

# **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/2021

2<sup>nd</sup> September, 2021

**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,

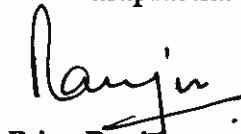
Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit Annual Report of the Company for the financial year 2020-21.

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)**

*Encl.: As above.*

# THE AGILITY

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## REPORT-2021

**ANNUAL REPORT  
FY 2020-21**

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**PERFORMANCE  
WITH A PURPOSE**



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## Agility

within and of itself, is a strategy. It is the mint mark of the Apollo Hospitals Group. It marks an ability to adapt quickly to market changes and respond rapidly to evolving consumer needs. The organization's stable foundation and strategic Agility make it alert and nimble, enabling it to think and respond quickly, even change direction, if necessary, at high speed in a controlled manner.

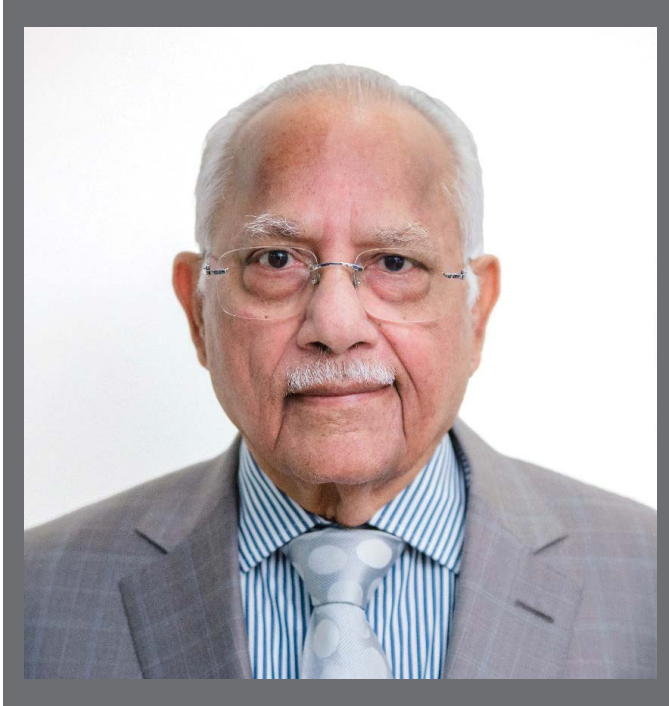
The Group's Agility sets it apart in the industry allowing it to evolve people and processes in pace with accelerating and unpredictable market changes. No matter what, the consumer is at the centre of the Group's healthcare strategy and they continuously work to integrate, innovate, and deploy. The organization is Agile and can think ahead of the market, quickly mobilize itself, to adapt to market shifts, fill capability gaps, and leverage new opportunities successfully.

Within a constantly changing business environment, organizational adaptability underscored by Agility, is crucial for taking advantage of opportunities and making the most of competitive challenges. The enterprise must be able to innovate and adapt quickly. The Apollo Group's long experience in healthcare delivery has endowed them with valuable learnings in patient care and they ably and successfully apply this competency to any new situation. They skillfully boost innovation, combine processes, practices, protocols, and training, and leverage rapid advancements in technology, to respond to unexpected market demands.

Throughout the journey since inception, Indraprastha Apollo has seen firsthand how healthcare has been evolving. Formats of care have changed . . . moving closer to the consumer with ease of access and convenience becoming increasingly important facets of the consumer journey. The two worlds – a world of physical formats with hospitals; and a second world – the world of digital healthcare, where a huge number of lives can be touched, interplay seamlessly within Apollo, enabling them to deliver care that is smarter, sharper, faster and better. Best in class Agile change managers no matter how complex and unexpected the test, who have successfully created tangible value for their stakeholders every step of the way.



# Message



## Agility [uh-jil-i-tee]

Dear Members,

The word **Agility** represents the power of moving quickly. It denotes nimbleness, briskness; activity; and quickness of motion. At Apollo it also means the power of innovation — The ability to transform a noun to an adverb — because that is what Apollo did!

Together with the ability to innovate, it signifies the ability to be dynamic and, importantly for healthcare, it denotes the evolution of care to support all our patients in the most challenging times we have seen in several decades. While resilience is invisible, it is inculcated in our culture, in our value system. It is the combination of resilience and agility that has resulted in the new Apollo — Healthcare delivery that goes beyond our infrastructure — scaling clinical protocols, embracing digital health, and working to protect

and serve societies by sharing best practices. We have been especially agile in bringing quality Apollo care to the masses in India through Telemedicine. In doing that, we have successfully broken geographic boundaries and increased access to healthcare. No other hospital in India has the range of health services that we offer through this medium.

The last fifteen months have clearly been one of the most challenging periods, a period which placed unprecedented demands on healthcare systems everywhere around the world. But it has also been an exceptional and defining period for the sector, placing it at the forefront of the national narrative. In my career as a clinician for over six decades, I have witnessed doctors battling disease, every single day, together with their patients. There have been crises,

situations that caused great panic, emergencies and alongside, enormous joy, every time a medical miracle was achieved and a precious life was saved almost miraculously. The COVID-19 crisis however, is an unparalleled medical crisis of a kind that I have never witnessed before as a doctor. It is one of the toughest challenges we have faced as a country.

### **Project Kavach - Our Response to COVID-19**

Project Kavach is our Hospitals' multipronged strategy which we used to handle the pandemic. Under this, we deployed several unique strategies, such as an AI-based Covid-19 screener, the digital 24/7 integrated App for teleconsultations which we launched at the onset of the first wave, collection of samples from home for diagnostics, at-home health monitoring services and medication delivery, a multi-stakeholder partnership to provide medical care in hotel rooms across the country, and methods to rapidly update care protocols across our entire network to help reduce speed of transmission and mortality. In the process of looking after 63,000+ patients in our hospitals with outstanding clinical work, we have not lost touch with ground reality. My deep gratitude to the doctors and nurses and the team that made this possible.

