for Healing that was taken up as a pilot project for three months in 2018-19, was taken forward as a project in 2019-20. The NGO organised playful sessions with clowns for cancer-afflicted children undergoing treatment in hospital. These weekly sessions helped them deal with pain. The project was successful and the sessions much loved and appreciated by children, their families and doctors.							
3	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 girl students 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. The Apollo Hospitals Scholarship Certificates that are presented every year to winners was unable to be organised due to Covid-19 restrictions.							
4	Health Camp for Underprivileged Community	Preventive healthcare [Schedule VII (i)]	Delhi	426,000	450,000	-	450,000	Implementing agency
	<i>Project Synopsis:</i> Adopting Shakur Basti underprivileged community for two monthly health camps and check-ups. One general camp and one specialized health camp for mothers and children were held alternately on a monthly basis. Branding was in the name of Apollo Aarogya Camps and Apollo MatruShishu Camps. The camps were highly appreciated by the community.							
5	Health Camps for deserving underprivileged communities in proximate areas	Preventive healthcare [Schedule VII (i)]		300,000	281,589	-	281,589	Direct
	<i>Project Synopsis:</i> Monthly health camps for underprivileged communities were held to ensure they had access to preventive health care.							
6	Supporting NGOs that work with the underprivileged for the rehabilitation of neurological conditions.	Preventive healthcare [Schedule VII (i)]	Delhi	2,300,000	2,300,000	-	2,300,000	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.							
7	Misc Activities - (community support activities, disaster outreach)	Measure to remove inequality faced by economically backward groups [Schedule VII (iii)]	Delhi	500,000	570,725	-	570,725	Direct
	<i>Project Synopsis:</i> Expenses on account of transport to project sites, travel.							
	Salaries	-	Delhi	4,00,000	4,00,000	-	4,00,000	Direct
<b>B</b>	<b>Contribution to Apollo Hospitals Educational and Research Foundation (AHERF) to undertake and promote scientific and medical research programs</b>	Promoting Preventive health care [Schedule VII (i)]	Delhi	11,30,000	11,30,000	-	11,30,000	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>81,01,000</b>	<b>81,91,448</b>	<b>-</b>	<b>81,91,448</b>	

### ANNEXURE – 3: 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.

## MANAGEMENT DISCUSSION & ANALYSIS

### Industry Structure & Developments

Good health is the foundation on which a person's happiness and well-being rest. When a nation's population is healthy, they make an important contribution to the economic progress of the country, as they live longer and are more productive. Studies have revealed the significant interlinkages between the economic performance of a country and the health of its population, making investment in health not just desirable, but a priority for societies. It is important that every citizen has access to basic healthcare facilities, an important factor which will influence a better quality of life for the populace. A comparison of the basic health indicators between developed and developing countries clearly show that developed nations lead the way in healthcare provision and utilization in terms of all resources - money, infrastructure, people, education, and products. Developing nations which have not been able to similarly invest in healthcare infrastructure, are characterized by lower human development.

Today, the primary challenge for developing countries like India, is the improvement of healthcare access across sectors, both in terms of reach and affordability, and the pursuit of universal healthcare to ensure that healthcare needs of the vulnerable and under-privileged sections of the society are addressed. Additionally, coping with modern diseases, public health engineering, disease surveillance and rising healthcare costs present significant challenges for the healthcare industry.

The recent COVID-19 pandemic has caused immense disruption, bringing to the fore, the importance of good health from an economic standpoint and the pressing need to devote resources for the prevention of future epidemics while managing such crises without excessive economic disruption. It is believed therefore, that once the crisis flattens, there will be a perceptible paradigm shift worldwide towards providing sustainable and equitable preeminent healthcare for all. For this to be successful, it is imperative that all stakeholders including healthcare providers, Governments, investors and consumers come together to understand, analyze and implement required changes across the ecosystem.

Globally, the healthcare industry is transforming rapidly. Several new health technologies such as wearable tech, telemedicine, genomics, virtual reality (VR), robotics and artificial intelligence (AI) although still nascent, are soon expected to change the very landscape of this industry.

To meet the demands of the future, much of these technologies should be capable of adequate scale.

*"Harnessing the power of digital technologies is essential for achieving universal health coverage. Ultimately, digital technologies are not ends in themselves; they are vital tools to promote health, keep the world safe, and serve the vulnerable."*

— Dr. Tedros Adhanom Ghebreyesus,  
 WHO Director-General

It is safe to expect that the future of health will focus on well-being and prevention rather than treatment. Innovations are already breaking barriers in the way diagnosis and treatments are being provided. Technology will also help to democratize healthcare by flattening costs and breaking geographic hurdles. The increasing pace of technological innovation in healthcare will soon open a plethora of opportunities for healthcare service providers across the globe.

### General Overview on India's Healthcare Services Landscape

The healthcare industry in India is one of the country's largest economic sectors, with regard to both employment and revenue. The various demographic changes such as the increase in demand for modern healthcare facilities, rise in awareness about diseases, growing health consciousness among people, increase in per capita income, changing lifestyles, transition in disease profile, etc., have all contributed significantly to the growth of the healthcare service industry in India. With the Government rolling out the biggest publicly funded healthcare plan in the world, many more doors of opportunity in the sector are now open.

*"India has adopted a multi-sectoral approach towards the health sector. The country is focusing on four main pillars of universal health. These are preventive health, affordable healthcare, supply-side interventions and mission mode intervention."*

— Mr. Narendra Modi,  
 Prime Minister, India

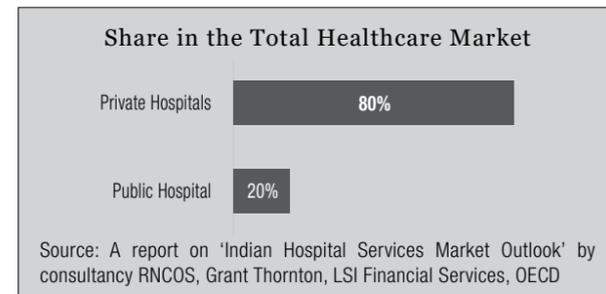
Today, India is able to offer best-in-class healthcare services at a fraction of the cost in other major markets around the globe. The availability and advancement of healthcare facilities have contributed to the betterment

of healthcare services industry in India. Reduction in the cost of life-saving drugs and medical devices, versatile pharmaceutical services, world-class specialty hospitals in Tier 1 and Tier 2 cities and a large pool of well-trained medical professionals are additional factors that have supported this growth.

However, a substantial gap exists in the supply of healthcare services as compared to the demand. India's limited healthcare infrastructure has historically been inadequate to meet the demands of a large and diverse population; public healthcare facilities are even now unable to adequately scale to effectively serve the needs of a growing population or reach the interiors of the country.

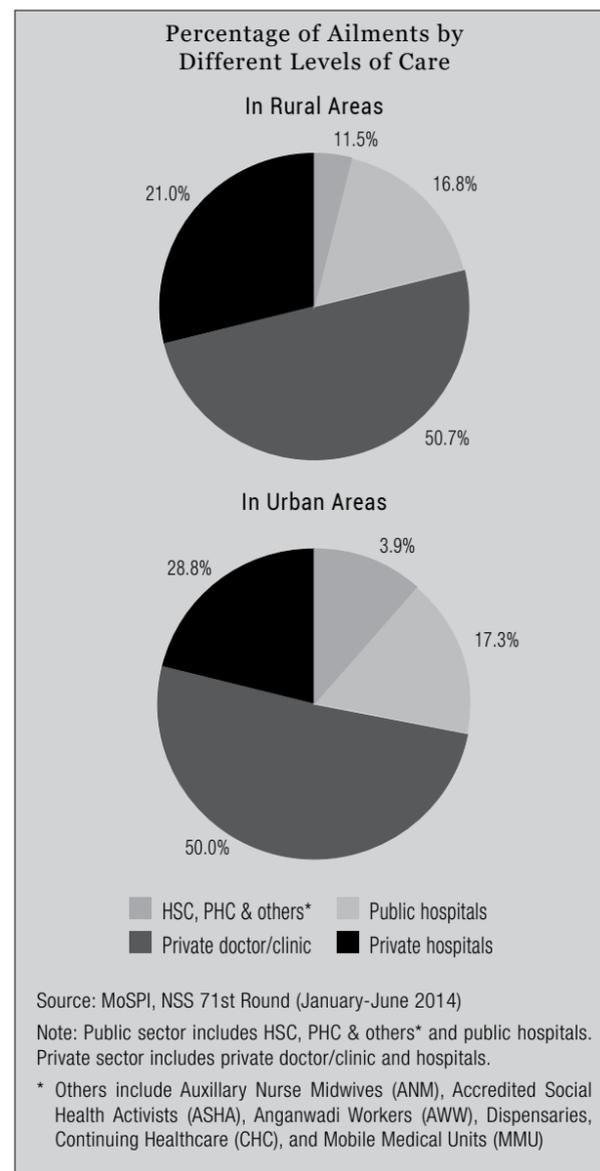
This unmet opportunity combined with strong fundamentals has largely led to the private sector taking center stage in India's healthcare landscape. Private healthcare institutions provide world class facilities, employ highly skilled and globally recognized professionals, skillfully leverage advanced technology in treatments, and maintain high standards of quality.

Private sector players have been able to occupy a major share of nearly 80% of the country's total healthcare market. They also account for almost 74% of the country's total healthcare expenditure. Their share in hospitals alone is estimated at 74% while their share of hospital beds is estimated at 40%.



From the chart below, it is clear that both rural and urban India seek private sector treatment of illness and disease. Of the different levels of care mentioned here, private doctor/clinic is the single biggest point of contact for treatment of ailments for rural areas (50.7%) and urban areas (50%). This is followed by treatment at private hospitals, public hospitals and Health Sub Centres (HSC), Primary Health Centres (PHC) & others.

Today, the healthcare sector in India offers a potent mix of opportunities and challenges. The significant gap between 'required' and 'actual' healthcare infrastructure has driven considerable investment into assets like hospitals and other care facilities over the years. Healthcare in India today provides corporations with a unique opportunity for innovation, differentiation and profits; it has become a preferred sector for strategic and financial investments.



### Government Initiatives are supporting growth of Healthcare industry

It is important to mention that the Country's healthcare sector is strongly supported by the Indian Government which has been undertaking commendable work to develop India as a global healthcare hub. Over the years, several initiatives to drive the growth of the healthcare sector in the country have been yielding positive results. These initiatives have gone a long way in not only improving overall healthcare access for the general population but have also enhanced the quality of healthcare in the country.

### Policies and Schemes

#### Ayushman Bharat

Aims at making path-breaking interventions to address health holistically. As of November 2019, about 6.37 mn people have received free treatment under this scheme.

#### National Health Policy (NHP) Scheme

Formed with the aim to deliver quality healthcare services to all at affordable costs is the world's largest Government-funded healthcare programme

#### National Resource Centre for EHR Standards (NRCeS)

Ministry of Health & Family Welfare (MoHFW) established a Centre of Excellence named as National Resource Centre for EHR Standards (NRCeS) at C-DAC, Pune to accelerate and promote adoption of Electronic Health Record (EHR) standards in India

#### Mission Indradhanush

Aims to improve coverage of immunisation in the country and reach every child under two years of age and all the pregnant women who have not been part of the routine immunisation programme

#### Pradhan Mantri Swasthya Suraksha Yojana (PMSSY)

Aims at correcting regional imbalances in the availability of affordable / reliable tertiary healthcare services and also to augment facilities for quality medical education in the country

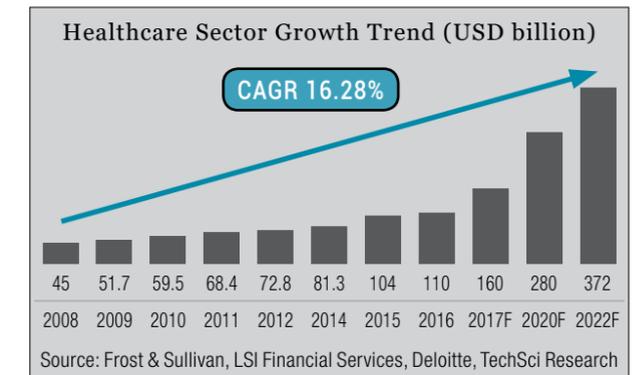
#### Pradhan Mantri Surakshit Matritva Abhiyan (PMSMA)

Pradhan Mantri Surakshit Matritva Abhiyan (PMSMA), a programme launched in 2016 to ensure comprehensive and quality antenatal check-ups to pregnant women across India, has crossed the 10 million mark

from USD 61.79 billion in FY17. The Country ranks 145 among 195 countries in terms of quality of healthcare and accessibility. India's healthcare access and quality (HAQ) index increased from 24.7 in 1990 to 41.2 in 2016.

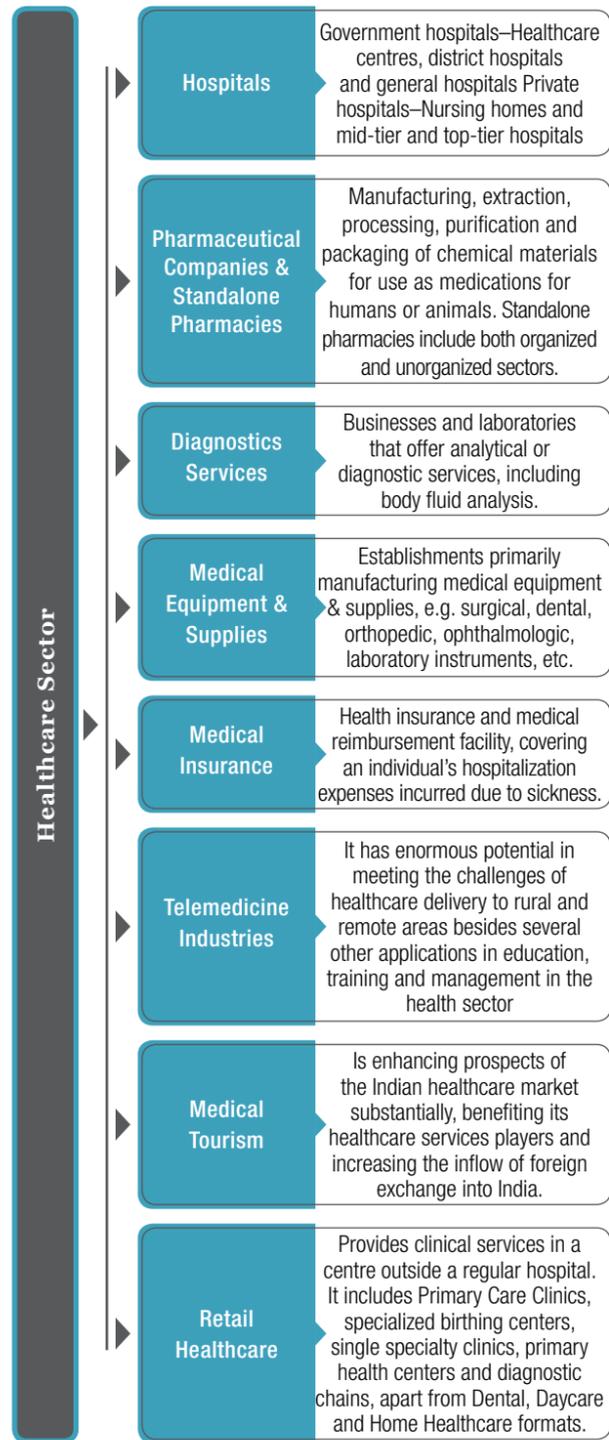
The Indian healthcare industry is marked by superior skills, knowledge, and professionalism. It stands out on the global stage as an efficient and cost-effective healthcare delivery system with its network of expert doctors and specialists, well-equipped diagnostics, and nursing services. Within the country, there is immense scope for enhancing healthcare services penetration and ample opportunity for the development of the healthcare industry as a whole.

Conducive policies for encouraging FDI, tax benefits, and favorable Government policies coupled with promising growth prospects are helping the industry attract private equity, venture capital and foreign players. Today, Indian companies are entering into alliances with domestic and foreign companies to drive growth and gain new markets. Going forward, fundamental factors such as rising income levels, ageing population, growing health awareness and changing attitude towards preventive healthcare, are expected to provide impetus and boost healthcare services demand.



In FY17, Indian healthcare sector stood as the fourth largest employer, employing a total of 3,19,780 people. By 2020, the sector is expected to generate 40 million jobs in India. The country is also expected to rank amongst the top 3 healthcare markets in terms of incremental growth by 2020. 1,00,000 jobs are expected to be created from Ayushman Bharat, the National Protection Scheme.

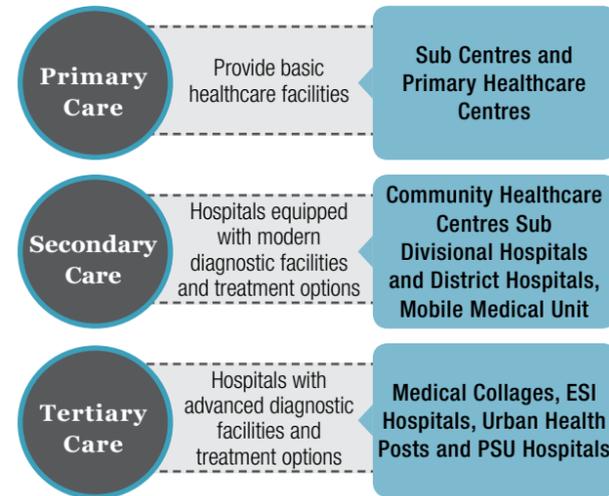
The Healthcare sector in India broadly includes Hospitals, Pharmaceutical Companies & Standalone Pharmacies, Diagnostic Services, Medical Equipment and Supplies, Medical Insurance, Telemedicine Companies, Medical Tourism and Retail Healthcare.



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

### Structure of Healthcare Delivery in India

The Healthcare sector is divided into three major categories: primary, secondary and tertiary.



Source: Dun and Bradstreet - "Sector risk outlook - Hospitals" October 2014, via Thomson Research, accessed January 2015; "Rural Health Statistics in India", Statistics Division Ministry of Health and Family Welfare Government of India, 30 April 2013

#### Primary Healthcare

The primary sector which mainly operates at the grass-root level has minimal involvement of private players. This is the first point of contact between the populace and the healthcare service providers. This infrastructure offers basic medical and health prevention services through a network of Sub Centers and Primary Health Centers in rural areas; in urban areas it is provided through Urban Primary Health Centres, Health Posts and Family Welfare Centers.

#### Secondary Healthcare

Secondary Healthcare refers to a second tier of health systems, in which patients from primary health care are referred to specialists in bigger hospitals for treatment. In India, the health centers for secondary health care include District Hospitals and Community Health Centres at block level.

This infrastructure provides inpatient as well as outpatient medical services, including simple surgical procedures. The various medical specialties offered under secondary healthcare include internal medicine, Ob-gyn, pediatrics and limited services in specialties like urology and cardiology among others.

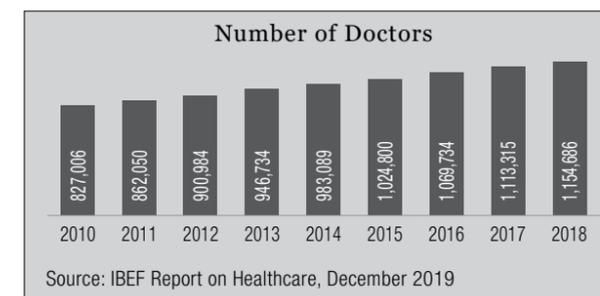
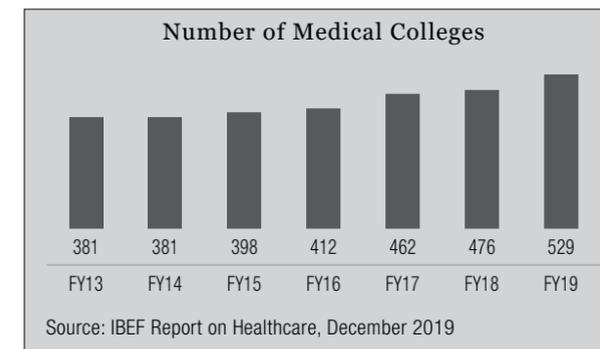
#### Tertiary Healthcare

Tertiary Healthcare refers to a third level of health system, in which specialized consultative care is provided usually on referral from primary and secondary medical care. Specialized Intensive Care Units, advanced diagnostic support services and specialized medical personnel are the key features of tertiary health care. In addition to tertiary hospitals that offer services for single specialty, there are multi-specialty tertiary hospitals that offer a number of services in the same hospital. In India, under the public health system, tertiary care service is provided by medical colleges and advanced medical research institutes.

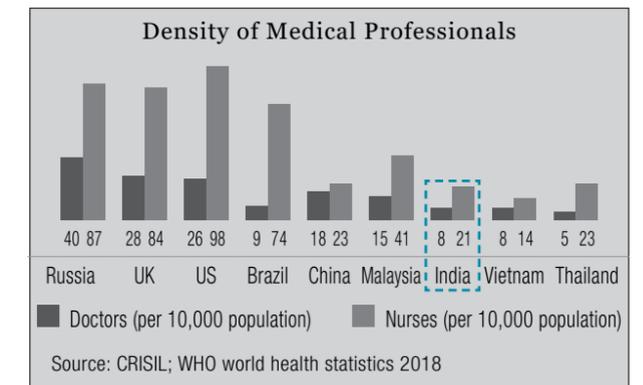
#### Scope to increase India's Per Capita Healthcare expenditure

The recent Covid-19 pandemic crisis has served as a stark reminder of the importance of investing in augmentation of healthcare infrastructure. The continued variance of healthcare spends between urban and rural areas has resulted in a sharp disparity in healthcare availability across the country. The Government of India is planning to increase public health spending to 2.5% of the Country's GDP by 2025.