I must commend the Government of India and the different State Governments for their efforts to contain the pandemic, be it in augmenting capacity for testing or driving a mammoth vaccination programme with two Made in India vaccines — the very best example of Atmanirbar.

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**Kavach overcame some unique challenges through innovative new healthcare delivery approaches.**

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### **The Future of Healthcare**

The future of healthcare infrastructure is going to be founded on technology. The new paradigm has to be patient-centric. The convergence of AI and Biotech together with Research and Innovation, will create personalised curated healthcare for individuals, helping them lead long, productive lives.

Public Private Partnerships in healthcare delivery need strong support. We have worked with 16 state governments and the Center during the pandemic and have strong PPP models in several states to deliver telemedicine.

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**Apollo 24/7 enables users from any part of the country to use trusted Apollo services from their phones, at the click of a button.**

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### **Apollo 24/7**

Apollo 24/7, our digital healthcare platform, is a transformational offering. It is India's first Digital Omnichannel, which places the consumer first in its value chain of offerings. The App makes Apollo expertise available to everyone, regardless of their physical location. Secure on-line consults, consultation bookings, medicine orders from an Apollo Pharmacy close to their home for delivery at their doorstep in two hours, are some of its key features.

### **Non Communicable Diseases**

Non Communicable Diseases — cardiac diseases, strokes, diabetes, and cancer, are a big threat to the health of our nation. It is estimated that 1 in 10 Indians suffers from an NCD and that is very worrying, especially as the prevalence is increasing amongst the 25–55 year-olds. Every 7th mortality



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**Prohealth is a unique end-to-end personalised proactive health management program. It is empowered by Artificial Intelligence and predictive algorithms.**

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in India is due to an NCD. India cannot afford this devastation. However, NCDs are preventable. An end-to-end approach to combat NCDs, has a prime focus on preventive healthcare. Timely detection with personalized care and risk prediction can help mitigate potential health issues at an early stage.

**Apollo ProHealth** is our proactive and personalized health management system which we have launched using the learnings from the roughly 22 million health checks that we have carried out in our hospitals. Using Artificial Intelligence and health analytics to predict and prevent health risks through appropriate clinical and lifestyle interventions, it keeps people out of the hospital. It offers a plan to make you healthier tomorrow, than you are today.

All our initiatives have resulted in strong financial results that I am happy to share with you. We weathered the impact on Outpatient and Surgical volumes because of the pandemic impact, which eased over the second half of the year. There was a revival in patient footfalls and Non-COVID occupancy across our network.

At Apollo, we have made agile modifications in the delivery of critical healthcare services to fulfill our mission of bringing quality healthcare to the common man. This is our business purpose. In the pursuit of this purpose, we have played an important role in improving health outcomes throughout the country and in building a productive workforce.

Healthcare continues to support the health of the country and its economy. With the right support it can do for India what IT did in the 90s in creating jobs, building world-class products, delivering outstanding services, and earning foreign exchange. We have the potential to become the hospital for the world.

As we break into the new digital frontiers in healthcare delivery, I would like to thank the Board members for their trust and unfailing support in our journey. I have to thank you, the shareholders for the tremendous trust you have reposed in us. Without your support we will not be able to face unexpected challenges or venture into new realms in healthcare delivery. And last, but not least, I thank my Apollo Family members who have stood with us like rocks on our journey together. Much of what we have achieved would not have been possible without their support.

The pandemic has reinforced, now more than ever, the importance of good health.

Let me remind you to take good care of yourselves. Also, get vaccinated; it is important to stay safe and healthy.

My warm personal regards to all of you,

Stay safe. Stay Healthy.

**Dr. Prathap C. Reddy**  
**Founder, Apollo Hospitals Group**

# CORPORATE INFORMATION

Chairman	Mr. Jasmine Shah
Vice Chairman	Dr. Prathap C. Reddy
Managing Director	Mr. P. Shivakumar
Directors	Dr. Arun Rai Mr. Deepak Vaidya Ms. Madhumita Ganguli Prof. (Dr.) Mahesh Verma Dr. Menaka Guruswamy Mr. Salil Singhal Ms. Sangita Reddy Mr. Satnam Arora Mr. S. Regunathan Ms. Suneeta Reddy Mr. Udit Prakash Rai Mr. Vikram Bhat 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	M/s. S. N. Dhawan & Co. LLP Chartered Accountants, New Delhi
Bankers	ICICI Bank Limited



# NOTICE TO THE MEMBERS

Notice is hereby given that the thirty third Annual General Meeting of Members of Indraprastha Medical Corporation Limited will be held on Friday, 24<sup>th</sup> September, 2021, at 10.15 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 consider and adopt the audited financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2021, together with the Reports of the Board of Directors and Auditors thereon and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2021, together with the Report of Board of Directors' and Auditor's thereon, laid before this meeting, be and are hereby considered and adopted."

### Item No. 2 - Appointment of Retiring 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, and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Ms. Suneeta Reddy (DIN 00001873), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

### Item No. 3 - Appointment of Retiring Director

To appoint a Director in place of Ms. Sangita Reddy (DIN 00006285), who retires by rotation and being eligible, offers herself for re-appointment, and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Ms. Sangita Reddy (DIN 00006285), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

## SPECIAL BUSINESS:

### Item No. 4

#### Re-appointment of Mr. P. Shivakumar as Managing Director.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modifications or re-enactment thereof, for the time being in force), and subject to such other approvals, permissions and sanctions, as may be necessary, approval of the shareholders of the Company be and is hereby accorded to the re-appointment of Mr. P. Shivakumar (DIN 08570283) as Managing Director of the Company for a period of 3 years effective from 5<sup>th</sup> November, 2021 to 4<sup>th</sup> November, 2024, on the terms and conditions as set out in the employment agreement including remuneration as given below:

#### A. Salary

Basic Salary Rs. 7,93,333 (Rupees Seven Lac Ninety Three Thousand Three Hundred Thirty Three only) per month. Annual increment shall be allowed as may be decided by the Board, based on achievement of Annual Operating Plan (AOP) score of the Hospital.

#### B. Perquisites & Allowances

- a) House Rent Allowance - Rs. 3,96,666 per month.
- b) Others Allowance - Rs. 1,69,046 per month
- c) Child Education Allowance - Rs. 200 per month
- d) Contribution to Provident Fund @12% of Basic Salary.
- e) Leave Travel Allowance once in a year for self and family as per the rules of the Company.
- f) Reimbursement of medical expenses, for self and family, as per the rules of the Company
- g) Group Personal Accident Insurance premium, as per the rules of the Company.
- h) Leaves as per the rules of the Company.
  - i) Fee of one club membership shall be allowed.
  - j) Reimbursement of Professional Membership fees.
- k) Medical Insurance Premium for self & family as per the rules of the Company.
  - l) Free Telephone facility at residence and Mobile Phone for official and personal use
- m) Ex-gratia as per the Company Policy

#### C. Other Benefits:

- a. Free use of Company's maintained car with driver for official and personal use.
- b. Performance bonus, for each financial year or part thereof, to be paid annually up to a maximum of Rs. 33,60,000 (Rupees Thirty Three Lac Sixty Thousand only) 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).

RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company shall pay to the Managing Director the above remuneration as the minimum remuneration for a period not exceeding three years from the date of appointment by way of salary, perquisites and other allowances and benefits as specified above subject to receipt of the requisite approvals, if any.

RESOLVED FURTHER THAT the approval of the shareholders of the Company be and is hereby accorded to the Board of Directors (which term shall also include the 'Nomination and Remuneration Committee') to revise the terms of the said remuneration.

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. 5**

##### **Alteration of Articles of Association.**

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 of the Companies Act, 2013 (the "Act") and any other applicable provisions of the Act and the rules framed thereunder, as may be amended from time to time, the Articles of Association of the Company be and is hereby altered as under:

The Article 88 be substituted by the following: -

##### **Article 88: Appointment of Directors**

- (a) NCTD and AHIL shall have right to nominate equal number of Directors on the Board, subject to the provisions of the Act and other law applicable to the Company.
- (b) The right to nominate Directors on the Board shall be on the basis of the percentage shareholding of NCTD / AHIL in the Company.
- (c) The number of directors nominated by NCTD and AHIL are four each. In the event of NCTD or AHIL reduces their shareholding in the Company, then NCTD's representation on the Board will be reduced by one Director for every reduction of 6.50% or part thereof in its equity and likewise AHIL's representation on the Board will be reduced by one Director for every reduction of 6.25% or part thereof in its equity.
- (d) The Company shall appoint such number of independent Directors including independent women Directors as may be required under the Act and/ or under any other law applicable on the Company.
- (e) Subject to the provisions of these Articles and provisions of the Act, the Board may appoint non-executive non-independent Directors in accordance with provisions of the Act.

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. 6**

##### **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 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, 2022, 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: 9<sup>th</sup> August, 2021

##### **NOTES:**

1. Considering the ongoing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has, vide its circular dated January 13, 2021 read together with circulars dated April 8, 2020, April 13, 2020 and May 5, 2020 (collectively referred to as "MCA Circulars"), permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ("the Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations"), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
2. 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.
3. 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.

4. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI Listing Obligations, 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.
5. In compliance with the MCA Circulars and SEBI Circular dated January 15, 2021 read with Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose e-mail address is registered with the Company/ Depository Participants. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website at <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) and on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
6. 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.
7. 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.
8. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [bskashtwal@gmail.com](mailto:bskashtwal@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
9. The unprecedented 2<sup>nd</sup> wave of the COVID-19 pandemic in the first quarter of financial year 2021-22 has once again led to an upheaval in the economy. Under the circumstances, your Directors felt, it is prudent to preserve cash to meet contingencies arising out of an unknown state of affairs with a looming threat of a 3<sup>rd</sup> wave. Keeping in view the uncertain situation and the potentially challenging business environment, your Board has decided not to recommend dividend on shares for the financial year 2020-21.
10. 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.
11. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Link Intime in case the shares are held by them in physical form.
12. The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, 18<sup>th</sup> September, 2021 to Friday, 24<sup>th</sup> September, 2021 (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 17<sup>th</sup> September, 2021, 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 29<sup>th</sup> September, 2020 (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 IEP Fund
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. 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 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.
21. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
22. 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.
23. 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 third 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 21<sup>st</sup> September, 2021 (9:00 a.m. IST) and ends on 23<sup>rd</sup> September, 2021 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on 18<sup>th</sup> September, 2021 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:

#### THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Tuesday, 21<sup>st</sup> September, 2021 at 9.00 A.M. and ends on Thursday, 23<sup>rd</sup> September, 2021 at 5.00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 18<sup>th</sup> September, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 18<sup>th</sup> September, 2021.

#### How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:





#### Step 1: Access to NSDL e-Voting system

##### A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
a) Individual shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
	<ol style="list-style-type: none"> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS Portal" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> </ol>
	<ol style="list-style-type: none"> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication,</li> </ol>

Type of shareholders	Login Method
	<p>you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
	<p>4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</p> <p><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">   </div> <div style="text-align: center;">   </div> </div>
Individual Shareholders holding securities in demat mode with CDSL	<p>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</p>
	<p>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</p>
	<p>3. If the user is not registered for Easi/ Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p>
	<p>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</p>

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

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

4. Your User ID details are given below :

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

5. Password details for shareholders other than Individual shareholders are given below:

- 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 process

for those shareholders whose email ids are not registered.

- 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 etc.
  - 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.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
- 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

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [bskashtwal@gmail.com](mailto:bskashtwal@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case 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 1020 990 and 1800 22 44 30 or send a request to Ms. Soni Singh at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [imclshares@apollohospitalsdelhi.com](mailto:imclshares@apollohospitalsdelhi.com)
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [imclshares@apollohospitalsdelhi.com](mailto:imclshares@apollohospitalsdelhi.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository

Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

1. The procedure for e-Voting on the day of the EGM/ AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/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 EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

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

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. 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 21<sup>st</sup> September, 2021 (9.00 a.m.) to 23<sup>rd</sup> September, 2021 (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

1. 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.
2. 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.
3. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Meeting i.e., 24<sup>th</sup> September 2021.