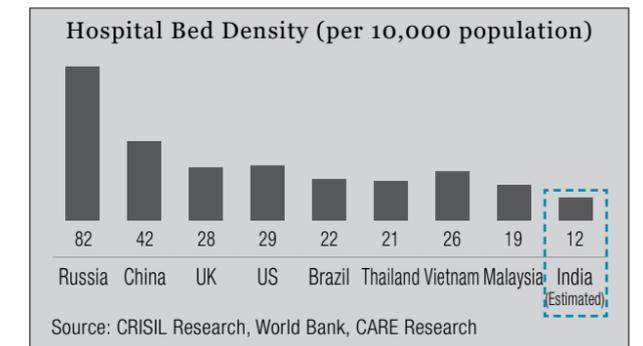
Over the last two decades, India has taken considerable steps to grow its medical education infrastructure. The number of medical colleges in the country has increased to 529 in FY19 from 381 in FY13. The number of doctors possessing recognized medical, qualifications (under I.M.C Act) registered with state medical councils/medical council of India increased to 1,154,686 in 2018 from 8,27,006 in 2010.



Even though the country is witnessing rapid expansion in the healthcare sector, the shortage of medical workforce remains a reality and challenge. As per World Health Statistics primary data 2007-2018, the density of physicians per 10,000 population for India stands at 8 which is very low compared to the number for USA that stands at 26. As per the National Health Profile 2018, India has a density of 30.2 skilled health professionals (physicians/nurses/midwives) per 10,000 population and the Sustainable Development Goal (SDG) target is a density of 44.5 per 10,000 population. To achieve the ratio reported by the USA with respect to the density of physicians, India will require an added 24.4 lakh physicians approximately.

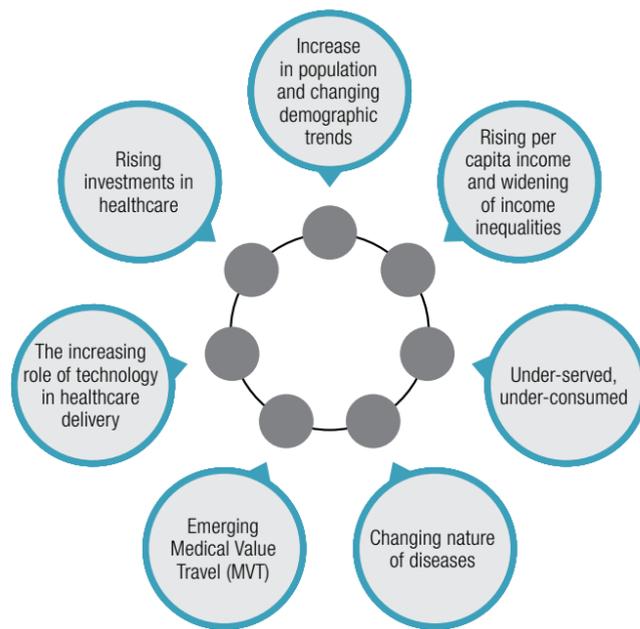


Additionally, hospital bed density in India is merely 12 per 10,000 persons-significantly lower than the WHO guideline of 30 beds per 10,000 population. These statistics indicate the alarming healthcare infrastructure gap in the country and the tremendous growth potential of the Indian healthcare industry to help the country move towards the global mean.



#### Key Characteristics

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



### Increase in Population and Changing Demographic Trends

India's extensive 1.3 billion population base offers a sizable market size and pertinent growth opportunities for health care services in the country. Empowered with unique demographic advantages, India is racing to rank among the world's most developed economies in the next decade.

As per the National Health Profile 2018, 54.6% of India's population falls in the age group of 20 to 59 years. This productive demographic group is expected to turn to modern and efficient healthcare services for treatments rather than rely on ill-equipped facilities.

While the population of India is considerably young, there is a parallel growing elderly population that is more than 60 years of age. In fact, the sheer number of elders in India exceeds the total population of several nations. The rise in the number of the elderly combined with rising life expectancy, is another proponent for quality healthcare.

Socio-demographic factors of the country, therefore, are expected to boost healthcare services demand in the future.

### Rising Per Capita Income and Widening of Income Inequalities

India has witnessed tremendous economic growth over the last 3 decades. The country has been able to register robust GDP growth and has been consistently featured amongst the fastest growing economies in the world. Rising per capita income and the economic stability of the expanding middle class population, is bound to increase the demand for services. Improved affordability is a gateway for superior healthcare facilities.

However, even as India continues to develop, income inequality in the country is widening. Low per capita income, low expenditure on healthcare, and a low number of doctors coupled with poor insurance penetration in rural areas are reasons for the disparity in healthcare offerings between urban and rural areas. The inequality is evident even within the same urban city. People in the various income slab categories fall into unique baskets typified by varying healthcare needs. Each of these presents a market in terms of the addressable value proposition.

### Under-Served, Under-Consumed

India's healthcare space is under-served chiefly because of the absence of credible infrastructure, a situation spawned by decades of under-investment in the health sector. In addition, the domestic healthcare delivery infrastructure of the country is largely skewed towards the organized private sector, and primarily confined to state capitals or tier-1 cities.

The country continues to remain far behind the global curve in providing good quality healthcare access across its population. Making healthcare affordable and accessible to all citizens of the country continues to be one of the Government's key focus areas. Even in terms of metrics, be it the per capita number of beds or doctors, India lags developed as well as developing peers. In terms of infrastructure, India has 12 hospital beds as compared to USA which has 29 beds to serve per 10,000 population. India requires an additional 2 million beds to be at par with the global median. While India's healthcare service infrastructure is under served, low affordability has also resulted in these services being under-consumed.

### Changing Nature of Diseases

India has witnessed an extensive change in the overall disease profile of its population. The share of communicable, maternal, neonatal, and nutritional diseases for death decreased to 27.5% in 2016 from 53.6% in 1990 and that of non-communicable diseases increased to 61.8% in 2016 from 37.9% in 1990. This shift in the disease profile provides an additional need for healthcare services in the country. Non-communicable diseases tend to be of long duration, increasing the need for sustained healthcare services.

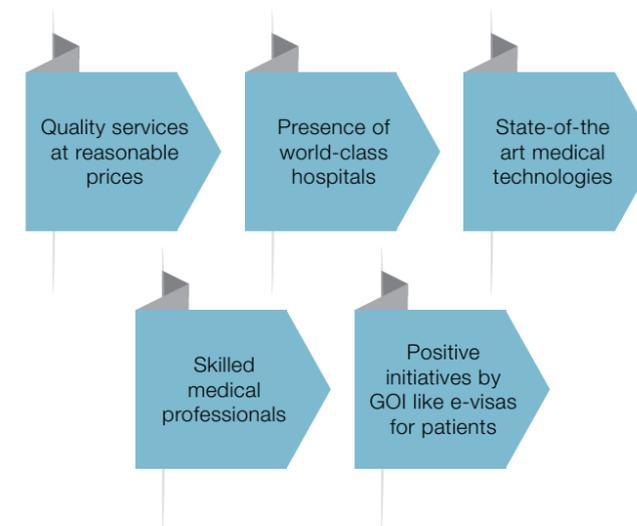
Transition in disease profile	1990	2016
Share of communicable, maternal, neonatal & nutritional diseases	53.60%	27.50%
Share of non-communicable diseases	37.90%	61.80%
Share of injuries	8.50%	10.70%

Source: Health of the Nation's States 2017-India Council of Medical Research

Due to increased urbanization, the incidence of lifestyle diseases is expected to increase faster than any other segment. Within the lifestyle space, cancer is one of the fastest growing segments. The prevalence of cancer in India is expected to increase from an estimated 39 lakh in 2015 to an estimated 71 lakh people by 2020, according to an Ernst & Young report.

### Emerging Medical Value Travel (MVT)

The Indian healthcare industry has been doing exceptionally well in addressing the multi-billion dollar medical value travel opportunity. Over the years, India has grown to become the preferred destination for medical value travel because it scores high over a range of factors that determine the overall quality of care. From quality of therapy, to the range of procedural and treatment options, infrastructure and skilled manpower, unmatched care and compassion, to zero waiting for any medical procedure, and availability of generic drugs, the list of benefits for medical travelers are many.



Healthcare costs in India are extremely competitive compared to those in developed countries and other Asian countries. This is especially for costly and delicate surgeries like cardiac bypass, kidney and liver transplant, hip replacement, dental services, cosmetic surgery and bariatric surgery. The cost of travel and accommodation is also low as compared to developed nations. India also attracts medical tourists from other developing nations due to the lack of advanced medical facilities in many of these countries.

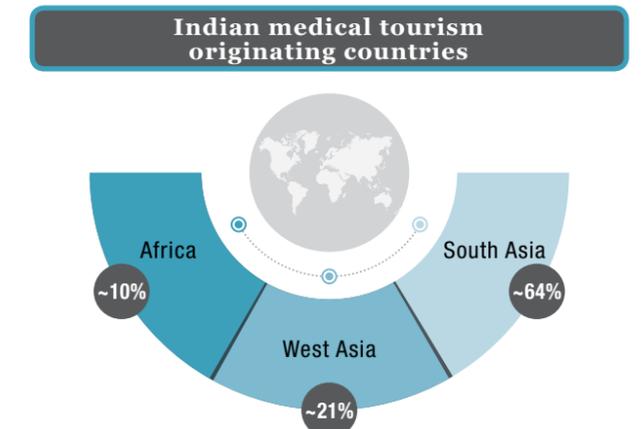
The Government estimates that the size of the medical tourism market would be around 9 billion USD by 2020 amounting to 20% of the global share; up from a size of 3 billion USD in 2015.

### Country-wise Cost of Ailments

Treatment	USA US\$	Korea US\$	Singapore US\$	Thailand US\$	India US\$
Hip Replacement	50,000	14,120	12,000	7,879	7000
Knee Replacement	50,000	19,800	13,000	12,297	6,200
Heart Bypass	144,000	28,900	18,500	15,121	5,200
Angioplasty	57,000	15,200	13,000	3,788	3,300
Heart Valve Replacement	170,000	43,500	12,500	21,212	5,500
Dental Implant	2,800	4,200	1,500	3,636	1,000

Source: CRISIL Research

The Indian Government has been facilitating easy entry for International patients into the country by providing special medical visas. It has introduced multiple policies such as the introduction of e-Medical visa, multiple entry visas and longer stays as required for treatment. Additionally, the Indian Government has been actively mandating accreditations to wellness centers and Medical Value Travel (MVT) facilitators. These initiatives have gone a long way in enhancing India's image as a preferred destination for medical tourists.



Source: CY17 CRISIL; Ministry of tourism

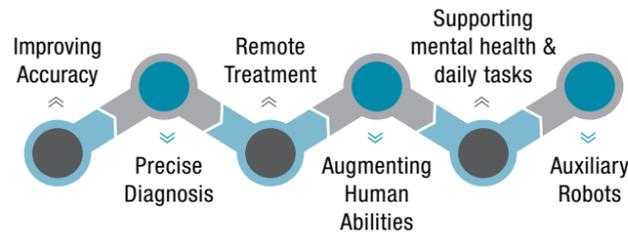
### The Increasing Role of Technology in Healthcare Delivery

Technological ubiquity and adoption of emerging technologies and tools by healthcare stakeholders hold the potential to improve quality, affordability and accessibility of health care solutions, thus reshaping healthcare delivery across the patient pathway

In India, most recognized hospitals have been investing in supportive technology and operative techniques. The timely adoption of certain advanced technologies has enabled availability and advancements in robotic surgeries, radiation surgery or radio therapies with cyber knife options, intensity modulated radiation therapy, image guided radiation therapy, transplant support systems, advanced neuro and spinal options in the country.

New health technologies such as wearable tech, telemedicine, genomics, virtual reality (VR), robotics and artificial intelligence (AI) are changing the landscape of the Indian healthcare system. Like many other markets, India too is at the cusp of a 'digital health' revolution as a vast number of healthcare companies have started adopting digital technologies in areas such as patient engagement, physician engagement, field force effectiveness, R&D efficiency and supply chain management. As the pace of digital innovation in healthcare accelerates, so will the opportunities for healthcare service delivery institutions across India who are willing to embrace the digital health space over the coming years. Post COVID, it is expected that technology will be embraced at an accelerated pace.

**6 Ways AI and robotics are improving healthcare**

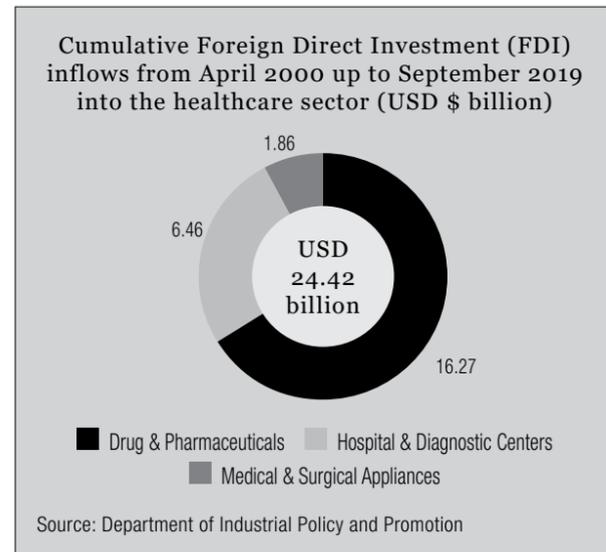


Source: Robotics Business Review 2019

**Rising Investments in Healthcare**

Infusion of long-term capital in the healthcare space goes a long way in strengthening the healthcare infrastructure of the country. Demand growth, cost advantages and policy support are some of the factors that have been playing a very important role in attracting FDI in the healthcare sector.

In the past few years, the Indian healthcare industry has attracted a lot of interest from leading global private equity players and venture capitalists. The growth in multi-specialty and single-specialty hospitals in India has largely taken place due to the strong backing of PE funding. Many multinational players have been trying to deepen their presence through partnerships and investments.

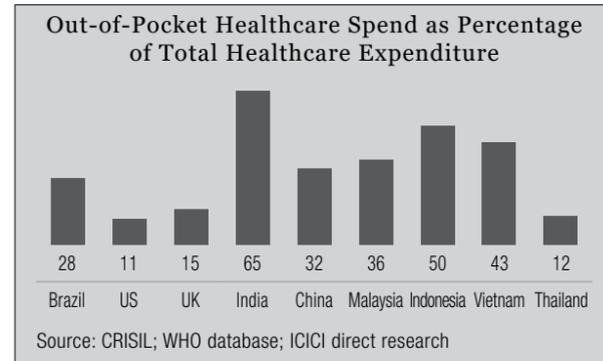


The Government of India's decision to allow 100% FDI in the hospitals sector led to a significant increase in investments from overseas funds into the sector. These trends indicate rising investor confidence in the Indian healthcare space and deepen the perception of India as an attractive healthcare investment destination.

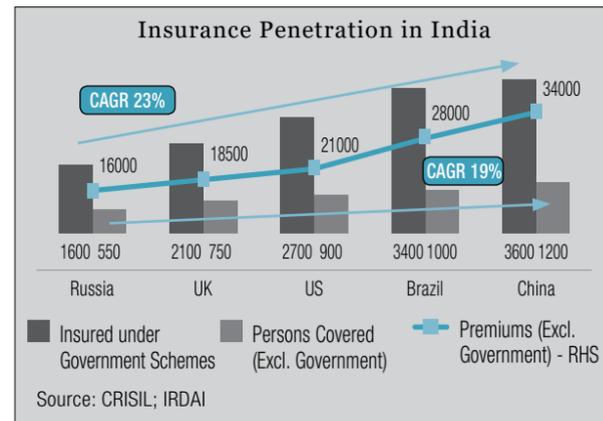
**Growing Health Insurance Market**

Health insurance encourages the demand for healthcare services as the insured pays a premium for the policy

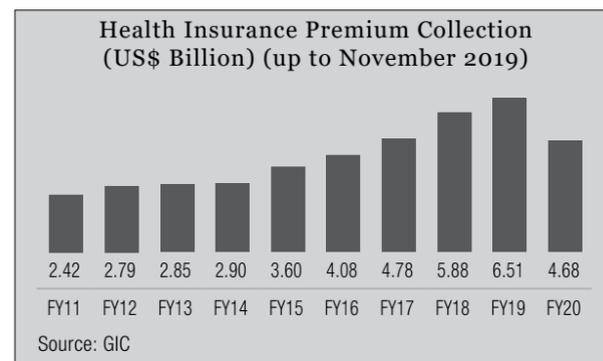
which is reimbursed by the insurer in case he/she has to undergo treatment on account of illness, sickness or disease. The insurance covers the health expenses of the individual to an extent, reducing their burden of healthcare costs. Therefore, an expected increase in health insurance market will drive the demand for healthcare services.



The growing incidence of disease along with low Government funding has led to an increase in the financial burden for the general public in meeting increasing healthcare costs. This coupled with high 'out-of-pocket' expenses is proving to be an impetus for increased health coverage.



From the above charts, it can be seen that the market for health insurance is on a rise. The health insurance premium and the number of persons covered under health insurance have increased substantially from the levels were in 2013-14.



Schemes providing health insurance coverage to corporate employees are further helping market penetration of insurance players.

The health insurance segment in India has tremendous potential as less than 20% of all Indians are covered under health insurance. In rural India, 86% of the population is not insured, and 82% of the urban population remains uninsured. Given that healthcare services get extended to this set of the population, the industry will witness tremendous growth.

**Retail Healthcare**

'Retail' in healthcare means creating opportunities for a clinical encounter in a space other than in the hospital. Basically, the philosophy of 'Retail Healthcare' is to meet the consumers' healthcare needs right where they are. Today, consumers are looking for convenience while selecting a healthcare provider. Increasingly, consumers are choosing proximity over distance, opting for reduced waiting time, same-day scheduling and extended opening hours (including weekends). Therefore, locating services in a retail setting within a neighborhood has become very popular. Additionally, today there is growing interest among a large section of the population in maintaining good health and being medically fit. This scenario is leading to a higher demand for a seamless healthcare delivery format to treat minor illnesses within a relaxed environment rather than in a hospital.

These changing consumer preferences and the increased use of technology have successfully influenced the

transition to retail healthcare. Retail healthcare begins with a focus on preventive health and extends to the treatment of low complexity cases. The key aim of retail healthcare is to provide several quality services at lower costs in convenient settings.

In order to satisfy consumers' demand for convenience and flexibility, healthcare providers are designing locally relevant spaces that are tailored to specific needs. These spaces are primarily focused on vaccination, patient education, information sharing, specimen collection and reports, wound dressing and aftercare, injections and in-person and tele consultations. The Retail Healthcare business includes Primary Care Clinics, specialized birthing centers, single specialty clinics, primary health centers and diagnostic chains, apart from Dental, Daycare and Home Healthcare formats.

Globally, Retail healthcare has grown substantially over the last decade. All the verticals under the Retail Healthcare umbrella are emerging as significant opportunities in the healthcare landscape and providing sizable untapped avenues which will further drive penetration of Indian healthcare service providers into local communities and neighborhoods.

Single specialty healthcare centers operating under the Retail Healthcare delivery format have already experienced growing popularity over the past few years in India. The segment now includes multiple treatment categories in areas such as fertility, maternity, ophthalmology, dental health, dialysis and diabetic care.

**SWOT Analysis**



## Strengths

### *Rich Repository of Experience*

Indraprastha Apollo Hospitals' strong brand image and best in class working environment continue to attract and retain top clinical and professional talent from India and abroad. The doctors and supporting medical personnel at Indraprastha Apollo Hospitals are not only well qualified but possess rich experience in their respective fields. The efficient clinical and non-clinical staff at Indraprastha Apollo Hospitals is well trained to deliver the best possible clinical outcomes to patients. Indraprastha Apollo Hospitals' senior management team has established a strong ecosystem which enables and motivates the staff in delivering a superior level of care.

The doctors at Indraprastha Apollo Hospitals have an enviable track record whether it is in terms of performing critical surgeries or medical procedures. Their domain expertise is revered and has gained acknowledgement from patients across the globe. Many specialists across Apollo Hospitals continue to receive multiple accolades and awards at different healthcare forums due to their expertise in the field of medicine.

### *Widespread Network*

Indraprastha Apollo Hospitals has established various touch points which facilitate smoother access to services for its patients. By providing premium and affordable medical services over the years, Indraprastha Apollo Hospitals enjoys many competitive advantages like enhanced customer experience, economies of scale, cost efficiencies, wider reach, access to a larger patient base and the leverage of synergies.

### *Broad Spectrum of technological experience*

Indraprastha Apollo Hospitals has been at the forefront in outlaying necessary capital for enhancing and embracing the best available medical technology. This approach has gone a long way in enabling best-in-class treatment for patients and helping them recover at a faster rate.

Most recently, Apollo Hospitals has launched its advanced App, Apollo 24/7, which provides the platform for seamless virtual consults with doctors, integrated medical records and prescriptions, and the ability to fill prescriptions through Apollo Pharmacy.

### *Comprehensive Offerings*

Indraprastha Apollo Hospitals has taken considerable steps to ensure that access to quality care is not restricted to the hospital setting, but is also available outside of it or in a post hospitalization scenario. Today, Indraprastha Apollo Hospitals' breadth of service offerings successfully spans the entire value chain of healthcare services.

### *High Brand Salience*

Indraprastha Apollo Hospitals has built and maintained a strong leadership position in healthcare service delivery. As a leading healthcare provider, Indraprastha Apollo Hospitals is well-regarded in the industry. This position is largely due

to its unrelenting focus on consumer needs and safety, and its resolute spirit in maintaining its leadership position by embracing innovative cutting-edge clinical protocols. The reputation and trust built by Indraprastha Apollo Hospitals is a strong asset, and continues to attract large numbers of patients, very talented clinicians, and staff.

## Weaknesses

### *Capital Intensive Nature of Industry*

The Healthcare industry is highly capital intensive. The basic requirements for operating a medical facility, such as land; construction costs for specialized interiors; medical equipment; and manpower requires heavy investment. This can prove to be a barrier for expansion.

In addition, the maintenance of healthcare equipment also requires considerable expenditure. Also significant resources are expended on skilled manpower which includes doctors, nurses and para-medical staff comprising lab technicians, radiographers and therapists. It has been observed that once an enterprise is able to manage the initial capex requirement to set up a facility, the subsequent task of balancing day-to-day expenditure with competitive prices for healthcare services is challenging. Therefore, the basic cost of setting up and running a hospital is considerably high which escalates break-even levels and stretches viability.

### *Scarcity of experienced doctors and skilled medical professionals*

The healthcare services industry is very manpower intensive. The quality of doctors and supporting healthcare professionals is critical to the eminence and efficiency of the business. India is a country with abundant manpower given the sheer size of its population. However, there is a huge gap in the provision of relevant education for a majority of this population and a dearth of competent training institutes for skilling the manpower. Therefore, skilled manpower - doctors, nurses and para-medical staff comprising lab-technicians, radiographers and therapists - are in short supply. Skilled professionals in the healthcare industry enjoy attractive opportunities both in India and overseas. Intense competitiveness amongst healthcare providers in urban areas has led to unsustainable increases in remuneration for qualified personnel. The availability of skilled professionals is therefore a challenge for setting up and profitably running a healthcare institution in India.

### *Regulatory Intensity*

Multiple licenses and approvals required to set up a hospital is another barrier for private players to expand their operations. Today, apart from licensing and approvals, the prices of drugs and consumables are also being regulated by the Government. It needs to be understood that the value of output delivered by the sector is not just the sum of the value of inputs. There is an intrinsic value of services that needs to be considered.

From a regulatory point of view, there are many requirements which can prove to be onerous when compared to global

norms like single window clearance. Better understanding between the various regulatory authorities and healthcare service providers is a must. It is important to understand that private healthcare service providers cannot be equated with other businesses. Healthcare service providers have to be viewed from perspective of the valuable services they are providing in the community.

### *Heterogeneous Markets*

With a diverse and growing population, the need for quality healthcare services is a strong need in India. The requirements are different even in markets which are reasonably proximate. Every micro-market has a unique set of circumstances with variance in demographics, disease profiles, customer attitudes, seasonal variations, price sensitivity and so on. Hospitals in two different cities in the same state and even two facilities within the same city, have different operating circumstances with varying parameters. This necessitates a higher degree of customization and monitoring.

Significant management oversight is required in the face of these complexities for sustaining clinical standards, balancing case mix, ensuring adequate volumes and upgrading technology regularly.

## Opportunities

### *Medical Value Travel*

Medical Value Travel (MVT) is a growing multi-billion-dollar industry and is likely to grow further due to the many benefits that it offers to patients. World-class hospitals, equipped with best-in-class technology, skilled medical professionals and low treatment costs have strengthened India's position as a preferred destination for medical tourism. Indian hospitals are able to offer superior services at comparatively lower costs. The assurance of quality healthcare facilities and cost-effectiveness are the two main factors that have been attracting millions of patients from across the globe for medical treatment in India. Proactive steps taken by the Indian Government like and e-medical visa, have also contributed to the growth of medical travel in the country.

### *Enhanced access and lower cost of delivery through Digital Solutions*

Digital technology will play a crucial role in enabling access to healthcare for India's masses. Ongoing digitization and the introduction of new technologies like telehealth, are already breaking down boundaries and creating patient-centric healthcare systems. Technology is enabling patients to book their appointments and opt for basic medical needs seamlessly from their homes. Doctors are able to access patient records at their fingertips and effortlessly provide consultations through the use of digital technologies and telemedicine. Technological development in recent decades has opened up ways to reduce distribution costs and increase healthcare penetration. Such solutions will be most successful in extending connectivity to rural and remote areas and offering first-class care without the burden of long trips to urban centers.

## Changing Demographics

While India is considered to be blessed with a favorable demographic quotient given the relatively young population, it also has a very large number of ageing citizens in absolute terms. Therefore, Indian healthcare service providers have an opportunity to meet the healthcare expectations of the young and also attend to the increasing healthcare requirements of the elderly. Alongside, the country is witnessing a sharp increase in disposable income among several groups, including a burgeoning middle class, who can afford to pay for quality healthcare. These evolving demographics present an exciting opportunity to service providers.

### *Changing formats and consumer preferences*

The general perception is that some hospitals tend to be intimidating to patients who respond better to a more relaxed atmosphere. Today, patients largely prefer accessing single specialty centers and other healthcare delivery formats for non-critical ailments. In order to cater to this trend, healthcare service providers have been providing a variety of options such as short stay centers, single specialty centers, neighborhood clinics, and home services. These alternate healthcare delivery formats are economically attractive as they require lower capital investment, achieve faster breakeven and deliver a better return profile. Some of these new formats have demonstrated greater specialization and the ability to create significant value as compared to larger multi-specialty hospitals.

### *Preventive Health and Wellness*

There is considerable rise in health awareness across the population of this country. People are increasingly realizing the importance of healthy living and are taking considerable efforts to adopt a healthy lifestyle. They are recognizing the importance of diagnosing a disease at an early stage and preventing critical illness. This awareness has led to a promising opportunity in the areas of preventive health and wellness, encompassing preventive health checks, diet and nutrition, exercise and well-being.

### *Underserved and Poorly Served Markets*

Significant inequalities exist in the quality of healthcare services available in metro cities and large urban areas as compared to that in the rural areas of the country. India's rural population continues to experience access barriers to quality healthcare services. Even persons with better resources and financial means have to commute to metro / urban areas to gain access to medical treatment or related health care services. Healthcare service providers who are willing to penetrate into semi urban and rural areas will benefit from a ready marketplace for their services.

## Threats

### *Increasing Costs*

Healthcare service providers are required to deliver profitable growth to their shareholders and ensure

commensurate returns on the bourses. Controlling costs and finding ways to improve realizations seem to be the golden mean. However, input costs in healthcare have become significant and are only expected to rise in the coming times due to increasing competition.

There is a substantial demand for certain finite resources such as land, quality medical professionals and equipment. Healthcare players also have to constantly enhance and adopt newer technologies which increase overall healthcare costs. Additionally, with the Government's thrust towards price reduction through regulation, there is a real threat of hospital finances being rendered unviable. The constraint of incurring higher costs leads to long gestation periods and relatively low returns on investment.

#### Changes in Government regulations

In the last few years, the Government of India has taken a number of positive initiatives which have benefited the Indian healthcare industry such as National Health Protection Scheme (NHPS) and Pradhan Mantri Jan Arogya Yojana (PMJAY). However, some of the structural issues that hampered the sector were a cap on stent and knee implant prices, which among others, were brought under the NLEM list. GST implementation also had an adverse impact on margins since hospitals were unable to utilize input credit on input services as hospital services are under the exempt category.

Frequent regulatory interventions by Government agencies and the possibility of price caps on drugs and consumables in the future augur further challenges for the Indian healthcare service providers.

#### Heightened Competitive Intensity

The competitive intensity from unorganized as well as organized players continues to remain high. Given the growing demand for healthcare services, many entrepreneurs and business houses have been entering healthcare business. The sector has been witnessing rising interest from private and foreign players. They intend to invest and venture in the various segments available in the healthcare industry. Most of these newer players are seen offering services at lower costs as compared to established players and creating further competitive intensity. There are even pockets of overcapacity in certain metros and rising competition could lead to competitors adapting unfair practices in order to survive, hampering the growth and profitability of other players. Every market player, whether from the organized or the unorganized sector, is striving for market leadership.

#### Shortage of Skilled Manpower

There is an acute shortage of skilled healthcare resources in India. At 8 physicians and 21 nursing personnel per 10,000 population; India stands well behind other countries including other developing nations like Brazil on these parameters. Unless immediate steps are taken to increase the number of doctors, nurses and paramedics, the shortage of manpower will lead to prohibitive costs and derail the delivery of healthcare services.

## Company Overview

### 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 Value Travel

Today, India is considered to be among the most affordable and best providers of healthcare among all medical tourism destinations. In Medical Value Travel, India is ranked in the top three destinations in Asia along with Thailand and Singapore. Indraprastha Apollo Hospitals has always remained at the forefront of this initiative to make India a preferred Global Healthcare destination. State-of-the-art medical facilities and cutting-edge technologies have enabled it to attract International patients in large numbers. The hospital prides itself on having a well-established track record of providing clinical outcomes comparable to the best in the world at a fraction of the International costs.

Indraprastha Apollo Hospitals been successful in attracting a large number of patients from neighboring countries as well as from Middle East and Africa. Today, patients from ASEAN countries (Myanmar, Cambodia, Indonesia, Philippines) and the Pacific Islands (Fiji, Samoa and Tonga) trust the hospital for their healthcare needs.

The Government of India has undertaken several initiatives to support medical tourism which in turn is enhancing India's image as a preferred destination for medical tourists. For e.g. The Government's steps such as visa on arrival and e-medical visa have made the modalities of admitting foreign patients a lot easier. The hospital offers a wide range of high-quality services including Preventive Health Checks, Organ Transplantation (kidney, liver and cornea transplantation), Robotic Surgery, Cancer Treatment, Joint Replacement Surgery, cosmetic procedures, eye procedures, brain and spine surgeries, etc. Indraprastha Apollo Hospitals is extremely well positioned to leverage the opportunity emerging out of the growing Medical Value Travel segment in the country.

### Infection Control and Environment

The Infection Prevention and Control Program, has been an integral part of the organization since its inception. Catering to and synchronizing with the global and national needs, 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. Like previous years this year also various campaigns focused on infection-prevention and control measures and towards Antimicrobial Stewardship (AMS).

Early and accurate diagnosis of infections, continuous interaction with treating teams on antimicrobials, focus on appropriate prophylaxis, non-inclusion from our hospital formulary, of antimicrobials without high impact scientific supportive evidence and strict vigilance of highly restricted antimicrobials which are not allowed to be issued by the pharmacy without clearance from Infection Control, are some of the measures instituted in this direction. Periodic review of antimicrobial guidelines is carried out. A new program addressing the community awareness on AMS by inclusion of public awareness note on each discharge summary, has been incorporated and is a unique drive in this country.

Continuous efforts have been made towards an increase in Hand-hygiene through innovative tools and reinforcement 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 0.7, 1.3 and 1.1 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.

### COVID-19 Response

Early recognition of the impending danger from a new virus SARSCoV-2 causing COVID -19, helped us to start disseminating information and advisories to all healthcare workers of the institution and to attendants, visitors of the patients and to the community. We started preparations on infection prevention and control way back in January 2020 which helped the institution in keeping abreast with rapid changes in the country and in meeting the scourge effectively. Adequate training and retraining on PPE, hand hygiene, respiratory and mask etiquette and instilling other Infection Protection and Control (IPC) measures, and social distancing were rolled out immediately. Raising appropriate infrastructure with pressure gradients, engineering preventive adjustments, staff flow and patient flow, addressing Biomedical waste and creating and implementing amended SOPs in each area of the hospital, were additional priorities. As the cases kept mounting, we were also quickly addressing new challenges arising out of the increasing requests and rapid changes as per national and state guidelines and advisories, under challenging circumstances. We were closely aligned with the government in ensuring the response was quick and efficient. This has reinforced the faith of the community, the state and that of the national leadership, in our program and institution. We are amongst the first corporate healthcare providers to be accorded permission to start diagnostics and admission of COVID patients in specified designated infrastructure created for this purpose in record short time. Indraprastha Apollo Hospitals takes pride in being able to support the government in this manner and help the nation in this time of dire crisis. We diligently continue our efforts respond well to the needs of the state and the nation in the current COVID-19 pandemic.

Indraprastha Apollo Hospitals also has the privilege of continuing as the current secretariat for the Hospital Infection Society - India. There is active representation in various important expert committees in the Bureau of Indian Standards including Biomedical Waste and Infection Control Committee, the Antimicrobials Resistance (AMR) Containment Program of Ministry of Health and Family Welfare, Government of India, The Patient Safety Program of Government of India and AMR Containment program of Government of NCT of Delhi 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 received a number of awards and accolades during the year. Some of them are as under:-

Award	Category/Project Awarded
CSR health impact award 2019 (3rd annual edition)	Wash Initiative
CAHOTECH 2019 Award	DIAL 77
Hospital Management Awards (HMA)	Everyone Goes Home Safe - Creating A Culture Of Safety
FICCI Healthcare Award	Uberization of Patient Transportation
Week Nielsen Survey	Best Multispecialty Hospital
Swacch Hospital Award	On 150th Gandhi Jayanti (by Ministry of Urban Affairs and Noida Authority)
Medical Value Travel Awards	Liver Transplant Kidney Transplant
Qimpro Foundation	Uberization of Patient Transportation Dial 77
ASSOCHAM Conference-cum-Awards	Best hospital for Diabetes Outreach Programs
AHPI Healthcare Excellence Award, 2020	Nursing Excellence
Economic Times Healthworld.com Hospital Awards	Plastic Surgery

### Risks and Concerns

Given increase in operations, our organization is exposed to a wider range of risks and uncertainties. These internal and external factors may affect performance of the organizations 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.
- ▶ On a Public Interest Litigation (PIL) regarding free treatment in the hospital, the Hon'ble Delhi High Court vide its order dated 22nd September, 2009 has held that free treatment provided by the hospital shall be inclusive of medicines and consumables. The company has filed a Special Leave Petition before the Hon'ble Supreme Court challenging the order of the Hon'ble Delhi High Court. The Hon'ble Supreme Court of India has admitted the Special Leave Petition and has passed an interim order on 30th November, 2009. In pursuance of the interim order, the Company has been providing free treatment to the patients referred by the Govt. of NCT of Delhi and has been charging only for medicines & medical consumables. The financial

impact in the matter can be quantified only upon the final decision by the Hon'ble Supreme Court of India.

- ▶ 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.
- ▶ The unprecedented COVID-19 pandemic has resulted in major revenue impact for the hospital. This is due to various factors such as sharp drop in OPD revenues, elective surgeries, consultations and international patients. If this trend continues, there will be losses and severe impact on cash flows.

#### 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.

## Financials

### Discussion on Financial Performance and Results of Operations

The financial performance of the Company has improved in the financial year 2019-20. The total revenue grew from ₹ 7,886.39 million in FY2019 to ₹ 8,314.55 million in FY2020.

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

Particulars	31.03.2020	31.03.2019	increase (decrease)	% increase (decrease)
Discharges	56,969	58,229	(1,260)	(2%)
Revenues per patient (₹)	145,828	135,225	10,603	8%
Average length of stay (days)	3.29	3.38		
Out-patients	490,042	511,026	(20,984)	(4%)
Revenue per bed day (₹)	44,333	39,984	4,349	11%

### Expenses

#### Salaries and Benefits

Our salaries and benefits expense of ₹ 2002.05 million during FY2019 increased by 7% to ₹ 2139.30 million in FY2020.

Year ended March 31, 2020 (₹ in million)

Particulars	31.03.20	% of revenue	31.03.19	% of revenue	increase (decrease)	% increase (decrease)
Salaries, wages and benefits (excluding managerial remuneration)	2,102.99	25%	1,962.04	25%	59.30	3%
No. of employees	3,215		3,022			

#### Professional fees paid to doctors

During the year, professional fees paid to doctors has been increased from ₹ 1975.55 million during FY2019 to ₹ 2007.93 million during FY2020.

#### Administrative Expenses

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

Year ended March 31, 2020 (₹ in million)

Particulars	31.03.20	% of revenue	31.03.19	% of revenue	increase (decrease)	% increase (decrease)
Repairs and maintenance	192.58	2%	180.5	2%	12.08	7%
Rents and leases	20.17	0%	49	1%	(28.83)	(59%)
Outsourcing expenses	524.13	6%	467.07	6%	57.06	12%
Marketing and advertising	489.62	6%	433.97	6%	55.65	13%
Legal and professional fees	51.4	1%	37.9	0%	13.5	36%
Rates & taxes	33.45	0%	36.47	0%	(3.02)	(8%)
Provision for doubtful debts & Bad debts written off	26.22	0%	23.64	0%	2.58	11%
Other administrative expenses	442.9	5%	418.16	5%	24.74	6%
<b>Total</b>	<b>1,780.47</b>	<b>21%</b>	<b>1,646.71</b>	<b>21%</b>	<b>133.76</b>	<b>8%</b>

#### Provision for Income Taxes

The provision for taxes during the year ended March 31, 2020 is ₹ 45.68 million compared to ₹ 162.08 million in the previous year ended March 31, 2019.

## 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, 2020 was 3215 as against 3022 employees in previous year. The Company has also engaged contractors for various support services in the Hospital and they have deployed 1052 workers as against 1024 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 everyday 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 that can continue to enhance our values and culture 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.

### 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

**Suneeta Reddy**  
(DIN : 00001873)  
Director

**Place: Chennai**  
**Date : 24<sup>th</sup> August, 2020**

# BUSINESS RESPONSIBILITY REPORT

## General Information about the Company

Corporate Identity Number of the Company	L24232DL1988PLC030958
Name of the Company	Indraprastha Medical Corporation Limited
Registered address	Sarita Vihar, Delhi-Mathura Road, New Delhi - 110 076
Website	www.delhi.apollohospitals.com
E-mail id	imclshares@apollohospitalsdelhi.com
Financial Year reported	2019-20
Sector(s) that the Company is engaged in (industrial activity code-wise)	Healthcare services
List three key products/services that the Company manufactures/provides (as in balance sheet)	The business activities of the Company is running and operating hospitals at Sarita Vihar, New Delhi and Sector 26, Noida.
Total number of locations where business activity is undertaken by the Company	(a) Number of International Locations (Provide details of major 5): None (b) Number of National Locations: Sarita Vihar, New Delhi Sector 26, Noida (UP)
Markets served by the Company - Local/State/ National/International	National Capital Territory of Delhi, India

## Financial Details of the Company

Paid up Capital (INR)	₹ 916.73 million
Total Turnover (INR)	₹ 8,314.55 million
Total Profit after taxes (INR)	₹ 436.24 million
Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2%
List of Activities in which CSR expenditure has been incurred	1. Community Development 2. Healthcare 3. Education and Skills Development and 4. Promote Research in Healthcare For details on CSR programmes, please refer the annexure on CSR which also forms part of Annual Report.

SECTION C

Other Details

Does the Company have any Subsidiary Company/ Companies?	No
Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not Applicable
Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

SECTION D

Business Review Information

1. Details of Director responsible for BR

DIN Number (if applicable)	08570283
Name	Mr. P. Shivakumar
Designation	Managing Director
Telephone number	+91 11 29872108
E-mail ID	shiv@apollohospitals.com

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

S. No	Questions	Business Ethics P1	Product Responsibility P2	Well Being of Employee P3	Stakeholder Engagement P4	Human Rights P5	Environment P6	Public Policy P7	CSR P8	Customer Relations P9
1	Do you have a policy/ policies for ...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	The policies conform to the following national and international standards: 1) NVG Guidelines issued by the Ministry of Corporate Affairs, GOI 2) Environment and Social Guidelines issued by IFC. 3) Quality of healthcare guidelines issued by JCI and NABH. 4) Environment Guidelines as per ISO 14001 and Ministry of Environment and Forest.								

SECTION D

S. No	Questions	Business Ethics P1	Product Responsibility P2	Well Being of Employee P3	Stakeholder Engagement P4	Human Rights P5	Environment P6	Public Policy P7	CSR P8	Customer Relations P9
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes, all the policies have been approved by the Board and have been signed by the Managing Director.								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Managing Director oversees the implementation of the policies								
6	Indicate the link for the policy to be viewed online?	<a href="https://delhi.apollohospitals.com/corporate-governance">https://delhi.apollohospitals.com/corporate-governance</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been formally communicated to internal and external stakeholders. It has been communicated to the external stakeholders through <a href="http://www.delhi.apollohospitals.com">www.delhi.apollohospitals.com</a>								
8	Does the company have in-house structure to implement the policy/ policies.	Yes, the Company has a well defined governance structure with clear roles and responsibilities within the organization								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	All the policies have been formulated in consultation with various stakeholders, however the Company plans to carry out an internal/external assessment in due course of time.								

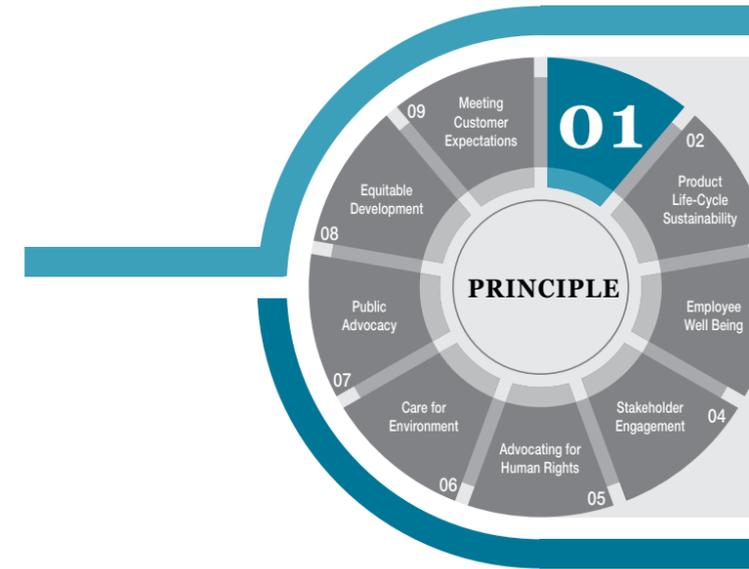
SECTION D

S. No	Questions	Business Ethics P1	Product Responsibility P2	Well Being of Employee P3	Stakeholder Engagement P4	Human Rights P5	Environment P6	Public Policy P7	CSR P8	Customer Relations P9
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2a. If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)  
- Not Applicable

3. Governance related to Business Responsibility (BR)

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	The Board of Directors assess the BR performance of the Company annually.
(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Annually. Since this is for the first time, BR is applicable, there is no link for viewing.



## Ethics, Transparency & Accountability

Our Hospitals are founded on a commitment to ethical principles, transparency, and leadership in applying the highest standards of corporate governance in our day to day operations and in creating long term sustainable value for all our stakeholders including our shareholders, patients, employees, and the communities we operate in. High standards of corporate governance, we believe is key to our strategy and future growth and will always remain the bedrock of our business.

Our governance standards are robust and stringent and we continue to adhere to the highest ethical standards as we continue to grow and expand. Corporate governance has a broad coverage and encompasses how an organization is managed, its corporate and other structures, its culture, its policies and strategies and the way it deals with its various stakeholders. It embraces authority, accountability, stewardship, leadership, direction and control exercised within the organization.

Our policies are transparent with systems and processes that support strong internal controls. Board members have on-going oversight and periodically review our strategy and policies. This ensures that all systems are working well and that we are compliant

with all applicable laws, rules and regulations. We have a sound and effective risk management framework which the Board also reviews on a periodic basis to ensure we are well prepared to face various risks inherent in our business.