#### 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. 4

Upon the recommendations of the Nomination and Remuneration Committee, the Board of Directors in the meeting held on 5<sup>th</sup> November, 2019, had appointed Mr. P. Shivakumar as an Additional Director and also as Managing Director of the Company subject to the approval of the shareholders and / or such other approvals as may be necessary, for a period of two years effective from 5<sup>th</sup> November, 2019. The shareholders at the Annual General Meeting of the Company held on 29<sup>th</sup> September, 2020, had approved the appointment of Mr. P. Shivakumar as the Managing Director of the Company. Mr. Shivakumar's tenure as Managing Director is up to 4<sup>th</sup> November, 2021.

Considering the satisfactory performance of Mr. P. Shivakumar as Managing Director of the Company, upon the recommendations of the Nomination and Remuneration Committee, the Board of Directors in its meeting held on 9<sup>th</sup> August, 2021, has re-appointed Mr. P. Shivakumar as Managing Director of the Company for

a period of 3 years effective from 5<sup>th</sup> November, 2021, on the terms and conditions including remuneration as set out in the resolution subject to the approval of the shareholders and / or such other approvals as may be necessary.

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 Committee.

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 and payment of remuneration to Mr. P. Shivakumar as Managing Director requires the approval of the shareholders in the General Meeting of the Company.

Except for Mr. P. Shivakumar, being an appointee, none of the Directors and Key Managerial Personnel of the Company and / or their relatives is / are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

The Board of Directors of the Company recommends the Special Resolution No. 4 for approval of the shareholders.

Information as required under Schedule V of the Companies Act, 2013, is as under: -

#### GENERAL INFORMATION: -

1.	Nature of Industry	Healthcare
2.	Date of commencement of commercial operation	01-04-1996
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
4.	Financial Performance based on given indicators (for the year 2020-21)	Total Income: Rs. 6140.60 million Total Expenditure: Rs. 6097.71 million Profit before exceptional items and tax: Rs. 42.89 million
5.	Foreign investments or collaborations, if any.	None

## INFORMATION ABOUT THE APPOINTEE: -

1.	Background Details	Mr. P. Shivakumar is a professional with experience spanning over 30 years with 24 years in the Healthcare domain. He is an Associate Member of the Institute of Chartered Accountants of India (ICAI) & the Institute of Cost & Management Accountants of India
2.	Past remuneration	Rs. 11.76 million
3.	Recognition or awards	None
4.	Job profile and his suitability	<p>The day to day management and administration of the Company is vested in the Managing Director subject to the superintendence, direction and control of the Board.</p> <p>Mr. P. Shivakumar has experience spanning over 30 years with 24 years in the healthcare domain. He joined the Company in April, 1997 as Dy. General Manager (Finance). He rose to the position of Chief Operating &amp; Chief Financial Officer in the Company. He also served as Chief Executive Officer of Apollo Hospitals, Chennai Division from June, 2017 to August, 2019, where after he was appointed as Managing Director of the Company for a period of 2 years up to 4<sup>th</sup> November, 2021.</p> <p>The professional competence and experience possessed by Mr. P. Shivakumar is a valuable asset to the Company.</p>
5.	Remuneration proposed	As per the details provided in the Resolution No. 4
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The remuneration proposed to be paid to Mr. P. Shivakumar is at par and comparable with that being paid to professionals holding similar position and experience, as prevailing in the industry, and is commensurate with his qualification, experience, past remuneration and his job responsibility.
7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or with any director or Key managerial personnel and does not hold any shares of the Company.	Mr. P. Shivakumar does not have any pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel or with any director or Key managerial personnel and does not hold any shares of the Company.

## OTHER INFORMATION

1.	Reasons of no profits or inadequate profits	The operations of the Hospital were severely impacted due to the Covid-19 pandemic.
2.	Steps taken or proposed to be taken for improvement	There has been a fall in Covid-19 cases and vaccines are proving effective in flattening the curve, hence it is expected that working of the Hospital will improve.
3.	Expected increase in productivity and profits in measurable terms	The Company expects financial year 2021-22 to be a year of growth given that business revenues are slowly but steadily increasing and the company expects it to be closer to levels prior to the outbreak of pandemic.

### Item No. 5

As per existing clause 88 of the Articles of Association (AOA) of the Company, each of the Govt. of NCT of Delhi ("NCTD") and Apollo Hospitals Enterprise Limited ("AHEL") are entitled to nominate three Directors on the Board of Directors of the Company.

At present, the shareholding of NCTD and AHEL in the share capital of the Company is 26% and 25% respectively. However, there are four Directors representing NCTD and AHEL respectively as against three Directors provided as per Article 88 of the existing AOA.

In view of the increase in the number of directors representing NCTD and AHEL on the Board of Directors of the Company, Article 88 of the AOA relating to "Appointment of Directors" is required to be amended to align the number of directors representing NCTD and AHEL in accordance with their shareholding in the Company.

The Board at its meeting held on 9<sup>th</sup> June, 2021, has approved alteration in Article 88 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. 5 of the Notice, in relation to alteration of AOA.

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. 6

The Board has re-appointed M/s Devarajan Swaminathan and Co., Cost Accountants (Firm Regn. No. 100669), as the Cost Auditors to conduct the audit of the cost records of the Company for the year ending 31<sup>st</sup> March, 2022, 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. 6 of the Notice for ratification of the remuneration payable to the cost auditors for the year ending 31<sup>st</sup> March, 2022.