### Organizational / Governance Structure

The Board of Directors consists of a combination of executive and Independent Directors who provide leadership and strategic direction to our business. All sub-committees of the Board as required under statutory regulations & guidelines have been constituted by the Board to facilitate smooth & efficient review of governance, and to ensure effective flow of the decision-making process.

To increase the efficiency and effectiveness of governance, board members have been designated into various committees - the Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee. These specific functions come under the purview of the concerned board members who have oversight on their workings

## Our Code of Conduct

Our Code of Conduct for Board Members and Senior Management Personnel sets forth the standards by which we conduct our business. The Code, which has been approved by the Board, covers a range of subjects from the use of funds to conflict of interest. It also covers systems and processes for proper operation of internal controls for the organization, general moral imperatives, specific professional responsibilities, and additional duties / imperatives for Board Members and Senior Management Personnel. The Code is founded on our core principle of maintaining the highest standards of ethics in conducting our business; it takes into account our business performance and the impact we make on the larger society.

The Company Secretary has been appointed as the Compliance Officer and is responsible for ensuring adherence to the Code by all concerned individuals. All members have affirmed compliance to the Code during the reporting period. Besides being available on our website, copies of the Code are circulated to all individuals concerned.

The Code of Conduct can be referred to at <https://delhi.apollohospitals.com/downloads/Code%20of%20Conduct%20for%20Board%20Members.pdf>

## Conflict of Interest

A conflict of interest is a transaction or arrangement that might benefit the private interest of a board member or employee. Identification, resolution and striving for avoidance of a situation that can give rise to a conflict of interest is critical for good governance and maintaining trust in organizations.

At Indraprastha Apollo Hospitals, the Code of Conduct has specific clauses, adherence to which ensures nil cases of conflict of interest. Steps taken to avoid and manage conflict of interests at the Board level include:

- ◆ Directors give disclosure of their concern or interest in any Company or companies or

corporate bodies, firms, or other association of individuals by giving a notice in writing and the same is put up to the Board. In case a Director is directly or indirectly interested in a particular agenda/ matter, he abstains himself from participation in the discussion of such agenda item.

- ◆ Related party disclosure(s) is made as per the applicable Accounting Standards as well as under the Companies Act, 2013 and Rules made thereunder.
- ◆ As per the requirement of the Companies Act, 2013 and Listing Regulations, approval of the Audit Committee and Board is taken for Related Party Transactions.

## Risk Management

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, assesses, prioritizes, manages, monitors and communicates suitable measures to manage such risks. The status of major risks faced by the Company and measures taken to address and minimize such risk are being reported on a quarterly basis to the Board of Directors.

## 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.

## Ethics and Integrity

We therefore adhere to all applicable statutes in letter and spirit and endeavour to adopt best practices that go beyond adherence of statutory frameworks to bring transparency and accountability in all facets of our operations. We have thus developed and implemented internal controls at all levels of the organization.

In terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board has formulated

internal procedures for Prevention of Insider Trading in dealing with the securities of the Company and also ensures that all applicable rules, regulations, laws and bye-laws, are adhered to.

## Vigil Mechanism

Besides strengthening the risk management framework and building strong internal controls, Indraprastha Apollo Hospitals also has a robust vigilance mechanism with which to curb corrupt practices that may arise in the course of its business for which we have zero tolerance. In addition to the Code of Conduct, the Company also has a Whistle Blower policy (<https://delhi.apollohospitals.com/downloads/Whistle%20Blower%20Policy.pdf>) in line with the requirements of Section 177 of the Companies Act, 2013. The policy enables all employees to report to the Company management, concerns of unethical behaviour, actual or suspected, fraud, or violation of the Company's Code of Conduct without fear of reprisal or victimization. Our intent behind the whistle blower policy is to identify potentially serious concerns which could have a long-term impact on the operations and performance of Indraprastha Apollo Hospitals.

## Grievance Redressal

Founded on our core organizational values, Indraprastha Apollo Hospitals is committed to transparency in all its operations and in the services it provides in accordance with the highest standards of corporate governance and business ethics. However, if due to any unprecedented reason, stakeholders find that there is / are reason(s) to improve, they are encouraged to report the same.

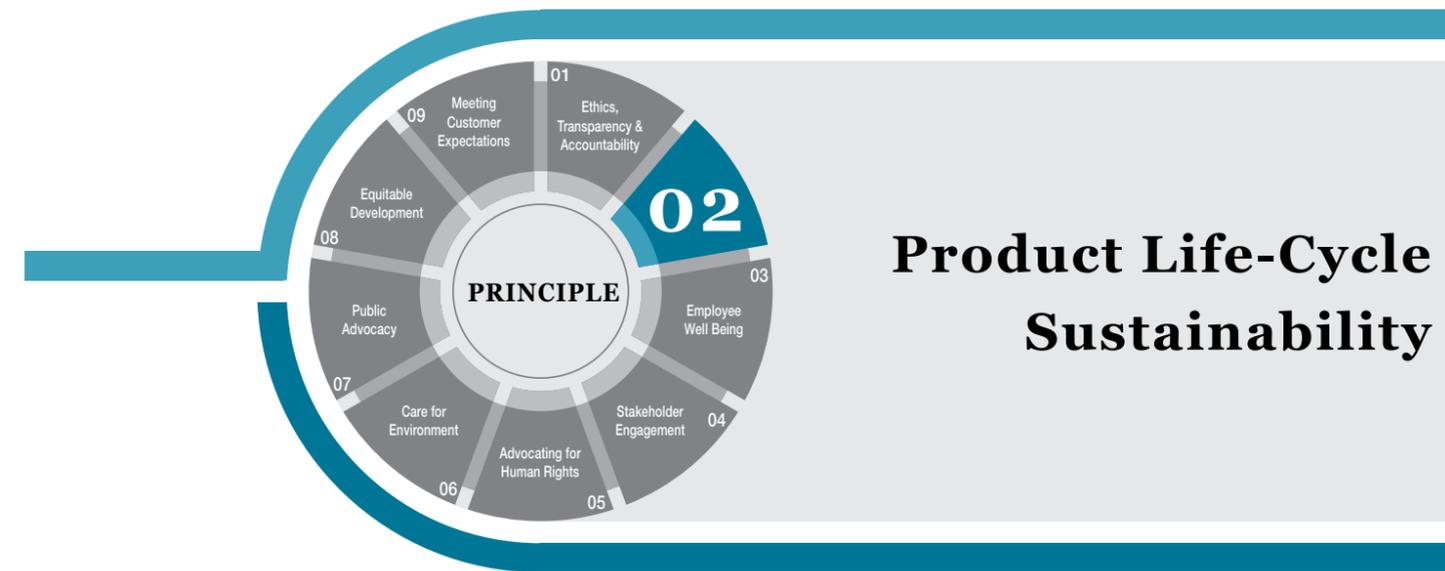
The 'Stakeholders Relationship Committee' formulated by the Company, specifically looks into issues such as redressal of shareholders' and investors' complaints; transfer of shares; non-receipt of shares; non- receipt of declared dividends; and the redressal of the grievances of the shareholders. The status on complaints and share transfers is reported to the Board periodically.

Indraprastha Apollo Hospitals endeavours to provide a supportive and enabling work environment for its employees to keep them motivated and engaged. The Company has in place an Employee Grievance Redressal System (EGRS) to primarily address all concerns and grievances from employees. This helps to quickly identify, address, and resolve employee grievances and to support a robust organizational framework which can successfully anticipate, identify and set right flaws in the operational procedures and services of Indraprastha Apollo Hospitals.

In the financial year 2019-20 we have provided services to around 475,000 patients. The feedback

of our internal and external stakeholders is important for us to strengthen the relationship with our stakeholders. We received 110 concerns/complaints from our shareholders and all of these concerns have been resolved. This is testimony that we look at and take up all complaints conscientiously and meticulously work on resolving them on a priority basis.

Our commitment to the best practices of corporate governance, our dedication to the areas of sustainability, ethics and fiscal transparency, and our relationship with our shareholders is the hallmark Indraprastha Apollo Hospitals Way and has helped us earn the trust of the community.



## Product Life-Cycle Sustainability

At Indraprastha Apollo Hospitals, we believe that we should conserve and protect the environment. We have therefore undertaken several initiatives for the reduction of energy and water consumption. We are also conscious of and care about the potential impact our operations may have on the environment and on people's health. We have consequently implemented safeguards at every stage in the life cycle of our products and services which we examine every year to ensure they are working as they should.

Each year, we evaluate, monitor and seek to reduce waste from our operations by advancing scientific knowledge. We also have a Sustainable Sourcing and Purchase Policy to ensure good Environmental, Social and Governance (ESG) practices in our entire value chain. The focus is on conducting business in an ethical manner and abiding by all legal and regulatory requirements and other applicable best practices. All our purchases and contracts are executed in compliance with our procurement policy.

We endeavour to develop the capacity of local suppliers while ensuring there is no compromise on quality so as to promote local sourcing and reduce our carbon footprint.

The 'Guiding Principles' of our Sustainable Sourcing/Purchase Policy include the following:

### Enable high patient care standards

To procure quality goods and services which enable the highest standards of patient care.

### Encourage Competitive Process

To support and encourage meaningful participation of suppliers in a competitive process prior to the establishment of a business relationship or the awarding of contracts.

### Process for awarding contracts

Founded on the highest standards of professionalism and ethical conduct, to invite tenders or proposals to help a choice for award of a purchase order or contract. The process of competitive bidding, negotiation and the awarding of contracts will be made without bias and the most appropriate vendor for the related requirement will be chosen. The process will be auditable.

## Risk Management

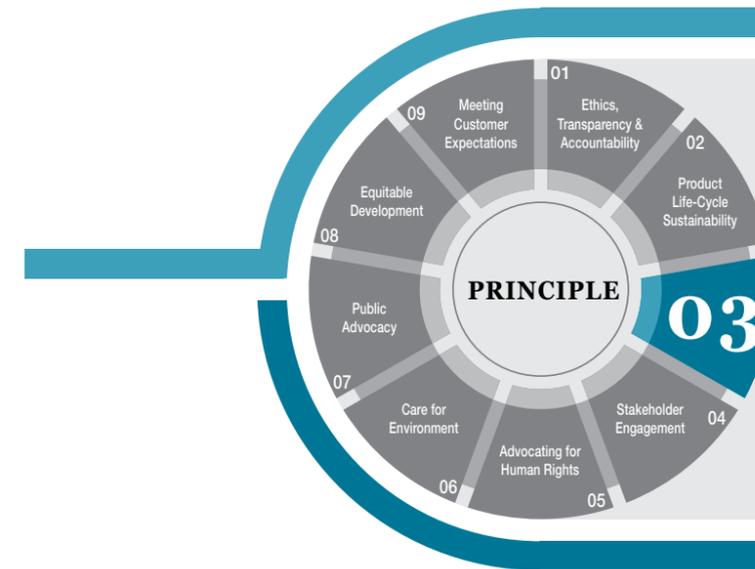
Transparent risk management policies which can reduce or mitigate business risks and potential internal and external conflicts of interest.

## Dealing with Suppliers

- ◆ To treat suppliers with courtesy, fairness, respect, honesty and professionalism and to ensure that no supplier has an unfair advantage over his competitors.
- ◆ To respect and not disclose suppliers' confidential information

We ensure safety and optimal use of our resources over the life-cycle of our equipments and services in all our day-to-day operations. We also ensure that all our suppliers, employees, recyclers, and others, are aware of their responsibilities.

We encourage our suppliers to adopt processes and technologies that are resource efficient and sustainable. We regularly review and support new technology development so as to deliver the best quality treatment to our patients but we stay committed to social, ethical and environmental considerations in pursuit of this goal.



## Employee Well Being

In Indraprastha Apollo Hospitals we consider our employees as extended family and our biggest asset. We are committed to their success and prosperity and thank them for their support in all aspects of our business. As key contributors to our success, we believe we have to engage them meaningfully and empower them to provide the ideal gateway to welcome our customer into our hospitals. We believe, that superior customer experience starts with them as they are the first touch-point in our care delivery value chain. Our Apollo family is therefore uniquely positioned to understand customer needs and expectations. We value their input which helps us at an organizational level to provide high quality services that are relevant and meet customers' needs and expectations.

Apollo Family Member - Our First Customer concept helps in creating an environment where the family members are excited to come to work. The synergy arising out of their effort and the HR business strategy will result in a positive result for the organization. Our policies are designed to stimulate employee creativity and encourage optimal performance towards attaining organizational goals. HR strategic planning will enable the organization to identify and respond to factors which inhibit successful execution of strategic priorities.

Strategic HR planning is an important component of HR management. It links HR management directly to

the strategic plan of the organization. The strategic plan helps in guiding decisions about the future and showing the direction in which we are moving.

## Our Holistic Strategy

- ◆ Ensuring that we have the right people with the right skills at the right time at the right place
- ◆ To keep up with technological trends that impact human resources in our organization
- ◆ To remain flexible so that our organization can manage change, if the future is different than anticipated

Number of permanent male employees	1,038
Number of permanent female employees	2,177
Total number of employees on roll	3,215
Number of male employees with disabilities	None
Number of female employees with disabilities	None
Total number of contract employees	1,052

Percentage of permanent employees who are members of recognized employee association: None

Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/ forced labour/ involuntary labour	Nil	Nil
2	Sexual harassment	11	Nil

**Average Training Hours per employee during the Financial Year:-**

S. No.	Category	Avg Trg Hrs per employee
1	Nursing	164.3
2	Others	41.2
3	Contract Staff	31.3

The Industrial relations scenario continued to be cordial during the financial year.

## Organizational Culture

Strategic HR planning helps in predicting the future HR management needs of the organization after analyzing the organization's current human resources, the external market and the future HR environment that the organization will be operating in.

The most important guarantee for the long term success of the organization is a "Strong Culture". It is one of the vital aspects of a successful organization.

A strong positive culture will help our organization to provide a great environment which will motivate our employees to contribute positively towards the growth of the organization and in turn, will strengthen relationships with our customers. Culture needs to

be monitored and nurtured to ensure that it reflects our organization.

Training programs will help us to drive culture in our organization. This will help us in the following ways:

- ◆ Understanding the current culture
- ◆ Setting the required expectation
- ◆ Aligning with business
- ◆ Focussing on driving culture
- ◆ Managing Culture
- ◆ Constant Communication

Our induction program introduces our employees to the relevant policies including the Code of Conduct and the Whistle Blower policy, and trains them to deepen their understanding of these aspects.

We are a leading healthcare provider having a huge responsibility in energising the nation and in playing a vital role in providing excellent healthcare services.

We have an opportunity to make a real difference. Each and every day, we contribute to the organization and in turn the organization contributes to the society in a meaningful way.

We are proud to possess a very strong ownership culture which helps us in creating an environment of business success. The role of HR has become very crucial as people driven processes are the critical factors for the organization to succeed.

## Awards and Recognitions

The Hospital received a number of awards and accolades during the year. Some of them are as under:-

Award	Category/Project Awarded
CSR health impact award 2019 (3rd annual edition)	Wash Initiative
CAHOTECH 2019 Award	DIAL 77
Hospital Management Awards (HMA)	Everyone Goes Home Safe - Creating A Culture Of Safety
FICCI Healthcare Award	Uberization of Patient Transportation
Week Nielsen Survey	Best Multispecialty Hospital

Award	Category/Project Awarded
Swacch Hospital Award	On 150th Gandhi Jayanti (by Ministry of Urban Affairs and Noida Authority)
Medical Value Travel Awards	Liver Transplant Kidney Transplant
Qimpro Foundation	Uberization of Patient Transportation Dial 77
ASSOCHAM Conference-cum-Awards	Best hospital for Diabetes Outreach Programs
AHPI Healthcare Excellence Award, 2020	Nursing Excellence
Economic Times Healthworld.com Hospital Awards	Plastic Surgery

## Employee Health & Safety

As a norm, the employees undergo a structural health check program on annual basis.

Dr. Prathap C Reddy - Founder Apollo Hospitals Group, has expressed serious concern over the spread of Non-Communicable Diseases (NCDs) which poses a great challenge to India's socio economic development as it is estimated that NCDs will cost India USD 6 trillion by 2030.

He said, "The new challenge that we will face in terms of NCDs - Diabetics, Heart Disease and Cancer are severe and we at Apollo Hospitals will take several steps in the coming years to address it."

## Protecting Human Rights

We are committed to the Protection of Human Rights and the prevention of issues like Child Labour and Forced Compulsory Labour in our network. Our HR department ensures the process of document verification, medical fitness, address and age verification, together with compliance to other statutory requirements.

Protection of Human Rights is central to good corporate citizenship and to a healthy bottom line.

We are committed to the safety and protection of our women employees across the organization, and to ensure them top security, we have a well-defined Sexual Harassment Policy in place. The policy has a mechanism for resolution of complaints and conducting mandatory training programs for all employees to create awareness on the subject.

## Stakeholder Engagement



At Indraprastha Apollo Hospitals, we remain committed to our stakeholders with the aim of growing in a transparent and accountable manner. Engaging with our key stakeholders and materiality process helps us in deciding on issues to focus on in order to mainstream sustainability into our decision making.

Indraprastha Apollo Hospitals aims to measure its performance based on the value that it brings to its stakeholders.

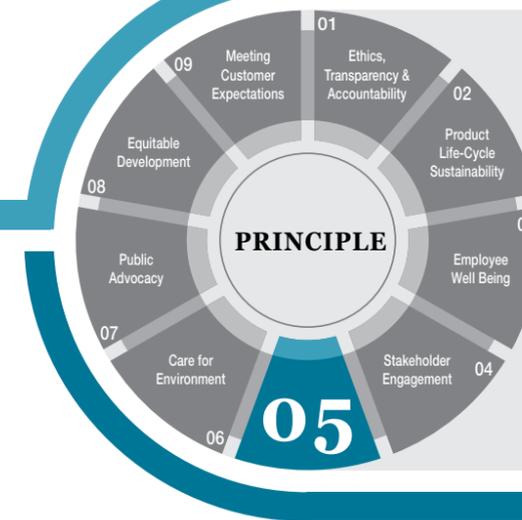
For us, Stakeholder engagement is about managing relationships with our stakeholders in an efficient and effective manner. This not only helps us in identifying opportunities but also in assessing emerging risks which may increase in magnitude at a later stage in future.

These stakeholders include individuals, groups and organizations that affect or are affected by our business. We have defined specific roles and responsibilities of the key departments in Indraprastha Apollo Hospitals to address these concerns, monitor, and ensure that they are addressed in a timely and efficient manner.

### Details of Major Stakeholders

We believe it is our corporate responsibility to not only to protect the environment, but to uplift the lives of the marginalized sections of the communities we operate in.

## Advocating for Human Rights



*“HEALTH CARE MUST BE RECOGNIZED AS A RIGHT, NOT A PRIVILEGE ... HEALTH IS NOT A CONSUMER GOOD, BUT RATHER A UNIVERSAL RIGHT, AND THEREFORE ACCESS TO HEALTH CARE SERVICES CANNOT BE A PRIVILEGE.”*

The human right to ‘Health’ means that everyone has the right to the highest attainable standards of physical and mental health, which includes access to all medical services, sanitation, adequate food, shelter, healthy working conditions, and a clean environment.

The human right to ‘Health Care’ means that hospitals, clinics, medicines, and doctors’ services must be accessible, available, acceptable, and of good quality, for all people on an equitable basis, where and when needed.

Apollo respects and is committed to supporting human rights, and the dignity of India’s diverse populace.

In particular, we believe our most significant opportunities to uphold human rights and therefore our greatest areas of responsibility, are the subjects of Human Rights in the Workplace and access to Health Care.

### Human Rights in the Work Place

Our employees are the backbone of our commitment to human rights practices and performance. We respect the dignity and human rights of our employees as well as those working in our external supply chain. In addition to the UNGC principles on Human Rights, we also follow the principles in the International Labor Organization’s Declaration on Fundamental Principles and Rights at Work, including non-discrimination, freedom of association and collective bargaining, and freedom from forced and child labour.

Our workplace practices and policies on providing fair compensation, equal opportunity, a safe and healthy workplace and other commitments to human rights, reflect our belief that the success of our Company is directly linked with employee satisfaction and well-being. We foster compliance with these policies on a continuing basis through our internal training and audit programs.

As a Healthcare Company, we have a long-standing commitment to improving and sustaining the health of our workforce.

In accordance with laws and regulations, we have formal mechanisms for employees to raise grievances and to file complaints and violations without fear of reprisal.

## Access to Health care

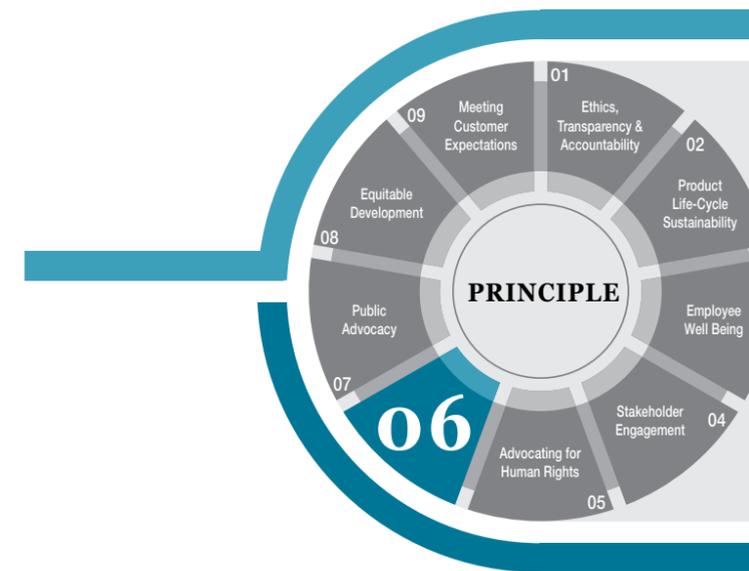
We believe that effective, compassionate health care systems are critical for a nation's well-being and for achieving better health for people around the world. Such systems are centered on the needs of individuals, and offer equitable access to quality healthcare for all.

Dr. Prathap C. Reddy first set up Apollo Hospitals with the firm conviction that every person has an undisputed fundamental right to quality healthcare regardless of geographic location or economic status - a principle that is stated in the Universal Declaration of Human Rights. Providing health care services is only part of that commitment. We are constantly working with all our partners and

stakeholders to improve the availability, accessibility, affordability and quality of care nationwide and also to globally help as many people as possible live their lives to the full.

We ensure commitment to human rights in all our operating units through strong governance policies. Oversight of the Human Rights policy and practices is managed by the relevant corporate and business functions. Our Board has always been diligent in implementing laws and guidelines to ensure the safety of resources and stakeholders.

We encourage our business partners to commit to respecting human rights, and also motivate them to develop similar standards of their own. We follow a tender process to provide quality goods and support services at cost-effective prices. Suppliers are screened for compliance with relevant legislations including environmental and human rights legislations. Multi-disciplinary consultative forums and various doctor interactions form the framework for decision making. The process is finalized with approvals from senior management and procurement executives. The Procurement Policy and processes are reviewed regularly and endorsed by the procurement executives.



## Care for Environment

Apollo is committed and pro-active when it comes to managing the environmental impact caused by its operations. Responsible disposal of different categories of waste including bio-medical waste generated from our premises, is a key focus area of our environmental strategy and provides impetus for a number of action plans as well as industrial and scientific partnerships. Necessary arrangements have also been made with authorised vendors for the disposal of e-waste, solid waste and hazardous waste. Training is provided to employees on compliance to these.

We support and sustain a culture of awareness and sensitivity towards conserving and preserving the environment. Protection and preservation of the environment is not only restricted to legal compliance but is a matter of priority for the Company.

To achieve this, we are involved in a range of initiatives such as:

- ◆ analyzing waste water effluents at our hospitals and assessing their impact on the environment
- ◆ using state-of-the-art technologies to treat waste water discharge from our hospitals
- ◆ limiting the environmental impacts of our business operations

- ◆ carrying out environmental risk assessments
- ◆ encouraging and supporting the proper use of medicines
- ◆ contributing to 'take-back' programs for the collection and safe disposal of unused medicines

### Environmental Risk Assessment

Our commitment to preventing environmental risks is central to our Quality Health Safety and Environment policy (QHSE). Guided by our inhouse experts, we have established a sound governance system for assessing the potential impact of our services on the environment.

### Waste Management System

The commitment towards waste management is reflected in our waste disposal policy that lays emphasis on improving waste management practices with a focus on bio-medical waste management across all our operations. We adhere to all statutory compliances and environmental clearance parameters as stipulated by the relevant authorities. We also have well established environment management systems

which are dedicated to function beyond laid down compliance levels.

Our 'Hazardous Materials and Waste Management Plan' applies to all staff in the hospitals and defines the responsibility of all healthcare personnel for identification, storage, handling, disposal and transportation of hazardous materials in accordance with regulatory requirements.

All chemicals used for our operations are properly labelled and hazard ratings are identified.

The Operations Head along with the Safety and Hazmat Committee has the responsibility for handling hazardous materials and administering the waste management policy. For e-wastes and old medical equipments, we follow a stringent "Buy Back policy" with vendors.

The Human Resources department and Hazmat team members in co-ordination with the radiation safety officer are responsible for the orientation and training of staff handling hazardous material and waste.

Appropriate type and adequate number of personal protective equipment have also been made available for personnel who are handling waste and disposal.

The Hazmat team carries out internal inspections and evaluations to review the effectiveness of the waste management plan and disposal practices followed.

During the last financial year, there were no major chemical spills reported.

## Water Harvesting

Water for the hospitals is sourced from local municipal sources. The water quality is tested to

ensure that it is potable. Few of the key initiatives taken by us to conserve and re-use water, include the following:

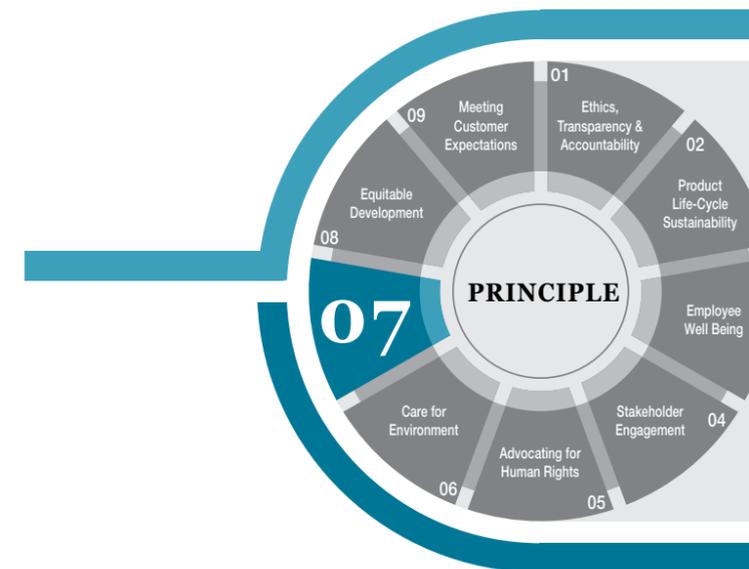
- ◆ Rain water harvesting - Increasing the ground water level by channeling the excess rain/storm water into harvesting pits across the premises; and effective utilization with proper filtration.
- ◆ Conservation of water by reuse of dialysis RO rejected water and drinking RO rejected water.
- ◆ Water conservation in western toilets by removing single push button.
- ◆ Reuse of water generated from sanitary and house-keeping for gardening purpose.

## Energy Efficiency

Energy conservation has been adopted as an integral part of our Operations and Maintenance philosophy.

During the year, the following initiatives were implemented:-

1. Automatic Tube cleaning system commissioned for HVAC Chillers to get optimum operational efficiency. This has helped in lowering chiller electricity consumption to the tune of 1.7 lakh units equivalent to 5.9 % reduction in HVAC electricity consumption.
2. An average reduction of 700 KL of fresh Delhi Jal Board water per month by utilizing CSSD reject water to Boilers with minor process change and automation has resulted in monetary saving.
3. By using ultrasonic oxygen leakage detector, the Hospital was able to achieve 4% reduction in the liquid oxygen consumption.



## Public Advocacy

As a healthcare provider with many physicians, we play a crucial role in promoting human rights. Such rights, as enunciated in the Universal Declaration of Human Rights, include fundamental civil and political rights; the right to free speech and the right not to be tortured, as well as social and economic rights, including a right to health and health care. Our knowledge, expertise, and contact with patients-especially those from vulnerable populations, enable us to be involved in advocacy efforts for policies that promote human rights at the local, national, and international levels.

Health and human rights are interrelated. When human rights are promoted, health is promoted. When human rights are violated, there are devastating health consequences for both the individual and the community. Implicit in the concept of human rights is the principle of dignity and worth of every human being. Health is a critical element in sustaining human dignity. Historically, in medicine and in medical education, we have all too often focused solely on a disease-oriented model of health and illness. By considering the interrelationship between health and human rights, we are challenged to examine health within a broader context, such as that reflected in the World Health Organization's definition of health as a "state of complete physical, mental, and social well-being".

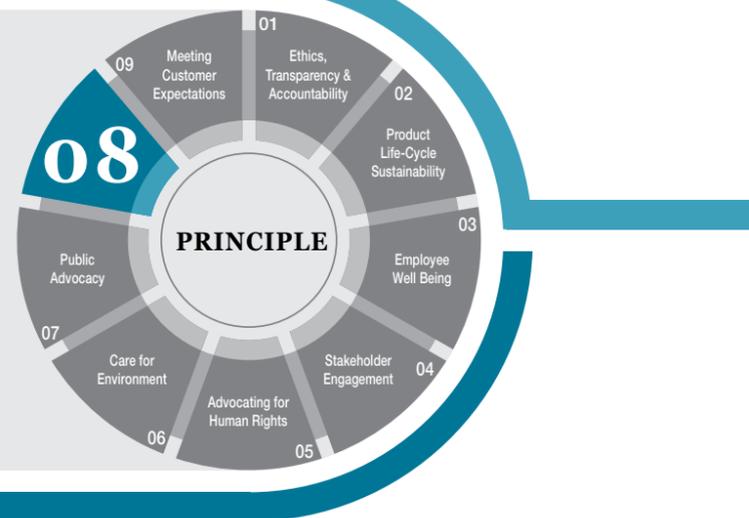
Under a value-based care system, physicians rely on a results-oriented approach that incentivizes positive patient outcomes instead of the number of procedures performed. Customer satisfaction is also a key part of the 'outcomes' formula.

A focus on disadvantage reveals evidence that those who are exposed to greater rates of ill-health face significant obstacles in accessing quality and affordable healthcare, including indigenous populations.

We believe that actions brought about through strategic alliances and public advocacy must be done in a responsible manner. We participate in several industry associations-national and international advocacy organizations-to influence positive sustainability actions. To the extent possible, we utilize the trade and industry chambers and associations and other such collective platforms to undertake policy advocacy.

As a benchmark name in the hospital industry, Indraprastha Apollo Hospitals has a say while pursuing public advocacy in the healthcare sector. We ensure that our policy positions are consistent with the Principles and Core elements contained in these guidelines.

## Equitable Development



### A HEALTHY START INITIATIVE

- ◆ Under the CSR project A Healthy Start, maintenance and cleaning of toilets through cleaning staff appointed by Indraprastha Apollo Hospitals for the two MCD project schools was undertaken

### ART IN EDUCATION INITIATIVE

#### By Nalandaway Foundation

Art in Education to Improve Learning Outcomes among 1800 underprivileged municipal school students was undertaken in the year under review.

- ◆ Ongoing training sessions for school children and project work by them was organized in Gautampuri and Molarband MCD schools by the NGO with art materials and activity cards. An Endline Survey for the 1800 children and 45 teachers in the two project schools was also completed
- ◆ To commemorate the 150th birth anniversary of Mahatma Gandhi, a special painting and clay modelling event was organised.
- ◆ AIE sessions were conducted in all the classrooms across four SDMC Schools. Sensitisation was done of Principals and

Teachers on the upcoming Endline Survey for both teachers and students.

- ◆ Teacher outcome review Questionnaires for 2019-2020 were administered across the school towards getting qualitative as well as quantitative data from the teacher's point of view about the AIE sessions held for the academic year.

### ART OF HEALING INITIATIVE

- ◆ The Art of Healing programme that involves weekly psycho-social rehabilitation sessions to help ease the stress of paediatric cancer patients in Indraprastha Apollo Hospitals through activities by a trained therapeutic clown was started in August 2019. Hundreds of children have benefited from these sessions, with special events being organized for Children's Day and for Christmas

### APOLLO HOSPITALS SCHOLARSHIP

The Apollo Hospitals Scholarship Certificates were distributed to 200 meritorious underprivileged girl students in Delhi Government Senior Secondary Schools in Jasola village and Tughlaqabad.

The award money of Rs 2000/- each had been credited into the bank accounts of the winners; this activity is as under the 'Beti Bachao Beti Padhao' initiative of the Government of India to promote education of the girl child and encourage higher education.

### OTHER COMMUNITY SUPPORT ACTIVITIES

**Health Camps for the Underprivileged** — Twenty general health camps were held in the period under review for over 2500 underprivileged men, women and children in urban villages near the hospital.

- ◆ In addition, under the Indraprastha Apollo Arogya Health Camp programme to reach out to the underprivileged in Shakur Basti, an eight-months programme was started in August 2019 through an NGO.
- ◆ Two monthly health camps including Matru-Shishu (mother and child) health camps were held, reaching out to over 200 persons per camp.
- ◆ Two Apollo Arogya General Health Camp were held, covering 202 beneficiaries. Blood tests were done for Hb, sugar and tests were done for blood pressure as well as doctor consultation and prescription of medicines

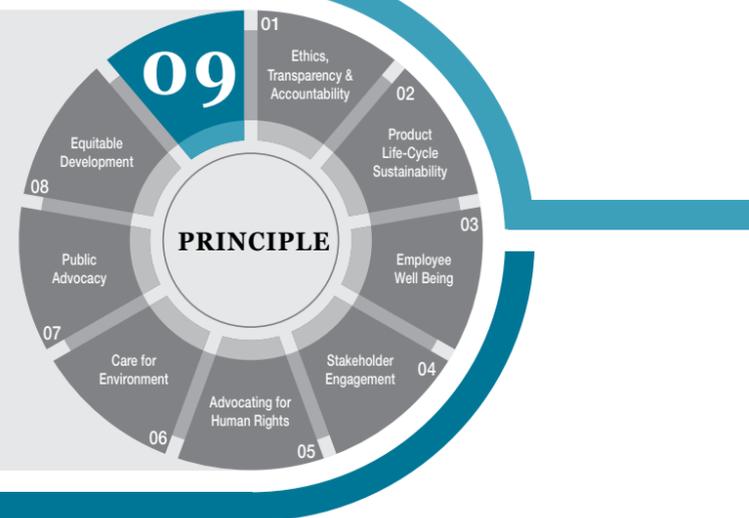
- ◆ Apollo Hospitals' General Health Camp for the underprivileged was conducted in Jaitpur urban village on March 15, 2020. This reached out to 190 patients.

- ◆ Apollo Foundation Health Camp was conducted at the prestigious International Yoga Festival, in Rishikesh, Uttarakhand from March 01-07, 2020. The free health camp proved to be very helpful for the visiting yoga practitioners, students and tourists from all over the world.

### Funding for Action for Ability Development and Inclusion (AADI) through Rotary

- ◆ As under CSR 2018-19, Rotary Delhi Charitable Trust funded by Indraprastha Apollo Hospitals in March 2019 allocated funds to an NGO working for persons with disability, Action for Ability Development and Inclusion (AADI) towards infrastructure upgradation and salaries to special educators for children and persons with disability.
- ◆ The NGO has, through two educators, conducted 155 individual sessions for thirteen children with physical motor disabilities and intellectual impairment (out of school and in-school) and their parents to enhance their capacity to build the life skills of the children. The purchase of computers, laptops and other aids in AADI is also being undertaken

## Meeting Customer Expectations



We value our patients the most. They are at the core of our operations, and safeguarding their health is our priority. That is the Indraprastha Apollo Hospitals Way.

We have an exclusive online customer redressal mechanism, "Voice of Customer" (VoC). A dedicated team, "Guest Relations", addresses all concerns/complaints of the customers, through this system. This is evidence that we take complaints seriously and work on resolving them on a priority basis. In our endeavour to digitize the customer-feedback process, we have launched an Instant Feedback System. Feedback is collected post discharge also.

No case has been filed by any stakeholder against our Group regarding dishonest trade practices and/or anti-competitive behaviour during the last five years.

High quality Patient Care is possible in Indraprastha Apollo Hospitals because of an engaged workforce that takes pride in its day-to-day responsibilities. They are able to alleviate feelings of stress and fear in patients while instilling in them a positive approach towards treatment. Through small acts of kindness, they deliver a superior patient experience.

## 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 behavior helps to enhance and maintain public trust in companies and the stock markets.

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 an 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) As on 31<sup>st</sup> March 2020, the Board of Directors consisted of 11 (eleven) members comprising of 1 (one) Executive Director and 10 (ten) Non-Executive Directors including 5 (five) Independent Directors.

The composition of the Board of Directors of the Company as on 31<sup>st</sup> March, 2020, was in conformity with Section 149(1) of the Companies Act, 2013 (the Act) read with Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), except the Company was required to appoint an Independent Woman Director, by 31<sup>st</sup> March, 2020, which has been on 23<sup>rd</sup> May, 2020.

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, the 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) The number of Directorship(s), Committee Membership(s) / Chairmanship(s) of all Directors is within respective limits prescribed under the Act and Listing Regulations.

None of the Independent Directors of the Company serve as an Independent Director in more than seven listed companies as prescribed under Regulation 17 of the Listing Regulations.

Necessary disclosures have been made by the Directors.

- (c) Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management.

During the year under review, Mr. T. S. Narayanasami resigned as an Independent Director of the Company owing to personal reasons.

- (d) Four (4) Board meetings were held during the financial year ended 31<sup>st</sup> March, 2020, on 8<sup>th</sup> May, 2019, 26<sup>th</sup> July, 2019, 5<sup>th</sup> November, 2019, and 3<sup>rd</sup> February, 2020. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013, read with the Listing Requirements.

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

The necessary quorum was present for all the meetings.

(e) The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies including listed companies, as on 31<sup>st</sup> March, 2020, are given herein below. Other directorships do not include directorships of private

limited companies, foreign companies and companies registered under Section 8 of the Act. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she is a Director. For the purpose of determination of limit of the Board Committees, Chairpersonship and Membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of Listing Regulations.

#### Name of the Director and Category

Name of the Director and Category	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)		Directorship in other listed entity (category of Directorship)
			Chairperson	Member	Chairperson	Member	
Dr. Prathap C Reddy (Vice-Chairman) / Non-Executive DIN : 00003654	4	Yes	5	Nil	Nil	Nil	Apollo Hospitals Enterprise Limited - Executive Chairman
Mr. Ashok Bajpai (Managing Director) / Executive <sup>(1)</sup> DIN : 02463754	1	NA	NA	NA	NA	NA	NA
Mr. P. Shivakumar (Managing Director) / Executive <sup>(2)</sup> DIN : 08570283	2	NA	Nil	Nil	Nil	Nil	Nil
Ms. Suneeta Reddy Non-Executive DIN : 00001873	3	Yes	Nil	5	Nil	2	Apollo Hospitals Enterprise Ltd. - Managing Director Apollo Sindoori Hotels Limited - Director
Ms. Shobana Kamineni <sup>(3)</sup> Non-Executive DIN : 00003836	3	Yes	1	6	Nil	Nil	Apollo Hospitals Enterprise Limited - Executive Vice Chairperson
Ms. Vineeta Rai Non-Executive DIN : 07013113	4	Yes	Nil	Nil	Nil	Nil	Nil
Mr. T. S. Narayanasami - Independent / Non-Executive <sup>(4)</sup> DIN : 01786981	2	No	NA	NA	NA	NA	NA
Mr. S. Regunathan Independent / Non-Executive DIN : 00286505	4	Yes	Nil	1	Nil	Nil	Nil
Mr. Satnam Arora Independent / Non-Executive DIN : 00010667	4	No	Nil	2	Nil	2	Kohinoor Foods Limited - Joint Managing Director
Mr. Deepak Vaidya Independent / Non-Executive DIN : 00337276	4	Yes	3	3	2	5	Solara Active Pharma Sciences Limited - Non Executive Director and Chairman Strides Pharma Science Limited - Non Executive Director and Chairman Spandana Sphoorty Financial Limited - Chairman (Non Executive Independent Director) Bombay Oxygen Investments Limited - Director
Dr. Arun Rai Independent / Non-Executive DIN : 07159822	3	No	Nil	1	Nil	Nil	Nil

#### Name of the Director and Category (Continued)

Name of the Director and Category	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)		Directorship in other listed entity (category of Directorship)
			Chairperson	Member	Chairperson	Member	
Mr. Vinayak Chatterjee Independent/Non-Executive DIN : 00008933	2	Yes	Nil	3	Nil	1	Apollo Hospitals Enterprise Limited - Independent Director ACC Limited - Independent Director
Ms. Madhumita Ganguli Non-Executive DIN : 00676830	2	Yes	Nil	4	Nil	1	C L Educate Ltd. - Independent Director

#### Notes:

- (1) Resigned from the position of Managing Director of the Company w.e.f. 15<sup>th</sup> June, 2019.
- (2) Appointed by the Board as an Additional Director & Managing Director w.e.f. 5<sup>th</sup> November, 2019.
- (3) Resigned as Director of the Company w.e.f. 12<sup>th</sup> August, 2020.
- (4) Resigned as Director of the Company w.e.f. 29<sup>th</sup> February, 2020.
- (A) Directorship in public 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.

(f) During the year 2019-20, information as mentioned in Part A of Schedule II of the Listing Regulations, has been placed before the Board for its consideration.

(g) A meeting of the Independent Directors was planned in the month of March, 2020, but due to Covid-19 pandemic and lock down in the country, it could not take place. The Ministry of Corporate Affairs (MCA) vide its General Circular No. 11/2020 dated 24<sup>th</sup> March, 2020, has given relaxation for holding the meeting of Independent Directors during the financial year 2019-20.

A meeting of the Independent Directors was held on 23<sup>rd</sup> May, 2020, 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.

(h) The Board periodically reviews the compliance reports of all laws applicable to the Company.

(i) The number of shares held by Non-Executive Directors, in the share capital of the Company as on 31<sup>st</sup> March, 2020, 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, 2020, in the share capital of the Company, except above named Directors.

The Company has not issued any convertible instruments.  
(j) Relationships between Directors inter-se as given below:

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

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

(k) 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 are available on the website of the Company <https://delhiapollohospitals.com/corporate-governance>

(l) The Board of Directors of the Company comprises highly qualified members who possess required skills, expertise and competence that allow them to make effective contributions to the Board and its Committees.

While all the Board members possess the skills identified, their area of core expertise is given below:

Name of the Director	Nature of Skills/Expertise						
	Corporate Leadership	Healthcare Experience	Financial Acumen	Diversity	Governance	Technology	Risk Management
Dr. Prathap C Reddy	✓	✓			✓	✓	
Mr. P. Shivakumar	✓	✓	✓		✓		✓
Ms. Suneeta Reddy	✓	✓	✓		✓		✓
Ms. Shobana Kamineni	✓	✓	✓		✓	✓	
Ms. Vineeta Rai	✓	✓		✓	✓		
Mr. S. Regunathan	✓	✓	✓	✓	✓	✓	✓
Mr. Satnam Arora	✓			✓	✓		
Mr. Deepak Vaidya	✓	✓	✓	✓	✓	✓	✓
Dr. Arun Rai	✓			✓	✓	✓	
Mr. Vinayak Chatterjee	✓		✓	✓	✓		
Ms. Madhumita Ganguli	✓			✓	✓		✓

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

A copy of the code of conduct has been posted on the Company's official website delhi.apollohospitals.com

The Code lays down the standard of conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. All the Board Members and the Senior Management personnel have confirmed compliance with the Code, for the financial year ended 31<sup>st</sup> March, 2020.

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

(n) The Board of Directors has adopted an Code of Conduct for Prevention of Insider Trading by Designated Persons' ("the Code") in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (The PIT Regulations).