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

The Board of Directors of the Company recommends the resolution at Item No. 6 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: 9<sup>th</sup> August, 2021

**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 :** 62 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, 2021:**

**Public Limited Companies**

1. Apollo Hospitals Enterprise Ltd.
2. Apollo Multispeciality Hospitals Ltd.
3. Apollo Sindoori Hotels Limited
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 Limited
4. Hrisheeksha Solar Power Private Limited
5. Viswambhara Power Private Limited

**Membership / Chairmanship of Committees of other Boards as on 31<sup>st</sup> March, 2021:**

**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 : Ms. Sangita Reddy**

**Age :** 59 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; and 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 31<sup>st</sup> March, 2021:**

**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 31<sup>st</sup> March, 2021:**

**Corporate Social Responsibility Committee:**

Imperial Hospital and Research Centre Ltd., Member  
Apollo Hospitals Enterprise Ltd., Member  
Apollo Health and Lifestyle Ltd., Member

**Audit Committee:**

AMG Healthcare Destination Pvt. Ltd., Member

**Risk Management Committee:**

Apollo Health and Lifestyle Ltd., Member  
PCR Investments Ltd., Member

iii. **Name** : **Mr. P. Shivakumar**

**Age** : 56 years

**DIN** : 08570283

**Relationship with other Directors:** None

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

**Experience:** Mr. P. Shivakumar is a professional with experience spanning over 30 years with 24 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. 4 of the Notice convening Annual General Meeting on 24<sup>th</sup> September, 2021, 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, 2021:**

**Private Companies**

Apollo Rajshree Hospitals Private Limited

**Membership / Chairmanship of Committees of other Boards as on 31<sup>st</sup> March, 2021:** None

# DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the thirty-third Annual Report and the audited financial statements for the financial year ended 31<sup>st</sup> March 2021.

## FINANCIAL RESULTS

(Rs. in million)

Particulars	FY 2020-21	FY 2019-20
Income from Operations	6,133.82	8,307.68
Profit before tax	42.89	481.92
Tax Expense	19.60	45.68
Profit for the year	23.29	436.24
Earnings per share	0.25	4.76

## RESULTS OF OPERATIONS

During the year under review, the Company recorded a total income of Rs. 6140.60 million against Rs. 8,314.55 million in the corresponding period last fiscal - a decrease by 26%.

The Profit Before Tax for financial year ended 31<sup>st</sup> March 2021 stood at Rs. 42.89 million as compared to profit of Rs. 481.92 million for the corresponding period of the previous year. The Profit After Tax for year ended 31<sup>st</sup> March 2021 stood at Rs. 23.29 million as compared to a profit of Rs. 436.24 million for the corresponding period of the previous year.

## IMPACT OF THE COVID-19 PANDEMIC ON THE BUSINESS

Due to the continuing COVID-19 pandemic situation, there were localised lockdowns in various parts of the country apart from continuing restrictions on international and domestic travel. This was coupled with advisories issued by the government on postponing elective surgeries and undertaking preventive health checks.

However, the continuance of the pandemic situation resulted in a material impact on the healthcare sector in general, and the Company's healthcare services business operations, due to the following reasons:

- Severe travel related restrictions impacting both employee movement and patient flows to the hospital.
- Out Patient footfalls impacted apart from the postponement of elective procedures. Both factors in turn have led to a substantial reduction in the inpatient case-loads.
- Continued investment is required in equipment, consumables and other resources to ensure 100%

preparedness for safety in the hospital and eventual treatment of patients.

- Current embargo on international travel has also impacted patient flows to the hospital.
- Impact has been caused by the price capping by the Delhi Government on diagnostics, including RT-PCR test, and treatment charges for COVID - 19

To meet the surging demand for COVID beds, the hospital created two inflatable COVID shelters with a total capacity of 40 beds, for housing moderately sick COVID patients having relatively good prognosis. The structure was created within 5 days in the Helipad area and was named 'Nightingale' to honour the tireless service of our Nurses.

To reduce dependency on outside sources for medical oxygen, the Government of NCT, Delhi, issued an Advisory directing all hospitals or nursing homes with total bed capacity of 100 or more to install their own PSA/refilling plants or to create other necessary infrastructure with sufficient capacity to produce at least two times the normal requirement. The Company is in the process of:

- Installing 2.90 metric ton Pressure Swing Adsorption (PSA) oxygen plant; and
- Replacing the existing tanks with 40 metric tons (2\*20 metric ton) storage tanks.

Your Company is confident of evolving and adapting to the ever-changing situation on the strength of the experience acquired during the COVID-19 pandemic.

## THE STATE OF COMPANY AFFAIRS

The Hospital witnessed a challenging year with multiple waves of the COVID-19 pandemic affecting the lives and livelihoods of the citizens. However, even during this health crisis, the hospital remained committed to providing clinical services for both COVID and non-COVID patients.

While greatly constrained due to resource challenges owing to the lockdown induced supply disruptions, the hospital remained committed to providing world class healthcare and services.

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

- A two-and-a-half-month-old baby from Myanmar with multiple co-morbidities underwent BT shunt surgery and was discharged in a stable condition.
- The bone marrow transplant team successfully performed haploidentical transplant in the first diagnosed case of Nuclear Factor Erythroid-derived

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2 (NFE2) deficiency, which is a new mutation reported for the first time in the British Journal of Haematology (BJH).

- A 6-year-old girl diagnosed with severe aplastic anemia underwent bone marrow transplant, where she received stem cells from her brother. She has recovered very well.
- A 6-month-old infant from Iraq was diagnosed with complex cyanotic heart disease and underwent a high risk arterial switch surgery. The child was discharged in a stable condition with a highly improved long-term outcome.
- A 5-month-old baby from Yemen, underwent Heart Transplantation. He was discharged in a stable condition.
- A 53-year-old female patient was admitted with a complaint of severe abdominal pain accompanied with a huge abdominal swelling and vomiting. CECT abdomen revealed a multiseptal ovarian cyst. Laparotomy was performed on the patient and a 50-kg tumor was removed.