The Company has also formulated Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with the PIT Regulations. This Code is displayed on the official website delhi.apollohospitals.com

### 3. AUDIT COMMITTEE

(a) The terms of reference of the Audit Committee covers the areas as contemplated in Section 177 of the Act

and Regulation 18 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.
- Recommend appointment, remuneration and terms of appointment of auditors, including cost auditors, of the Company.
- Approval of payment to statutory auditors, including cost auditors, for any other services rendered by them.
- Review with the management, the annual financial statements and auditor's report thereon before submission to the Board for its approval, with particular reference to:
  - matters required to be included in the Directors' responsibility statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - changes, if any, in accounting policies and practices and reasons for the same;
  - major accounting entries involving estimates based on the exercise of judgement 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;
  - modified opinion(s) in the draft audit report.
- Review with the management, the quarterly financial statements before submission to the Board for approval.
- Review 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 utilised for the 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 and performance and effectiveness of audit process.
- Approval or any subsequent modification of transactions with related parties of the Company.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
  - Review with the management, performance of statutory and internal auditors.
  - Review with the management adequacy of the internal control systems.
- Review the adequacy of internal audit function, if any, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Discuss with internal auditors of any significant findings and follow up there-on.
- Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discuss 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.
- Look into the reasons for substantial defaults, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors.
- Review the functioning of the Whistle Blower mechanism / oversee the vigil mechanism.
- Approval of appointment of Chief Financial Officer after assessing qualifications, experience and background etc. of the candidate.
- Mandatorily review the following:
  - Management Discussion and Analysis of financial condition and results of operations
  - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management
  - Management letters / letters of internal control weaknesses issued by the statutory auditors

- Internal audit reports relating to internal control weaknesses
- Appointment, removal and terms of remuneration of the chief internal auditor
- Statement of deviations:
  - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations.
  - annual statement of funds utilised for purpose other than those stated in the offer document /prospectus in terms of Regulation 32(7) of the Listing Regulations.

21. Note report of compliance officer as per SEBI (Prohibition of Insider Trading) Regulations, 2015.

22. Carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

(b) As on 31<sup>st</sup> March, 2020, the Audit Committee consisted of four Non-Executive Directors (including three Independent Directors) viz. Ms. Suneeta Reddy, Mr. Satnam Arora, Mr. Deepak Vaidya and Mr. S. Regunathan.

Mr. T. S. Narayanasami (Independent Director) who was the Chairman of the Audit Committee, resigned as an Independent Director of the Company owing to personal reasons, effective from 29<sup>th</sup> February, 2020.

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

(c) The Audit Committee met four (4) times during the year on 7<sup>th</sup> May, 2019, 25<sup>th</sup> July, 2019, 4<sup>th</sup> November, 2019, and 3<sup>rd</sup> February, 2020, and the intervening gap between the meetings was within the period prescribed under the Companies Act, 2013, read with the Listing Requirements. 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) <sup>(1)</sup>	Independent - Non-Executive	4	2
Ms. Suneeta Reddy	Non-Executive	4	4
Mr. Satnam Arora	Independent - Non-Executive	4	2
Mr. Deepak Vaidya	Independent - Non-Executive	4	4
Mr. S. Regunathan	Independent - Non-Executive	4	3

<sup>(1)</sup> Resigned as Director of the Company w.e.f. 29<sup>th</sup> February, 2020.

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 not present at the last AGM of the Company. He had authorized Ms. Suneeta Reddy - Member Audit Committee to address the query of the shareholders relating to the Audit Committee at the AGM, if any, on his behalf.

Ms. Suneeta Reddy was present at the AGM to address the queries of the shareholders.

#### 4. NOMINATION AND REMUNERATION COMMITTEE

- (a) The terms of reference to the Nomination and Remuneration Committee covers the areas as contemplated in Section 178 of the Act and Regulation 19 of the Listing Regulations, which inter alia shall include:-
1. formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
  2. formulate the criteria for evaluation of performance of independent directors and the board of directors;
  3. devise a policy on diversity of Board of Directors;
  4. identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
  5. consider extension or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of Independent Directors.
  6. recommend to the Board, all remuneration, in whatever form, payable to senior management.
- (b) As on 31<sup>st</sup> March, 2020, the Nomination and Remuneration Committee consisted of three Non-Executive Directors (including two Independent Directors) viz. Mr. S. Regunathan, Ms. Suneeta Reddy, and Mr. Vinayak Chatterjee. Mr. S. Regunathan (Independent Director) is the Chairman of the Nomination and Remuneration Committee.
- (c) The Nomination and Remuneration Committee met three (3) times during the year on 8<sup>th</sup> May, 2019, 26<sup>th</sup> July, 2019 and 5<sup>th</sup> November, 2019. The names of Members, Chairman and their attendance at the Nomination and Remuneration Committee Meeting are as under:

Members	Category	Meetings Held	Meetings Attended
Mr. S. Regunathan (Chairman)	Independent - Non-Executive	3	3
Ms. Suneeta Reddy	Non-Executive	3	2
Mr. T. S. Narayanasami <sup>(1)</sup>	Independent - Non-Executive	3	1
Mr. Vinayak Chatterjee	Independent - Non-Executive	3	1

<sup>(1)</sup> Resigned as Director of the Company w.e.f. 29<sup>th</sup> February, 2020.

Mr. S. Regunathan - Chairman of the Nomination and Remuneration Committee was present at the last AGM of the Company to address the queries of the shareholders.

- (d) The performance evaluation criteria for Independent Directors 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) 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 Policy of the Company on directors' appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013, is available on the website of the Company, at <https://delhi.apollohospitals.com/downloads/Remuneration-Policy.pdf>

The details of Remuneration paid to Directors for the year ended 31<sup>st</sup> March, 2020, are as under:-

- i) The Non-Executive Directors are paid by way of sitting fee Rs. 20,000/- for attending each meeting of the Board of Directors or Committees thereof. Due to the impact of COVID-19 and uncertainty of growth in business, the Board of Directors of the Company had decided not to pay commission on profits to the Non-Executive Directors for the year 2019-20.

The details of sitting fees paid to Non-Executive Directors for the year ended 31<sup>st</sup> March, 2020, are as under:-

Name of the Director	Amount (Rs.)
Dr. Prathap C Reddy	80,000
Ms. Suneeta Reddy	2,00,000
Ms. Shobana Kamineni	60,000
Ms. Vineeta Rai	1,40,000
Mr. T S Narayanasami	1,20,000
Mr. S Regunathan	2,60,000
Mr. Satnam Arora	1,40,000
Mr. Deepak Vaidya	1,60,000
Dr. Arun Rai	60,000
Mr. Vinayak Chatterjee	60,000
Ms. Madhumita Ganguli	40,000

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

Amount (Rs.)

Name of the Director	Remuneration paid for the year ended 31 <sup>st</sup> March, 2020		
	Remuneration		
	Salary	Perquisite	Total
Mr. Ashok Bajpai *	36,38,044	6,875	36,44,919
Mr. P. Shivakumar **	98,12,030	2,38,660	1,00,50,690

\* Resigned as Managing Director of the Company w.e.f. 15<sup>th</sup> June, 2019.

\*\* Joined as Managing Director of the Company w.e.f. 5<sup>th</sup> November, 2019.

The services of the Managing Director can be terminated by either party by a 90 (ninety) day notice of termination to the other party or salary in lieu thereof unless the parties mutually agree otherwise.

#### 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, 2020, the Stakeholders Relationship Committee consisted of three Directors (including one Independent Director) viz. Ms. Vineeta Rai, Mr. P. Shivakumar and Mr. Satnam Arora. Ms. Vineeta Rai is the Chairperson of the Stakeholders Relationship Committee.

The Stakeholders Relationship Committee met once during the year on 2<sup>nd</sup> December, 2019.

Other details:-

- 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<sup>(1)</sup>
- Number of Shareholders Complaints:** The Company has received one hundred ten 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, 2020:** None

(1) Mr. Ajay Kumar Singhal has completed his tenure as Vice President cum Company Secretary w.e.f. 15<sup>th</sup> July, 2020.

#### 7. GENERAL BODY MEETINGS

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

Financial Year	Location	Date	Time
2018-19	Sirifort Auditorium Siri Fort Cultural Complex, August Kranti Marg, New Delhi-110 049	20 <sup>th</sup> September, 2019	11.00 A.M.
2017-18	Sirifort Auditorium Siri Fort Cultural Complex, August Kranti Marg, New Delhi-110 049	24 <sup>th</sup> September, 2018	11.00 A.M.
2016-17	Sirifort Auditorium Siri Fort Cultural Complex, August Kranti Marg, New Delhi-110 049	26 <sup>th</sup> September, 2017	10.30 A.M.

- b) Special Resolutions passed in the previous 3 AGMs:

- 1) Special Resolution was passed at the AGM on 20<sup>th</sup> September, 2019, for approval of the members for payment of remuneration to the Non-Executive Directors including Independent Directors within the overall maximum limit of 1% (one percent) of the net profits of the Company to be calculated in accordance with the provisions of Section 198 of the Companies Act, 2013.

- c) Special resolution passed last year through postal ballot:

**Details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise, details of the voting pattern and procedure of postal ballot**

No special resolution was passed through postal ballot last year.

- d) **Special resolution proposed to be conducted through postal ballot:** None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

#### 8. MEANS OF COMMUNICATION

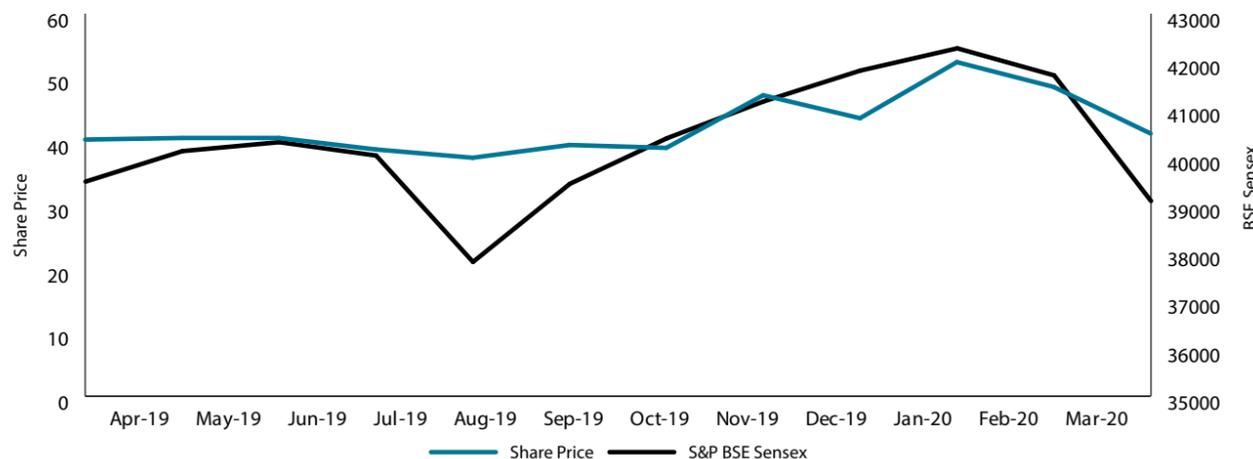
- Quarterly Results:** Quarterly Results of the Company are published in Financial Express -All Editions and Jansatta (Hindi) - Delhi Edition and are displayed on the Company's website [delhi.apollohospitals.com](http://delhi.apollohospitals.com)
- Official News Releases:** The Company's website also displays official news releases.
- 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:** Tuesday, 29<sup>th</sup> September, 2020, at 10:30 a.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").
- b. **Financial Year:** 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020
- c. **Date of Book Closure:** From Saturday, 19<sup>th</sup> September, 2020 to Tuesday, 29<sup>th</sup> September, 2020 (both days inclusive) for Annual General Meeting.
- d. **Dividend Payment Date:** No dividend has been recommended for the financial year 2019-20.
- e. **Listing on Stock Exchanges:** BSE Limited (BSE), PhirozeJeejeebhoy 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 2020-21 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 2019-20 at National Stock Exchange (NSE) and BSE Ltd. (BSE) are as under:-

Month	National Stock Exchange			BSE Ltd.		
	Highest (Rs.)	Lowest (Rs.)	Volume (Nos.)	Highest (Rs.)	Lowest (Rs.)	Volume (Nos.)
April, 2019	40.45	37.75	446488	40.25	38.00	74368
May, 2019	40.50	37.00	777324	40.50	36.95	107210
June, 2019	40.50	37.20	448775	40.50	37.00	69789
July, 2019	38.50	35.10	635888	38.70	35.00	136219
Aug., 2019	37.50	35.25	421679	37.40	35.05	132828
Sep., 2019	40.00	36.00	824779	39.40	35.50	144390
Oct., 2019	38.90	35.10	708278	38.95	33.80	94666
Nov., 2019	47.75	37.60	5155062	47.20	38.05	668449
Dec. 2019	41.90	37.55	973108	43.60	37.55	113574
Jan., 2020	52.50	39.50	10863895	52.40	39.75	1142483
Feb., 2020	47.05	39.40	2319246	48.50	39.50	276442
Mar., 2020	40.80	28.00	2800260	41.20	27.45	276678

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



- i. **Trading of shares of the Company :** During the year under review, the shares of the Company are not suspended from trading.
- j. **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.  
Noble Heights, 1st Floor,  
NH-2, C-1 Block, LSC,  
Near Savitri Market, Janakpuri,  
New Delhi - 110058  
E-mail :delhi@linkintime.co.in  
Phone : +91 11 49411000

- k. **Share Transfer System:** The Company's shares are traded in the Stock Exchanges compulsorily in demat mode. Transfer of equity shares in electronic form are effected through the depositories with no involvement of the Company. SEBI has mandated that securities of listed companies can be transferred only in dematerialised form w.e.f. 1<sup>st</sup> April, 2019. Accordingly, the Company / its RTA has stopped accepting any fresh lodgement of transfer of shares in physical form. Members holding shares in physical form are advised to avail the facility of dematerialisation.

### l. Distribution of shareholding as on 31<sup>st</sup> March, 2020:

Shareholding of shares	Shareholders		Total Shares	
	Number	% to total	Number	% to total
Upto 500	39576	83.9845	4805450	5.2419
501 - 1000	3529	7.4889	3091462	3.3723
1001 - 2000	1797	3.8134	2867285	3.1277
2001 - 3000	604	1.2818	1575304	1.7184
3001 - 4000	361	0.7661	1323561	1.4438
4001 - 5000	315	0.6685	1515467	1.6531
5001 - 10000	481	1.0207	3627614	3.9571
10001 & above	460	0.9762	72866857	79.4856
<b>Total</b>	<b>47123</b>	<b>100.0000</b>	<b>91673000</b>	<b>100.0000</b>

### Shareholding Category as on 31<sup>st</sup> March, 2020

Category	No. of Shares held	% to total
Promoter and Promoter Group	46751700	50.9983
Public:		
Financial Institutions / Banks/ Insurance Companies	116634	0.1272
Individuals	28142634	30.6989
Employees Trusts	1500	0.0016
IEPF	548982	0.5988
Trusts	4170	0.0045
Hindu Undivided Family	1537184	1.6768
Non Resident Indians (Non Repat)	360969	0.3938
Non Resident Indians ( Repat)	1623385	1.7708
Clearing Members	85973	0.0938
Bodies Corporate	12499869	13.6355
<b>Grand Total</b>	<b>91673000</b>	<b>100.0000</b>

- m. **Dematerialisation of shares:** About 71% of the Company's paid-up equity share capital has been dematerialised up to 31<sup>st</sup> March, 2020.

The details of demat of shares as on 31<sup>st</sup> March, 2020, are as under:-

	No. of Shareholders	No. of Shares	% of capital
NSDL	19801	54992990	59.99
CDSL	12898	10023436	10.93

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.

- n. **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.

- o. **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.

### p. Hospitals Location :

Indraprastha Apollo Hospitals,  
Sarita Vihar, Delhi-Mathura Road,  
New Delhi - 110076.  
&  
Apollo Hospitals,  
E-2, Sector - 26,  
Noida - 201 301

### q. Address for Correspondence:

M/s. Indraprastha Medical Corporation Limited  
Sarita Vihar, Delhi-Mathura Road,  
New Delhi - 110076

E-mail Address for Investors:- imclshares@apollohospitalsdelhi.com  
Phone : +91 11 29872126

### r. Credit Ratings

During the year ended 31<sup>st</sup> March, 2020, ICRA has given long term credit ratings at [ICRA]AA (pronounced ICRA Double A) for Rs. 100.0 crore bank facilities and short term credit ratings at [ICRA] A1+ (pronounced ICRA A One Plus) for Rs. 40.0 crore Commercial Paper to the Company. There has been no change in the credit ratings during the year.

## 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, 2020, 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. 31L 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, except appointment of Independent Woman Director by 31<sup>st</sup> March, 2020.

**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 behaviour in the areas of business conduct is of utmost priority to the Company.

The Company has established a vigilance mechanism namely 'Whistle Blower Policy' for directors and employees to report concerns about unethical behaviour, 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, in exceptional cases.

During the year ended 31<sup>st</sup> March, 2020, no matter has been received under WhistleBlower Policy of the Company and 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, except appointment of Independent Woman Director by 31<sup>st</sup> March, 2020.

**e. web link where policy for determining 'material' subsidiaries is disclosed**

The Company does not have a subsidiary, hence it is not applicable.

**f. web link where policy on dealing with related party transactions**

<https://delhi.apollohospitals.com/downloads/materiality-of-related-party-transactions.pdf>

**g. Disclosure of commodity price risks and commodity hedging activities**

The Company has no commodity price risks and commodity hedging activities.

**h. Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under regulation 31(7A): Not Applicable**

**i. Certification by Practising Company Secretary:** Mr. Baldev Singh Kashtwal - Practising Company Secretary has issued a certificate under the Listing Regulations, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed with this section.

**j. Acceptance of recommendations made by the Committees**

During the financial year 2019-20, the Board has accepted all the recommendations of its Committees.

**k. Total Fees paid to Statutory Auditors:** The details of total fees paid by the Company to the statutory auditors are as under:-

Particulars	(Rs. in million)	
	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
As Statutory Auditor	2.00	1.85
For taxation matters	0.13	0.13
Reimbursement of Expenses	0.22	0.21
For Other Matters	0.29	0.22
<b>Total</b>	<b>2.64</b>	<b>2.40</b>

**l. Disclosures under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

Number of complaints filed during the financial year 2019-20	11
Number of complaints disposed off during the financial year 2019-20	11
Number of complaints pending as on end of the financial year	0

**11. CEO/CFO CERTIFICATION**

The Managing Director and the Chief Financial Officer have issued a certificate pursuant to Regulation 17 of the Listing Regulations certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate from Mr.P. Shivakumar, Managing Director and Mr. C. P. Tyagi, Chief Financial Officer was placed before the Board of Directors at its meeting held on 23<sup>rd</sup> May, 2020.

**12. COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

The certificate issued by Mr. Baldev Singh Kashtwal - Practising Company Secretary, on compliance of Corporate Governance norms is annexed to this Report.

**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 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. 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

**Suneeta Reddy**  
(DIN : 00001873)  
Director

Place: Chennai  
Date : 24<sup>th</sup> August, 2020

**CERTIFICATE**

To,

**The Members of Indraprastha Medical Corporation Ltd.**

I have examined the compliance of conditions of Corporate Governance by M/s Indraprastha Medical Corporation Ltd. ("the company"), for the year ended on 31<sup>st</sup> March, 2020, as stipulated under Regulation 17 to 27 and clause (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of regulations of corporate governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the regulations of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the company has complied with the regulations of Corporate Governance as stipulated in the above-mentioned Listing Regulations except the following:-

*An Independent Woman Director was not appointed by the Company, as required under Regulation 17(1)(a) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 by 31<sup>st</sup> March, 2020. However, as on date, the Company has appointed an Independent Woman Director and the composition of the Board is in compliance with the Regulation 17 of the Sebi (Listing Obligation and Disclosure Requirements) Regulations, 2015.*

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

Place : New Delhi  
Date : August 24, 2020

**CS BALDEV SINGH KASHTWAL**  
**PRACTISING COMPANY SECRETARY**  
C. P. No. 3169  
ICSI-UDIN : F003616B000606988

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Indraprastha Medical Corporation Limited bearing Corporate Identification Number L24232DL1988PLC030958 and having registered office at Sarita Vihar, Delhi Mathura Road, New Delhi - 110076, (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company for the financial year ending on 31<sup>st</sup> March, 2020 have been debarred or disqualified from being appointed or continuing as Director of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : New Delhi  
Date : August 24, 2020

**CS BALDEV SINGH KASHTWAL**  
**PRACTISING COMPANY SECRETARY**  
C. P. No. 3169  
ICSI-UDIN : F003616B000606977

**CERTIFICATE**

**Declaration Regarding Compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct**

To,

**The Members of Indraprastha Medical Corporation Limited,**

This is to confirm that the Board of Directors had adopted a Code of Conduct for Board Members, Key Managerial Personnel and Senior Management of the Company. The Code of Conduct is available on the website of the Company.

I hereby declare that all Board Members, Key Managerial Personnel and Senior Management have affirmed compliance with the provisions of the Company's Code of Conduct, for the financial year ended 31<sup>st</sup> March, 2020.

Date : 17<sup>th</sup> August, 2020  
Place : New Delhi

**P. Shivakumar**  
Managing Director

**CEO-CFO CERTIFICATE**

Date: 9<sup>th</sup> April, 2020

**The Board of Directors**  
**Indraprastha Medical Corporation Limited**  
**Delhi-Mathura Road,**  
**Sarita Vihar, New Delhi-110016**

**Sub: Compliance certificate under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31<sup>st</sup> March 2020**

Dear Sir(s),

- A. We have reviewed financial statements and the cash flow statement for the year 2019-20 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and that there are no deficiencies in the design or operation of such internal controls.
- D. There are no:
- (1) significant changes in internal control over financial reporting during the year;
  - (2) significant changes in accounting policies during the year and
  - (3) instances of significant fraud.

**P. Shivakumar**  
Managing Director

**C.P. Tyagi**  
Chief Financial Officer

# INDEPENDENT AUDITOR'S REPORT

To the Members of  
Indraprastha Medical Corporation Limited

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### OPINION

We have audited the financial statements of Indraprastha Medical Corporation Limited ("the Company"), which comprise the balance sheet as at 31 March, 2020, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2020, and its profit, changes in equity and its cash flows for the year ended on that date.

### BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in

forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

### LITIGATION MATTERS

#### Description of Key Audit Matter

As discussed in Note 31.B (i) and (iii), Note 31.C, 31.D to the financial statements, the Company have contingent liabilities arising from many litigative matters including the following significant matters which are the key matters and may have significant impact on the operations of the Company:

- Free treatment of underprivileged patients as per the terms of lease deed with Delhi Government: On a Public Interest Litigation (PIL) regarding free treatment in the hospital the Hon'ble Delhi High Court vide its order dated 22 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. The Hon'ble Supreme Court of India has admitted the Special Leave Petition and passed an interim order on 30 November 2009. In pursuance of the interim order, the Hospital has been providing free treatment to the patients referred by the Govt. of NCT of Delhi. The hospital is charging for medicines & medical consumables from patients referred by the Govt. of NCT of Delhi for free treatment in the Hospital in accordance with the directions of the Hon'ble Supreme Court of India. 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.
- Fixation of salary of nurses working in Private Hospitals: In response to a writ petition 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 Directorate General of Health Services (DGHS), Govt. of NCT of Delhi has issued an order on 25 June, 2018. 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 Government nurses given in the concerned State / Union territory for the similar grade.

The Association of Healthcare Providers of India (AHPI) of which the Company is also a member has filed a writ petition in the Hon'ble High Court of Delhi challenging

the order issued by DGHS. The Notice on the petition has been issued and the matter is sub-judices. 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. After series of hearings, the matter is now reserved for judgement.

The management needs to exercise significant judgement and take into account related laws and regulations in assessing the effects of the litigation, in order to determine the corresponding liabilities. However, the actual outcomes of the litigation may differ from the estimates. There are therefore risks with respect to the recognition of provision or disclosure of contingent liabilities with respect to the litigation. Therefore, we gave significant attention to the audit of this litigation.

### HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

- We inquired with the Company's management and legal department regarding the procedures followed to collate and monitor lawsuits filed and pending as at the date of the financial statements.
- Reviewed legal consultation fees to check the completeness of the litigation notified by the Company.
- Inquired about the details and progress of cases and the methods/judgements applied by the management in estimating liabilities from litigation.
- Reviewed relevant conditions and provisions of agreements with counterparties (if any);
- Reviewed correspondences between the Company and the legal consultants involved in the litigation, including the Appeal's verdicts, appeals, petition and relevant supporting documentation used by management and prepared by external experts.
- Obtained independent status confirmation form the legal consultants whose services were used by the Company and their opinion on matter considering the current status.
- Reviewed the disclosures done by the Company in financial statements.

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

The Company's Board of Directors is responsible for the other information, the other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the Annual report subsequently, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in

the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure-A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of accounts.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31 March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 31.B (i) and (iii), Note 31.C and 31.D 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  
Chartered Accountants  
Firm Registration No.: 000050N/N500045  
Rajeev K Saxena  
Partner  
Membership No.: 077974  
UDIN: 20077974AAAABI6795  
Place: Noida  
Date: May 23, 2020

### 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 31 March, 2020

#### 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 31 March, 2020)

- (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) 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 'Property, Plant and Equipment) 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, 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 mentioned below:

Name of the statute	Nature of dues	Amount in million (₹)	Amount paid under Protest in million (₹)	Period to which the amount relates	Forum where dispute is pending
Service tax under Finance Act, 1994	Service tax dues	27.61	7.71	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  
Chartered Accountants  
Firm Registration No.: 000050N/N500045  
Rajeev K Saxena  
Partner  
Membership No.: 077974  
UDIN: 20077974AAAABI6795  
Place: Noida  
Date: May 23, 2020

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 31 March, 2020

### 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 31 March, 2020 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 31 March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.N. Dhawan & Co LLP  
Chartered Accountants  
Firm Registration No.: 000050N/N500045  
Rajeev K Saxena  
Partner  
Membership No.: 077974  
UDIN: 20077974AAAABI6795  
Place: Noida  
Date: May 23, 2020

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2020

Particulars	Note No.	As at 31 <sup>st</sup> March 2020 (Rs. in million)	As at 31 <sup>st</sup> March 2019 (Rs. in million)
<b>I. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, Plant and Equipment	1	2,921.25	2,796.67
(b) Right-of-use asset	2	91.49	-
(c) Capital work-in-progress		-	12.57
(d) Intangible Assets	3	14.02	4.31
(e) Financial Assets	4	17.32	15.50
(f) Other non-current Assets	5	31.12	39.09
<b>Total of Non-current assets</b>		<b>3,075.20</b>	<b>2,868.14</b>
<b>2 Current assets</b>			
(a) Inventories	6	120.66	83.16
(b) Financial Assets			
(i) Trade receivables	7	791.52	762.02
(ii) Cash and cash equivalents	8	203.32	168.18
(iii) Bank Balances other than (ii) above	9	36.79	56.18
(iv) Loans	10	2.51	3.23
(v) Others	11	52.93	56.08
(c) Current Tax Assets (Net)		63.76	47.42
(d) Other current assets	12	143.23	179.27
<b>Total of Current assets</b>		<b>1,414.72</b>	<b>1,355.54</b>
<b>TOTAL OF ASSETS</b>		<b>4,489.92</b>	<b>4,223.68</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity Share capital	13	916.73	916.73
(b) Other Equity	14	1,761.27	1,523.63
<b>Total of Equity</b>		<b>2,678.00</b>	<b>2,440.36</b>
<b>Liabilities</b>			
<b>2 Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	-	150.00
(ii) Others	16	100.64	20.38
(b) Provisions	17	112.66	98.19
(c) Deferred tax liabilities (Net)	18	202.57	273.80
<b>Total of Non-current liabilities</b>		<b>415.87</b>	<b>542.37</b>
<b>3 Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	39.75	2.90
(ii) Trade payables	20		
- Total outstanding dues of micro and small enterprises		42.85	4.19
- Total outstanding dues of creditors other than micro and small enterprises		994.53	905.61
(iii) Others	21	77.17	96.25
(b) Other current liabilities	22	143.67	163.95
(c) Provisions	23	98.08	68.05
<b>Total of Current liabilities</b>		<b>1,396.05</b>	<b>1,240.95</b>
<b>TOTAL OF EQUITY AND LIABILITIES</b>		<b>4,489.92</b>	<b>4,223.68</b>
<b>III. Summary of significant accounting policies</b>	<b>30</b>		
The accompanying notes are integral part of the financial statements			

As per our separate report of even date attached

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

Suneeta Reddy  
Director  
(DIN 00001873)  
Place : Chennai  
Date : 23<sup>rd</sup> May, 2020

P Shivakumar  
Managing Director  
(DIN 08570283)  
Place : New Delhi  
Date : 23<sup>rd</sup> May, 2020

Rajeev K Saxena  
Partner  
M. No. 077974  
Place : Noida  
Date : 23<sup>rd</sup> May, 2020

Ajay Kumar Singhal  
Vice President Cum  
Company Secretary  
Place : New Delhi  
Date : 23<sup>rd</sup> May, 2020

C P Tyagi  
Chief Financial Officer  
Place : New Delhi  
Date : 23<sup>rd</sup> May, 2020

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

Particulars	Note No.	For the year ended 31 <sup>st</sup> March 2020 (Rs. in million)	For the year ended 31 <sup>st</sup> March 2019 (Rs. in million)
<b>I. Revenue from Operations</b>	<b>24</b>	<b>8,307.68</b>	<b>7,881.72</b>
II. Other Income	25	6.87	4.67
<b>III. Total Income (I+II)</b>		<b>8,314.55</b>	<b>7,886.39</b>
<b>IV. EXPENSES</b>			
Stores & Spares consumed		1,516.07	1,449.62
Employee benefits expense	26	2,139.30	2,002.05
Finance costs	27	59.17	68.71
Depreciation and amortization expense		329.69	297.54
Other expenses	28	3,788.40	3,622.26
<b>Total expenses (IV)</b>		<b>7,832.63</b>	<b>7,440.18</b>
V. Profit before exceptional items and tax (III-IV)		481.92	446.21
VI. Exceptional Items		-	-
VII. Profit/(loss) before tax (V-VI)		481.92	446.21
VIII. Tax expense:			
(1) Current tax		109.41	185.28
(2) Deferred tax		(63.73)	(23.20)
IX. Profit/(loss) for the year (VII-VIII)		436.24	284.13
X. Other Comprehensive Income			
(i) Items that will not be reclassified subsequently to profit or loss			
Re-measurement gains (losses) on defined benefit plans		(27.54)	(1.72)
Income Tax effect (Deferred Tax)		7.06	0.60
		(20.48)	(1.12)
XI. Total Comprehensive Income for the year (Comprising Profit (Loss) and Other Comprehensive Income for the year)		415.76	283.01
XII. Earnings per equity share			
(1) Basic		4.76	3.10
(2) Diluted		4.76	3.10
<b>XIII. Summary of significant accounting policies</b>	<b>30</b>		
The accompanying notes are integral part of the financial statements			

As per our separate report of even date attached

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

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Place : New Delhi  
Date : 23<sup>rd</sup> May, 2020

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### EQUITY SHARE CAPITAL

Particulars	Balance as at 1 <sup>st</sup> April, 2019		Changes in equity share capital during the year		Balance as at 31 <sup>st</sup> March, 2020	
	Number	Amount Rs. in million	Number	Amount Rs. in million	Number	Amount Rs. in million
<b>Authorised</b>						
100,000,000 Equity Shares of Rs.10/- each	100,000,000	1,000.00	-	-	100,000,000	1,000.00
<b>Issued, Subscribed and Paid up</b>						
Equity Shares of Rs. 10/- each Fully paid up	91,673,000	916.73	-	-	91,673,000	916.73

### OTHER EQUITY

(Rs. in million)

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, 2019	-	-	427.50	1,090.75	5.38	1,523.63
Lease Adjustments	-	-	-	(1.29)	-	(1.29)
Total Comprehensive Income for the year	-	-	-	436.24	(20.48)	415.76
Dividend (including tax on dividend)	-	-	-	(176.83)	-	(176.83)
<b>Balance as at 31<sup>st</sup> March, 2020</b>	<b>-</b>	<b>-</b>	<b>427.50</b>	<b>1,348.87</b>	<b>(15.10)</b>	<b>1,761.27</b>

As per our separate report of even date attached

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

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C P Tyagi  
Chief Financial Officer  
Place : New Delhi  
Date : 23<sup>rd</sup> May, 2020

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

Particulars	Year ended March 31, 2020 (Rs. in million)	Year ended March 31, 2019 (Rs. in million)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	481.92	446.21
<b>Add:</b>		
Depreciation and amortization expense	329.69	297.54
Interest expense	21.15	30.01
Loss on discarded Property, Plant & Equipment	10.14	14.24
<b>Deduct:</b>		
Interest received	6.87	4.67
Operating Profit before Working Capital changes	836.03	783.33
<b>Adjustments for:</b>		
Trade & Other Receivables	27.57	83.47
Trade payables	164.97	41.38
Inventories	(37.53)	8.08
Cash Generated from Operations	991.04	916.26
<b>Deduct:</b>		
Interest paid	0.82	9.32
Income tax paid	125.71	155.09
Net Cash from Operating Activities	864.51	751.85
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment (Net of sale)	(409.18)	(170.94)
Interest received	7.25	3.95
Net Cash from Investing Activities	(401.93)	(166.99)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from current borrowings	-	100.00
Lease Payments	(18.49)	-
Repayment of non-current borrowings	(210.00)	(60.00)
Repayment of current borrowings	-	(300.00)
Interest paid	(20.32)	(20.70)
Dividend paid (including Tax on Dividend)	(178.63)	(161.14)
Net Cash from Financing Activities	(427.44)	(441.84)
<b>Net increase / (decrease) in Cash and Cash equivalents</b>	<b>35.14</b>	<b>143.02</b>
<b>Opening Cash and Cash equivalents</b>	<b>168.18</b>	<b>25.16</b>
<b>Closing Cash and Cash equivalents</b>	<b>203.32</b>	<b>168.18</b>
<b>Components Cash and Cash equivalents</b>		
Cash balance on hand	2.44	7.87
<b>Balance with Banks</b>	<b>200.88</b>	<b>160.31</b>

As per our separate report of even date attached

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

Suneeta Reddy  
Director  
(DIN 00001873)  
Place : Chennai  
Date : 23<sup>rd</sup> May, 2020

P Shivakumar  
Managing Director  
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Place : New Delhi  
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Place : New Delhi  
Date : 23<sup>rd</sup> May, 2020

C P Tyagi  
Chief Financial Officer  
Place : New Delhi  
Date : 23<sup>rd</sup> May, 2020

NOTES TO FINANCIAL STATEMENTS

(Rs. in million)

1. PROPERTY, PLANT & EQUIPMENT

Particulars	Building	Furniture & Fittings	Plant & Machinery	Office Equipment		Medical Equipment	Surgical Instruments	Vehicles	Total
				Office Equipment	Medical Equipment				
Cost as at 1 <sup>st</sup> April, 2019	1,873.10	164.14	52.07	243.51	1,471.28	61.42	51.76	3,917.28	
Additions	-	17.99	16.70	18.69	354.99	26.52	-	434.89	
Deletions / Adjusted	-	(0.10)	(0.08)	(2.73)	(27.12)	(19.75)	-	(49.78)	
Cost at 31 <sup>st</sup> March, 2020	1,873.10	182.03	68.69	259.47	1,799.15	68.19	51.76	4,302.39	
Accumulated Depreciation upto 31 <sup>st</sup> March, 2019	(639.53)	(77.10)	(9.28)	(177.24)	(470.68)	(31.34)	(15.44)	(1,120.61)	
Depreciation for the year	(65.84)	(18.69)	(4.45)	(25.62)	(156.96)	(21.50)	(6.11)	(299.17)	
Written Back / Adjusted	-	0.06	0.02	1.89	16.80	19.87	-	38.64	
Accumulated Depreciation up to 31 <sup>st</sup> March, 2020	(405.37)	(95.73)	(13.71)	(200.97)	(610.84)	(32.97)	(21.55)	(1,381.14)	
Net carrying amount as at 31 <sup>st</sup> March, 2020	1,467.73	86.30	54.98	58.50	1,188.31	35.22	30.21	2,921.25	

Particulars	Building	Furniture & Fittings	Plant & Machinery	Office Equipment		Medical Equipment	Surgical Instruments	Vehicles	Total
				Office Equipment	Medical Equipment				
Cost as at 1 <sup>st</sup> April, 2018	1,873.10	153.09	40.61	238.34	1,400.73	93.84	31.28	3,830.99	
Additions	-	11.39	11.93	11.59	97.58	17.92	21.60	172.01	
Deletions / Adjusted	-	(0.34)	(0.47)	(6.42)	(27.03)	(50.34)	(1.12)	(85.72)	
Cost at 31 <sup>st</sup> March, 2019	1,873.10	164.14	52.07	243.51	1,471.28	61.42	51.76	3,917.28	
Accumulated Depreciation upto 31 <sup>st</sup> March, 2018	(268.73)	(59.84)	(6.06)	(154.13)	(350.75)	(53.67)	(10.07)	(903.25)	
Depreciation for the year	(70.80)	(17.41)	(3.26)	(27.73)	(135.29)	(28.01)	(6.02)	(288.52)	
Written Back / Adjusted	-	0.15	0.04	4.62	15.36	50.34	0.65	71.16	
Accumulated Depreciation up to 31 <sup>st</sup> March, 2019	(339.53)	(77.10)	(9.28)	(177.24)	(470.68)	(31.34)	(15.44)	(1,120.61)	
Net carrying amount as at 31 <sup>st</sup> March, 2019	1,533.57	87.04	42.79	66.27	1,000.60	30.08	36.32	2,796.67	

NOTES TO FINANCIAL STATEMENTS

Particulars	As at	As at
	31 <sup>st</sup> March 2020 (Rs. in million)	31 <sup>st</sup> March 2019 (Rs. in million)
<b>2 Rights-of-use Assets</b>	<b>Building</b>	<b>Building</b>
Cost as at beginning of the year	-	-
Reclassified on account of adoption of Ind AS 116	115.87	-
Additions	-	-
Disposals	-	-
Cost at end of the year	115.87	-
Accumulated Depreciation at beginning of the year	-	-
Depreciation for the year	(24.38)	-
Disposals	-	-
Accumulated Depreciation at end of the year	(24.38)	-
<b>Net carrying amount as at end of the year</b>	<b>91.49</b>	<b>-</b>
The aggregate depreciation expense on right-of-use assets is included under depreciation and amortization expense in the statement of Profit and Loss.		
<b>3 Intangible Assets</b>	<b>Software Licenses</b>	<b>Software Licenses</b>
Cost as at beginning of the year	49.72	48.29
Additions	15.86	1.43
Disposals	-	-
Cost at end of the year	65.58	49.72
Accumulated Amortization at beginning of the year	(45.42)	(36.39)
Amortization for the year	(6.14)	(9.02)
Disposals	-	-
Accumulated Amortization at end of the year	(51.56)	(45.41)
<b>Net carrying amount as at end of the year</b>	<b>14.02</b>	<b>4.31</b>
<b>4 Financial Assets</b>		
Financial Assets at amortised cost		
Fixed deposits kept as Margin Money with Bank	0.15	0.14
Other Fixed Deposit	-	0.38
Security Deposit	17.17	14.98
	<b>17.32</b>	<b>15.50</b>
<b>5 Other Non-Current Assets (Considered good)</b>		
Capital Advances	13.04	21.04
Balance with Statutory Authorities	18.08	18.05
	<b>31.12</b>	<b>39.09</b>
<b>6 Inventories</b>		
Stores & spares	111.96	75.92
Crockery & utensil	4.19	3.70
Linen	4.51	3.54
	<b>120.66</b>	<b>83.16</b>
<b>7 Trade Receivables</b>		
Unsecured		
- Considered Good	791.52	762.02
- Considered Doubtful	66.06	102.03
Less: Allowances for doubtful receivables	(66.06)	(102.03)
	<b>791.52</b>	<b>762.02</b>
Includes amount due from related parties (refer note 31L)		

## NOTES TO FINANCIAL STATEMENTS

Particulars	As at	As at
	31 <sup>st</sup> March 2020 (Rs. in million)	31 <sup>st</sup> March 2019 (Rs. in million)
<b>8 Cash and Cash Equivalent</b>		
Cash balance on hand	2.44	7.87
Balances with Banks		
- in current accounts	7.28	9.15
- in deposit accounts	193.60	151.16
	<b>203.32</b>	<b>168.18</b>
<b>9 Bank Balances other than Cash and Cash equivalent</b>		
Fixed Deposit - Margin Money with Bank	12.44	25.50
Fixed Deposit others (restricted)	6.10	10.63
Earmarked Balances - Unpaid dividend Accounts	18.25	20.05
	<b>36.79</b>	<b>56.18</b>
<b>10 Loans</b>		
Financial Assets at amortised cost		
Employee loans	2.51	3.23
	<b>2.51</b>	<b>3.23</b>
<b>11 Other financial assets</b>		
Financial Assets at amortised cost		
Lease Rent Receivable	3.86	2.84
Patient Treatment in Progress (Net of Advances)	49.07	53.24
	<b>52.93</b>	<b>56.08</b>
<b>12 Other Current Assets</b>		
(Unsecured, considered good)		
Advance for expenses	9.71	4.20
Export Incentives	72.20	71.76
Prepaid Expenses	61.32	103.31
	<b>143.23</b>	<b>179.27</b>
<b>13 Equity Share Capital</b>		
Authorised		
100,000,000 Equity Shares of Rs.10/- each	1,000.00	1,000.00
	<b>1,000.00</b>	<b>1,000.00</b>
Issued, Subscribed and Paid up	916.73	916.73
(91,673,000 equity shares of Rs. 10/- each fully paid up)		
	<b>916.73</b>	<b>916.73</b>

(i) Details of Shareholders holding more than 5% shares in the company.

Name of Shareholder	As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Government of National Capital Territory of Delhi (Including nominees)	23,834,200	26.00%	23,834,200	26.00%
Apollo Hospitals Enterprise Limited	20,190,740	22.02%	20,190,740	22.02%
Housing Development Finance Corporation Limited	6,146,897	6.71%	6,146,897	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.

## NOTES TO FINANCIAL STATEMENTS

(iii) There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.

(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.

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	As at
	31 <sup>st</sup> March 2020 (Rs. in million)	31 <sup>st</sup> March 2019 (Rs. in million)
<b>14 Other Equity</b>		
<b>a. General Reserve</b>		
Opening balance	427.50	427.50
	<b>427.50</b>	<b>427.50</b>
<b>b. Surplus in Statement of Profit and Loss</b>		
Opening balance	1,090.75	972.40
Add : Surplus for the year	436.24	284.13
Add: Lease Adjustment	(1.73)	-
Add: Tax Adjustment on above	0.44	-
Less: Dividend	146.68	137.51
Less: Tax on Dividend	30.15	28.27
	<b>1,348.87</b>	<b>1,090.75</b>
<b>c. Other Comprehensive Income</b>		
Opening balance	5.38	6.50
Add : Re-measurements of Defined Employee Benefits plans (Net of tax)	(20.48)	(1.12)
	<b>(15.10)</b>	<b>5.38</b>
<b>Total</b>	<b>1,761.27</b>	<b>1,523.63</b>
<b>15 Non - Current Borrowings</b>		
Term Loans (Secured Loans)		
<b>Loans from Banks</b>	-	<b>150.00</b>
	-	<b>150.00</b>

Term loan of Rs. 300 million from Hongkong and Shanghai Banking Corporation Limited was taken during the financial year 2017-18 and carried interest @ 8.35% p.a. This loan was repayable in 20 quarterly instalments of Rs. 15.00 million each starting from the end of three months from the date of first disbursement. This loan was secured by way of exclusive charge on the plant and machinery and other moveable assets except those financed by other lenders. The loan was prepaid during the current year.