The National Board of Examinations in Medical Sciences (NBEMS) has granted accreditation to Indraprastha Apollo Hospitals in thirty-five specialties which includes four specialties in Fellow of National Board (FNB), twenty specialties in Doctorate of National Board (DrNB) and eleven specialties in Diplomate of National Board (DNB). Indraprastha Apollo Hospitals started new FNB course in Arthroplasty, DrNB course in Vascular Surgery & CTVS. Further, to boost up academics, weekly clinical presentations are organised for Consultants, FNB/DrNB/DNB trainees and Junior Medical staff.

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 (SLP) 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 SLP and has passed an interim order on 30<sup>th</sup> November, 2009. In pursuance of the said interim order, the Company has been providing free treatment to the patients referred by the Government of NCT of Delhi and has been charging only for medicines & medical consumables. The financial impact in the matter can be quantified only after the final decision by the Hon'ble Supreme Court of India.

The Directorate of Health Services, Government 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.

The Company has moved an Interlocutory Application before the Hon'ble Supreme Court seeking direction that the conditions relating to provision of free treatment facilities for patients belonging to indigent category to the extent of 10% IPD and 25% OPD be made applicable to the Company as have been made applicable in case of other hospitals. Additionally, the Company has also made representations before the Government of NCT of Delhi to allow the Company to extend free treatment including medicines and consumables up to 10% IPD and 25% OPD as applicable to other hospitals.

During the year, a total of 20653 patients (18509 Out Patients and 2144 In Patients) were treated under the free category.

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

### **Digital Transformation**

The hospital continued its transformative journey towards digitization and improving access of resources for patients. The paperless transformation project in outpatient areas was initiated and is in the process of full implementation. Similarly, the hospital utilized the power of information technology to ramp up its telemedicine presence through the Apollo 24/7 App. These capabilities helped the Hospital ensure continuum of care during lockdowns and COVID - 19 waves.

### **Staff Safety**

The hospital laid special emphasis on the safety of staff in a tenuous year that witnessed the pandemic. Front-line staff were provided appropriate Personal Protective Equipment (PPEs). Training on personal protection and escalation matrices as per laid out protocols for COVID - 19 cases was also imparted.

### **Accreditation**

Healthcare accreditation is one of the major steps towards improving quality and patient safety. Your Hospitals has been accredited by the following agencies: -

- Indraprastha Apollo Hospitals was the first hospital in the country to get Joint Commission International (JCI) accreditation in the year 2005. It has been re-accredited for the sixth time in December 2020.
- Laboratory Services at Indraprastha Apollo Hospitals has been re-accredited by National Accreditation Board for Testing & Calibration Laboratories (NABL)
- Apollo Hospital, Noida, has been re-accredited by National Accreditation Board for Hospital and Healthcare Providers (NABH)



## 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
Hospital Management Asia	Talent Development – We care for our warriors
Apollo Innovation	Best HR Practices – We care for our warriors
AHPI Healthcare Excellence Award 2021	COVID Management

## MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material change and commitment affecting the financial position of the Company, has occurred between the financial year ended on 31<sup>st</sup> March, 2021, and the date of the report. There has been no change in the nature of business of the Company.

## 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

The financial year 2020-21 saw a major impact on the Company's operations due to the lockdowns and postponement of many elective procedures, surgeries and consultations. Despite the odds, your Company continued to serve patients through the digital health ecosystem with virtual consulting and other services on the Apollo 24/7 platform. The business showed resilience and saw some recovery in the last quarter of the financial year 2020-21.

The unprecedented 2<sup>nd</sup> wave of the COVID-19 pandemic in the first quarter of financial year 2021-22 has once again led to an upheaval in the economy. The new variants are leading to a rise in COVID cases globally and are adding to the unpredictability of how long this crisis will last. Under the circumstances, your Directors felt, it is prudent to preserve cash to meet contingencies arising out of an unknown state of affairs with a looming threat of a 3<sup>rd</sup> wave. Keeping in view the uncertain situation and the potentially challenging business environment, your Board has decided not to declare a dividend for the financial year 2020-21. Further, being a social institution doing good for the society, the Board thought it prudent to preserve the cash reserve of the Company.

The Board approved and adopted a dividend distribution policy at its meeting held on 9<sup>th</sup> June, 2021, which

is posted on the Company's website: <https://delhi.apollohospitals.com/>

## 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.

## CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. The report on corporate governance as required under the Listing Regulations, forms an integral part of this report. The requisite certificate from Mr. Baldev Singh Kashtwal, Practicing Company Secretary, confirming the compliance with the conditions of corporate governance is attached to the report on Corporate Governance.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the Listing Regulations, forms an integral part of this report.

## BUSINESS RESPONSIBILITY REPORT

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

## SEXUAL HARASSMENT

Your company strongly believes in providing a safe and harassment free workplace for every individual working with us through various interventions, policies and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. The Company has an Internal Complaints Committee (ICC) for providing a redressal mechanism pertaining to sexual harassment of women employees at the work place. During the year, the ICC received nine complaints. Detailed investigations were carried out and appropriate actions taken by the management in all the

reported incidents. One complaint was being investigated and pending as on 31<sup>st</sup> March, 2021.

## **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has established a vigil mechanism for Directors and Employees to report their genuine concerns, the details of which are given in the Corporate Governance Report. The Whistle Blower Policy may be accessed on the Company's website on the <https://delhi.apollohospitals.com/downloads/Whistle%20Blower%20Policy.pdf>

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

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

During the year, the Company has not given any loan or made an investment, nor given any guarantee in terms of Section 186 of the Companies Act, 2013.

## **DEPOSITS**

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

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

### **Board Composition and Independent Directors**

As on 31<sup>st</sup> March 2021, the Board consisted of the Non-Executive Chairman, one Executive Director, six Non-Executive Directors and eight Independent Directors.

Independent directors are appointed for a term of five years and are not liable to retire by rotation based on the recommendation of the Nomination and Remuneration Committee. In the opinion of the Board, the Independent Directors fulfil the conditions specified in the Listing Regulations and are independent of the management.

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

### **Retirement by Rotation**

Pursuant to Section 152 of the Companies Act 2013, Ms. Suneeta Reddy and Ms. Sangita Reddy, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

## **Change in Board Composition**

The following changes have taken place in composition of the Board: -

- Mr. Jasmine Shah has been appointed as Director & Chairman (Non-Executive Chairman)
- Prof. (Dr.) Mahesh Verma, Mr. Udit Prakash Rai and Mr. Vikram Bhat have been appointed as Non-Executive Directors.
- Mr. Salil Singhal has been appointed as an Independent Director for five consecutive years from 8<sup>th</sup> February, 2021 to 7<sup>th</sup> February, 2026
- Mr. Vinayak Chatterjee has been re-appointed as an Independent Director for five consecutive years from 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2026.
- Ms. Vineeta Rai has resigned as a Nominee Director of Govt. of NCT of Delhi (Non-Executive Director). Ms. Vineeta Rai has been appointed as an Independent Director for five consecutive years effective from 8<sup>th</sup> February, 2021 to 7<sup>th</sup> February, 2026.
- Ms. Madhumita Ganguli has resigned as Non-Executive Director. Ms. Madhumita Ganguli has been appointed as an Independent Director for five consecutive years effective from 9<sup>th</sup> June, 2021 to 8<sup>th</sup> June, 2026.
- Based on the recommendation of the Nomination and Remuneration Committee, the Board has recommended to the members the re-appointment of Mr. P. Shivakumar as Managing Director of the Company for a period of 3 years effective from 5<sup>th</sup> November, 2021.

### **Key Managerial Personnel**

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company are Mr. P. Shivakumar - Managing Director, Mr. Chander Prakash Tyagi - Chief Financial Officer and Mr. Priya Ranjan - Associate Vice President - Corporate Affairs & Legal.

## **BOARD EVALUATION**

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

## REMUNERATION POLICY

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

## MEETINGS OF THE BOARD

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

## RISK MANAGEMENT

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

## INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

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

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

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

## SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

## DIRECTORS' RESPONSIBILITY STATEMENT

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

- that in the preparation of the annual financial statements for the year ended 31<sup>st</sup> March, 2021, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
- that such accounting policies have been selected and applied consistently, and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2021, and of the profit of the Company for the year ended on that date;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the annual financial statements have been prepared on a going concern basis;
- that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## 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 has 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.

The policy on materiality of related party transactions as approved by the Board may be accessed on the Company's website at <https://delhi.apollohospitals.com/downloads/materiality-of-related-party-transactions.pdf>

Your Directors draw the attention of the members to Notes to the financial statements which sets out related party disclosures. None of the Directors have any pecuniary relationships or transactions vis-a-vis the Company.

## PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment

and Remuneration of Managerial Personnel) Rules, 2014, as amended, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided in the Annual Report, which forms part of this Report.

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

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

## **EMPLOYEE STOCK OPTIONS**

No Employee Stock Options have been granted to the employees of the Company.

## **INDUSTRIAL RELATIONS**

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

## **CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

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

These projects are in accordance with Schedule VII of the Companies Act, 2013. The Report on CSR activities for the financial year 2020-21 is annexed herewith marked as Annexure-1 to this Report.

## **STATUTORY AUDITORS**

The Members at the Annual General Meeting held on 26<sup>th</sup> September 2017 approved the appointment of M/s. S.N. Dhawan & Co. LLP, Chartered Accountants, as statutory auditors for a period of five years commencing from the twenty-ninth Annual General Meeting till the conclusion of the thirty-fourth Annual General Meeting subject to ratification by the Members every year. Pursuant to amendments in Section 139 of the Companies Act, 2013, the requirements to place the matter relating to such appointment for ratification by members at every annual general meeting has been dispensed with effect from 7<sup>th</sup> May, 2018 and the appointment of M/s. S.N.

Dhawan & Co. LLP, Chartered Accountants, as statutory auditors is valid till the conclusion of the thirty-fourth Annual General Meeting to be held during the year 2022.

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

No instances or matters of fraud have been reported by the Auditors.

## **COST AUDITORS**

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Directors on the recommendation of the Audit Committee, appointed M/s Devarajan Swaminathan and Co., Cost Accountants (FRN 100669) to audit the cost accounts of the Company for the financial year 2021-2022 on a remuneration of Rs. 5.50 lakhs.

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 (FRN 100669) is included at Item No. 6 of the Notice convening the Annual General Meeting.

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

## **SECRETARIAL AUDITORS**

The Board had appointed M/s RSM & Co., a firm of Company Secretaries in Practice, to conduct Secretarial Audit for the financial year ended 31<sup>st</sup> March, 2021. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2021, is annexed herewith marked as Annexure-2, 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 the Govt. of NCT of Delhi - one of the promoters of the Company, have not dematerialized their shareholding in the Company. 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 Woman Independent 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 Woman Independent 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 Woman Independent Director on 23<sup>rd</sup> May, 2020.

### **PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.**

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

### **EXTRACT OF ANNUAL RETURN**

In accordance with the provisions of Section 92(3) read with section 134(3)(a) of the Companies Act, 2013 and Rules framed thereunder, an annual return in

the prescribed format for the financial year 2020-21 is available on the website of the Company at <https://delhi.apollohospitals.com/annual-report>.