<b>16 Other Financial liabilities</b>		
<b>Financial liabilities at amortised cost</b>		
Security Deposits	22.46	20.38
Lease Obligations	78.18	-
	<b>100.64</b>	<b>20.38</b>
<b>17 Non - Current Provisions</b>		
Provision for Employees Benefits	112.66	98.19
	<b>112.66</b>	<b>98.19</b>

## NOTES TO FINANCIAL STATEMENTS

Particulars	As at 31 <sup>st</sup> March 2020 (Rs. in million)	As at 31 <sup>st</sup> March 2019 (Rs. in million)
<b>18 Deferred Tax Liabilities (Net)</b>		
Deferred tax liability (net) as on date is as follows:		
On account of depreciation	268.67	391.29
Less: Deferred tax assets arising on account of		
Allowance for doubtful receivables	16.63	35.65
Provision for Employee benefits and others	49.47	81.84
<b>Net deferred tax liability</b>	<b>202.57</b>	<b>273.80</b>
<b>19 Current Borrowings</b>		
Loan repayable on demand (Secured)		
From Banks	39.75	2.90
	<b>39.75</b>	<b>2.90</b>
The company has availed cash credit limit of Rs. 150 million from State Bank of India to meet the working capital requirements at an interest rate of 7.95% 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. 250 million from ICICI bank at an interest rate of 8.35%, 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. 250 million.		
<b>20 Trade Payables</b>		
Due to Micro & Small Enterprises	42.85	4.19
Due to Others:		
For Expenses	604.29	534.11
For others	390.24	371.50
	<b>1,037.38</b>	<b>909.80</b>
Includes amount payable to related parties (refer note 31L)		
<b>21 Other Financial liabilities</b>		
Financial liabilities at amortised cost		
Current Maturities of non-current debt	-	60.00
Sundry Creditors for capital items	56.24	36.25
Lease Obligations	20.93	-
	<b>77.17</b>	<b>96.25</b>
<b>22 Other Current liabilities</b>		
Advance from patients	57.26	97.84
Unclaimed Dividend	18.25	20.05
Statutory Liabilities	56.44	36.93
Others	11.72	9.13
	<b>143.67</b>	<b>163.95</b>
<b>23 Current Provisions</b>		
Employees benefits:		
Provision for Leave	11.77	10.02
Provision for Gratuity	86.31	58.03
	<b>98.08</b>	<b>68.05</b>

## NOTES TO FINANCIAL STATEMENTS

Particulars	For the year ended 31 <sup>st</sup> March 2020 (Rs. in million)	For the year ended 31 <sup>st</sup> March 2019 (Rs. in million)
<b>24 Revenue from operation</b>		
Sale of services	7,966.94	7,600.22
Other operating revenue		
License fee & commission from licensees	178.21	159.13
Chamber rent received from doctors	24.91	24.87
Export incentive	94.49	73.35
Miscellaneous income	43.13	24.15
	<b>8,307.68</b>	<b>7,881.72</b>
<b>25 Other Income</b>		
Interest Income	6.87	4.67
	<b>6.87</b>	<b>4.67</b>
<b>26 Employee benefits expense</b>		
Salaries and wages	1,965.56	1,811.58
Contribution to provident & other funds	103.36	112.58
Staff welfare	70.38	77.89
	<b>2,139.30</b>	<b>2,002.05</b>
<b>27 Finance costs</b>		
Interest Cost	11.31	30.01
Others	47.86	38.70
	<b>59.17</b>	<b>68.71</b>
<b>28 Other expenses</b>		
Professional charges to doctors	2,007.93	1,975.55
Outside lab investigations	13.57	11.54
Leasehold ground rent	-	-
Power and Fuel	211.57	197.03
Rent	20.17	49.00
Travelling and Conveyance	100.38	94.24
Insurance	13.34	12.25
Directors' sitting fees	1.53	1.63
Communication	12.48	13.42
Printing and stationery	57.14	58.05
Advertisement, Publicity & Marketing	489.62	433.97
Legal and professional charges	51.40	37.90
Security charges	54.77	42.88
Payment to auditors	2.13	1.98
Auditors out of pocket expenses	0.22	0.21

## NOTES TO FINANCIAL STATEMENTS

Particulars	For the year ended 31 <sup>st</sup> March 2020 (Rs. in million)	For the year ended 31 <sup>st</sup> March 2019 (Rs. in million)
Rates, taxes and licenses	33.45	36.47
Corporate social responsibility expenses	8.19	8.74
Loss on disposal of Property Plant and Equipment	10.14	14.24
Outsourcing Expenses	469.36	424.19
Repairs and maintenance		
- Building	48.72	38.87
- Plant & Machinery	110.52	108.29
- Others	33.34	33.34
Miscellaneous expenses	12.21	4.83
Provision for Doubtful Debts	26.22	23.64
	<b>3,788.40</b>	<b>3,622.26</b>

### 29. 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.

### 30. 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.

#### 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

## NOTES TO FINANCIAL STATEMENT

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

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The company has adopted Ind AS 116 'Leases' effective 1<sup>st</sup> April, 2019 and applied the standard to its leases using modified retrospective approach, the cumulative effect of initially applying the standard, recognised on the date of initial application (1<sup>st</sup> April, 2019). Accordingly, the company has not restated comparative information, instead, the cumulative effect of initial applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on 1<sup>st</sup> April, 2019.

#### 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

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date or after the end of lease period. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

## NOTES TO FINANCIAL STATEMENT

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

### 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. 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.

## NOTES TO FINANCIAL STATEMENT

### 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.

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, whichever is lower
Furniture & Fittings	Straight Line	10 Years
Plant and Medical Equipment	Straight Line	10 - 15 Years
Office Equipment	Straight Line	3 - 6 Years
Surgical Instruments	Straight Line	3 Years
Vehicles	Straight Line	8 Years

## NOTES TO FINANCIAL STATEMENT

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 licenses 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.

### 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.

## NOTES TO FINANCIAL STATEMENT

### 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 that 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.

### 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.

## NOTES TO FINANCIAL STATEMENT

### 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.

## 31. NOTES ON ACCOUNTS

- A. Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. 60.75 million (Previous year Rs. 213.90 million).
- B. Contingent Liability
- Claims against the company not acknowledged as debt Rs. 499.39 million (Previous Year Rs. 443.99 million) 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.
  - Bank guarantees outstanding on account of stores / spares and medical equipment amounting to Rs. 8.82 million (Previous year Rs. 9.22 million)

(Rs. in million)

iii) In respect of :	31.03.2020	31.03.2019
a) Service Tax	19.90	19.90
b) Others	27.75	27.75

- C. 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. 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 has been providing free treatment to the patients referred by the Govt. of NCT of Delhi. The hospital is charging for medicines & medical consumables from patients referred by the Govt. of NCT of Delhi for free treatment in the Hospital in accordance with the directions of the Hon'ble Supreme Court of India. 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.
- D. The Govt. of NCT of Delhi had issued an order dated 25<sup>th</sup> Jun, 2018, 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 nurses in the State Government hospitals. The order issued by Govt. of NCT Delhi is based on 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.
- The Association of Healthcare Providers of India (AHPI) of which the Company is a member had filed a writ petition in the High Court of Delhi challenging the order issued by DGHS. The Hon'ble High Court of Delhi upheld the order dated 25<sup>th</sup> June, 2018, issued by DGHS.

## NOTES TO FINANCIAL STATEMENT

AHPI has filed an LPA (Letter Patent Appeal) before the division bench of the Hon'ble High Court. The division bench has admitted the LPA and the matter is sub-judice. In case, the order issued by DGHS of Govt. of NCT of Delhi is to be implemented, it shall have a major adverse impact on the financials of the Company.

- E. The Govt. of NCT of Delhi announced a revision in minimum wages of around 37% w.e.f. 03.03.2017 vide its gazette notification dated 04.03.2017. Further, the Labour department of Govt. of Delhi, issued notification dated 22.10.2019, revising the minimum rates of wages for different category of employees. Minimum rates for unskilled category of workmen / employees has been revised from Rs. 14,000/- to Rs. 14,842/-, an increase of Rs. 842/- i.e. 6%.

As per the direction of the Supreme Court, legal remedies have been sought in the matter by AHPI of which the Company is also member.

The matter is pending before the High Court of Delhi.

In the meanwhile, the company has been paying revised minimum wages and having a provision of Rs. 78.40 million as on 31<sup>st</sup> March, 2020 to cover / meet the liability arising out of arrears, if became payable.

- F.) 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. 154.78 million 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, 2020, the aforesaid fund, together with interest thereon amounting to Rs. 192.36 million 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.

## G. 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 million)	
		2019-20	2018-19
<b>i)</b>	<b>Change in Present Benefit Obligation</b>		
	Present value of obligation as at the beginning of the year	195.71	174.17
	Interest Cost	14.99	13.58
	Service Cost	21.30	17.69
	Benefits Paid	(19.33)	(11.75)
	Total Actuarial (Gain)/Loss on Obligation	19.81	2.02
	Present value of obligation as at the End of the year	232.48	195.71
<b>ii)</b>	<b>Change in plan assets</b>		
	Fair value of plan assets at the beginning of the year	137.68	110.51
	Expected return on plan assets	10.55	8.62
	Actuarial gain / (loss) on plan assets	(7.73)	0.30
	Employer contribution	25.00	30.00
	Benefits paid	(19.33)	(11.75)
	Fair value of plan assets at the end of the year	146.17	137.68

## NOTES TO FINANCIAL STATEMENT

(Rs. in million)

	2019-20	2018-19
<b>iii) Balance Sheet and related analyses</b>		
Present Value of the obligation at year end	232.48	195.71
Fair value of plan assets	146.17	137.68
Unfunded Liability/provision in Balance Sheet	(86.31)	(58.03)
Unfunded liability recognized in Balance Sheet	(86.31)	(58.03)
<b>iv) The amounts recognized in the income statement</b>		
Service Cost	21.30	17.69
Net Interest Cost	14.99	13.58
Expected return on plan assets	(10.55)	(8.62)
Expense recognized in the Income Statement	25.74	22.65
<b>v) Other Comprehensive Income (OCI)</b>		
Net cumulative unrecognized actuarial gain/(loss) opening	-	-
Actuarial gain / (loss) for the year on PBO	(19.81)	(2.02)
Actuarial gain / (loss) for the year on Asset	(7.73)	0.30
Unrecognized actuarial gain/(loss) at the end of the year	(27.54)	(1.72)
<b>vi) Actuarial (Gain)/Loss on Obligation</b>		
Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	-
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	16.28	2.30
Actuarial (Gain)/Loss on arising from Experience Adjustment	3.53	(0.28)
<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%
	<b>100%</b>	<b>100%</b>
<b>viii) Net periodic gratuity cost, included in employee cost consists of the following components:</b>		
Current Service Cost	21.30	17.69
Interest Cost on Defined Benefit Obligation	14.99	13.58
	<b>36.29</b>	<b>31.27</b>
<b>ix) Sensitivity Analysis of the defined benefit obligation</b>		
<b>a) Impact of the change in discount rate</b>		
Present Value of Obligation at the end of the period	232.48	195.71
Impact due to increase of 0.50 %	(9.90)	(8.12)
Impact due to decrease of 0.50 %	10.68	8.74

## NOTES TO FINANCIAL STATEMENT

(Rs. in million)

	2019-20	2018-19
<b>b) Impact of the change in salary increase</b>		
Present Value of Obligation at the end of the period	232.48	195.71
Impact due to increase of 0.50 %	10.76	8.88
Impact due to decrease of 0.50 %	(10.06)	(8.32)
<b>x) Maturity Profile of Defined Benefit Obligation</b>		
April 2020- March 2021	26.92	19.64
April 2021- March 2022	10.43	3.11
April 2022- March 2023	11.72	7.41
April 2023- March 2024	8.25	10.07
April 2024- March 2025	16.89	11.63
April 2025- March 2026	9.15	9.18
April 2026 onwards	149.14	134.67
<b>xi) The assumptions used in accounting for the defined benefit plan are set out below:</b>		
	2019-20	2018-19
Discount Rate	6.80%	7.66%
Future Salary Increase	5.50%	5.50%
Retirement Age	58 years	58 years
Method used	Projected unit Credit Method	Projected unit Credit Method
Defined contribution plans		
The company's contribution to provident fund, pension fund and ESI scheme recognised as expense for the year are as under:		
	2019-20	2018-19
- Contribution to Provident fund	45.49	52.39
- Contribution to Pension fund	26.43	27.51
- Contribution to ESI	5.67	10.02

### H. 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.

## NOTES TO FINANCIAL STATEMENT

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:

(Rs. in million)

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
Fixed rate instruments		
Long term borrowings	-	150.00
Current maturities of long term borrowings	-	60.00
Variable rate instruments		
Short term borrowings	39.75	2.90

### 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 million)

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
Borrowings:		
0-1 years	39.75	62.90
More than 1 years	-	150.00
Trade Payables:		
0-1 years	1,037.38	909.80
More than 1 years	-	-
Other Financial liabilities:		
0-1 years	77.17	96.25
More than 1 years	100.64	20.38

### 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.

## NOTES TO FINANCIAL STATEMENT

### I. Estimation of uncertainty relating to the global health pandemic from Covid-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19. The Extent to which the Covid-19 pandemic will impact the company's performance in future will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the Covid-19 pandemic and any action taken to contain its spread or mitigate its impact whether Government mandated or elected by the hospital.

The impact of Global health pandemic may be different from that estimated as at the date of approval of this financial result and the company will continue to closely monitor any material changes to the further economic conditions."

In assessing the recoverability of receivables including unbilled receivable as on balance sheet date, the company has considered internal and external information up to the date of approval of the financial results.

The company has performed the analysis based on current indicators of future business conditions and the Company expects to recover the carrying amount of the assets of the company. The impact of COVID – 19 is not material based on management estimates during current financial year.

**J.** The Company is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor. Where, the Company is lessee, the Company recognised a lease liability measured at the present value of the remaining lease payments on transition date. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. Accordingly, a right-of-use asset of Rs. 115.87 million and a corresponding lease liability of Rs. 117.60 million has been recognized. The cumulative effect on transition in retained earnings net off taxes is Rs. 1.29 million (including a deferred tax of Rs. 0.44 million). The principal portion of the lease payments have been disclosed under cash flow from financing activities. The lease payments for operating leases as per Ind AS 17 - Leases, were earlier reported under cash flow from operating activities. The weighted average incremental borrowing rate of 9.00% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

### K. Financial Instruments by category

The carrying value and fair value of financial instruments by categories as of 31<sup>st</sup> March, 2020 (Rs. in million)

Particulars	FVTPL	FVTOCI	Amortised Cost	Carrying Cost
<b>Assets:</b>				
Fixed deposits being Margin Money with Bank	-	-	0.15	0.15
Security Deposit	-	-	17.17	17.17
Trade Receivables	-	-	791.52	791.52
Cash & Cash Equivalent	-	-	203.32	203.32
Bank Balances other than Cash & Cash equivalent	-	-	18.54	18.54
Loans	-	-	2.51	2.51
Lease Rent Receivable	-	-	3.86	3.86
Patient Treatment in Progress (Net of Advances)	-	-	49.07	49.07
<b>Liabilities:</b>				
Security Deposits	-	-	22.46	22.46
Non - Current Lease Obligations	-	-	78.18	78.18
Current Borrowings	-	-	39.75	39.75
Trade Payables	-	-	1,037.38	1,037.38
Sundry Creditors for capital items	-	-	56.24	56.24
Lease Obligations	-	-	20.93	20.93

## NOTES TO FINANCIAL STATEMENT

The carrying value and fair value of financial instruments by categories as of 31<sup>st</sup> March, 2019 (Rs. in million)

Particulars	FVTPL	FVTOCI	Amortised Cost	Carrying Cost
<b>Assets:</b>				
Fixed deposits being Margin Money with Bank	-	-	0.14	0.14
Other Fixed Deposit	-	-	0.38	0.38
Security Deposit	-	-	14.98	14.98
Trade Receivables	-	-	762.02	762.02
Cash & Cash Equivalent	-	-	168.18	168.18
Bank Balances other than Cash & Cash equivalent	-	-	36.13	36.13
Loans	-	-	3.23	3.23
Lease Rent Receivable	-	-	2.84	2.84
Patient Treatment in Progress (Net of Advances)	-	-	53.24	53.24
<b>Liabilities:</b>				
Non - Current Borrowings	-	-	150.00	150.00
Security Deposits	-	-	20.38	20.38
Current Borrowings	-	-	2.90	2.90
Trade Payables	-	-	909.80	909.80
Current Maturities of non-current debt	-	-	60.00	60.00
Sundry Creditors for capital items	-	-	36.25	36.25

FVTPL - Fair value through profit and loss, FVTOCI - Fair value through other comprehensive income.

## L. RELATED PARTY DISCLOSURES

(Rs. in million)

Name	Relationship	Nature of Transactions	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Apollo Hospitals Enterprise Limited	Enterprise in respect of which the company is an associate	Pharmacy Consumables	151.01	141.31
		License Fees	12.00	12.00
		Commission on Pharmacy Sales	132.90	119.08
		Reimbursement of Expenses	1.20	54.57
		Account Payable	18.86	44.81
Faber Sindoori Management Services (P) Limited	Enterprise over which Directors are able to exercise significant influence	Purchase of services	82.47	73.03
		Account Payable	16.79	10.55
Life Time Wellness Rx International Ltd	Enterprise over which Directors are able to exercise significant influence	Purchase of services	3.00	0.96
Account Payable		1.38	0.89	
Apollo Sugar Clinics Limited	Enterprise over which Directors are able to exercise significant influence	Purchase of services	2.83	2.83
		Account Payable	0.82	0.94
Apollo Hospitals Educational and Research Foundation	Enterprise over which Directors are able to exercise significant influence	Purchase of services	1.13	1.00
		Account Payable	-	-
Apollo Home Healthcare Limited	Enterprise over which Directors are able to exercise significant influence	Sale of Services	0.30	0.03
		Account Receivable	0.04	0.01
Alliance Dental Care Limited	Enterprise over which Directors are able to exercise significant influence	Share of revenue earned	11.46	11.72
		Account Payable	1.86	4.41
Family Health Plan Limited	Enterprise over which Directors are able to exercise significant influence	Sale of Services	78.56	71.46
		Account Receivable	14.36	8.59
Apollo Munich Health Insurance Company Limited*	Enterprise over which Directors are able to exercise significant influence	Medical Health Insurance Premium	-	46.91
		Sale of Services	190.06	202.67
		Account Receivable	-	20.24

## NOTES TO FINANCIAL STATEMENT

(Rs. in million)

Name	Relationship	Nature of Transactions	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
<b>Key Management Personnel#</b>				
P. Shivakumar##	Managing Director	Remuneration Paid	10.05	-
Ashok Bajpai###	Managing Director	Remuneration Paid	3.64	17.46
Ajay Kumar Singhal	Vice President cum Company Secretary	Remuneration Paid	13.23	11.15
C P Tyagi	Chief Financial Officer	Remuneration Paid	9.39	8.10
Non Executive Directors	Directors	Sitting fees	1.53	1.63
		Commission	-	3.30

\* Pursuant to merger of Apollo Munich Health Insurance Company Limited with HDFC Ergo, the party ceases to be a related party w.e.f. 9<sup>th</sup> January, 2020

# Key Management Personnel are covered under the Company's gratuity and leave encashment scheme along with the other employee benefits of the Company. The gratuity/ leave encashment liability is determined for all employees based on an independent actuarial valuation. The specific amount of gratuity/ leave encashment for Key Management Personnel cannot be ascertained separately and accordingly the same has not been included above.

## Mr. P. Shivakumar, joined as Managing Director effective from 05<sup>th</sup> November, 2019.

### Mr. Ashok Bajpai, resigned as Managing Director effective from 15<sup>th</sup> June, 2019.

M. 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, 2020 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. 436.24 million (Previous Year Rs. 284.13 million) and the weighted average number of equity share is 91,673,000 (Previous Year 91,673,000) for this purpose.

N. The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March, 2020 has been made in the financial statements based on information received and available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ('The MSMED Act') is not expected to be material. The Company has not received any claim for interest from any supplier during the year.

(Rs. in million)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	42.85	4.19
- Interest	-	-
(ii) The amount of interest paid by the buyer as per the MSMED Act	-	-
(iii) The amount of payments made to micro and small suppliers beyond the appointed day during the accounting year	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
(v) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have identified on the basis of information collected by the Management.

O. 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 STATEMENT

- P. Pursuant to sub section (5) of section 135 of the Companies Act, 2013, the Company was required to spend Rs 8.10 million (Previous Year Rs. 7.60 million) in respect of its "Corporate Social Responsibility Policy (CSR Policy)" on eligible activities. During the financial year, the company has spent Rs. 8.19 million (Previous Year Rs. 8.74 million) on such eligible activities. The said amount stands debited under the head "Other expenses".
- Q. 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.
- R. Payment to Auditors:

(Rs. in million)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
As Statutory Auditor	2.00	1.85
For Taxation matters	0.13	0.13
Reimbursement of Expenses	0.22	0.21
For Other Matters	0.29	0.22
<b>Total</b>	<b>2.64</b>	<b>2.40</b>

### S. INCOME TAXES:

(a) Reconciliation of Deferred tax liabilities (net):

(Rs. in million)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Balance at the beginning of the year	273.80	297.60
Deferred tax (income)/expenses during the year recognized in Statement of Profit and loss	(63.73)	(23.20)
Deferred tax (income)/expenses during the year recognized in Other Comprehensive income	(7.06)	(0.60)
Deferred tax (income)/expenses during the year recognized directly in equity	(0.44)	-
Balance at the end of the year	202.57	273.80

(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:

Particulars	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
Accounting profit before tax	454.38	444.49
Applicable tax rates	25.17%	34.94%
Computed expected tax expense	114.36	155.32
Effect of change in tax rate	(76.60)	-
Effect of Non-deductible expenses	0.86	6.16
<b>Tax expense</b>	<b>38.62</b>	<b>161.48</b>

T. Previous year figures have been regrouped / rearranged wherever necessary.

As per our separate report of even date attached

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

Suneeta Reddy  
Director  
(DIN 00001873)  
Place : Chennai  
Date : 23<sup>rd</sup> May, 2020

P Shivakumar  
Managing Director  
(DIN 08570283)  
Place : New Delhi  
Date : 23<sup>rd</sup> May, 2020

Rajeev K Saxena  
Partner  
M. No. 077974  
Place : Noida  
Date : 23<sup>rd</sup> May, 2020

Ajay Kumar Singhal  
Vice President Cum  
Company Secretary  
Place : New Delhi  
Date : 23<sup>rd</sup> May, 2020

C P Tyagi  
Chief Financial Officer  
Place : New Delhi  
Date : 23<sup>rd</sup> May, 2020



## **Indraprastha Medical Corporation Limited**

[CIN: L24232DL1988PLC030958]

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