### **ACKNOWLEDGEMENT**

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

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

### **For and on behalf of the Board**

**Jasmine Shah**  
**Chairman**  
**(DIN 08621290)**

**Place: New Delhi**  
**Date : 9<sup>th</sup> August, 2021**

## ANNEXURE-1:

### 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	<p>Your Company has undertaken CSR activities during the year to create a meaningful and lasting impact on the communities in remote areas by helping them transcend barriers of socio-economic development.</p> <p>Your company wishes to extend comprehensive integrated healthcare services to the community. Your company is also committed to developing the skills of the youth through high quality education and research in healthcare services.</p> <p>Your company continues to focus on CSR activities under the following broad segments :</p> <ol style="list-style-type: none"> <li>1. Rural Development</li> <li>2. Healthcare</li> <li>3. Education and Skill Development</li> <li>4. Research in Healthcare</li> </ol>
2.	Composition of the CSR Committee	<p>Prof. (Dr.) Mahesh Verma - Chairperson (Non-Executive Director)</p> <p>Mr. S. Regunathan (Independent Director)</p> <p>Mr. Vikram Bhat (Non-Executive Director)</p> <p>Ms. Sangita Reddy (Non-Executive Director)</p> <p>Mr. Vinayak Chatterjee (Independent Director)</p> <p>Dr. Menaka Guruswamy (Independent Director)</p>
3	Provide the web-link where the composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company	<a href="http://www.apollohospdelhi.com/downloads/corporate-social-responsibility-policy.pdf">http://www.apollohospdelhi.com/downloads/corporate-social-responsibility-policy.pdf</a>
4	Provide the details of Impact assessment of CSR Projects carried out in pursuance of sub-Rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules 2014, if Applicable (attach the report)	Not Applicable
5	Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules 2014 and amount required for set off for the financial year, if any	Nil
6	Average net profit of the Company as per Section 135 (5) of the Companies Act, 2013	Rs. 4180.30 lakhs
7	Prescribed CSR expenditure (two percent of the amount as in item 6 above)	Rs. 83.61 lakhs
8	Details of CSR spent during the financial year	
	a) Total amount to be spent for the financial year	Rs. 85.67 lakhs
	b) Amount unspent, if any	Nil
	c) Manner in which the amount spent during the financial year	As given in CSR spent table attached.
9.	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 2020-21

S. No.	CSR Project or activity identified	Item from the list of activities in schedule VII to the Act	Local Area (Yes/ No)	Location of Project	Amount Outlay (budget) project or programs wise	Amount Spent on the projects or programs Subheads:		Cumulative Expenditure up the reporting period	Mode of Implementation – Direct (Yes/No)	Mode of Implementation through implementation agency
				State, District		Direct	Overheads			Name and CSR Registration number
1	A Healthy Start – MCD Schools and Delhi Government Schools									
	Day to day cleaning of toilet blocks in 2 MCD schools (Molarband and Gautampuri).	Sanitation [Schedule VII (i)]		Molarband and Gautampuri, New Delhi	825,000	840,825	-	840,825	No	Dusters Total Solution
	Project Synopsis: 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.									
2	A Healthy Start – Partnership with NGOs and Community Support Organisations to expand outreach to underprivileged children									
	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	1,450,000	1,450,200	-	1,450,200	No	Nalandaway Foundation
	Project Synopsis: 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.									
	Psychosocial rehabilitation for paediatric cancer patients through Art for Healing programme	Promoting healthcare Schedule VII (i)		Delhi	450,000	510,350	-	510,350	No	Cankids & Fairy Fashions
	Project Synopsis: In order to bring positivity to cancer afflicted children in Indraprastha Apollo Hospitals, psycho-social activities under Art for Healing that was that 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. Given the pandemic induced restrictions, this project was modified with distribution of school stationery material for helping children study from home.									
3	Scholarships for 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	500,000	-	500,000	No	Impact Paramedical & Health Institute
	Project Synopsis: Government Girls Senior Secondary School, Jasola, and Sarvodya Kanya Vidyalaya Rani Jhansi Senior Secondary School, Tuglakabad, which were previously identified remained shut for the year due to Covid-19. The program was modified to extend this assistance to 38 needy and under privileged students undertaking Allied Health Courses at Impact Paramedical & Health Institute ('IPHI') through scholarships. The amount was credited into each student's bank account through IPHI. Total amount spent on providing said scholarships was Rs. 5,00,000/-.									
4	Health Camp for Underprivileged Community	Preventive healthcare [Schedule VII (i)]		Delhi	350,000	355,630	-	355,630	No	Seeds CSR
	Project Synopsis: Adopting Shakur Basti underprivileged community for monthly health camps and check-ups. One general camp and one specialized health camp for mothers and children were held alternatively 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.									



S. No.	CSR Project or activity identified	Item from the list of activities in schedule VII to the Act	Local Area (Yes/No)	Location of Project	Amount Outlay (budget) project or programs wise	Amount Spent on the projects or programs Subheads:		Cumulative Expenditure up the reporting period	Mode of Implementation – Direct (Yes/No)	Mode of Implementation through implementation agency
				State, District		Direct	Overheads			Name and CSR Registration number
5	Supporting NGOs that work with the underprivileged for the rehabilitation of neurological conditions.	Preventive healthcare [Schedule VII (i)]		Delhi	1,400,000	1,400,000	-	1,400,000	No	Neuroaid & Research Foundation
<i>Project Synopsis:</i> NeuroAid Foundation is a non-profit organisation that works on the rehabilitation of the underprivileged afflicted with neurological conditions at birth or through trauma, which requires specialised equipment and care. The Foundation has been supported to fund the purchase of specialised equipment that will enable efficient physiotherapy management and training in neurodevelopmental techniques for persons in need.										
6	Distribution of Medical Hygiene Kits	Preventive healthcare [Schedule VII (i)]			800,000	843,215	-	843,215	No	Nalandaway Foundation
<i>Project Synopsis:</i> Distribution of Medical Hygiene kits.										
7	Awareness Drive on Covid-19 vaccination	Preventive healthcare [Schedule VII (i)]			400,000	361,080	-	361,080	Yes	Direct
<i>Project Synopsis:</i> Awareness Drive on Covid-19 vaccination.										
8	Mitigation support for Air Pollution in Delhi NCR	Preventive healthcare [Schedule VII (i)]		Delhi	150,000	150,000	-	150,000	No	NGO Pairvi
<i>Project Synopsis:</i> Webinars and Awareness drive on airpollutionwith relevant stakeholders through implementing agency PAIRVI.										
9	Misc Activities - (community support activities, disaster outreach)	Measure to remove inequality faced by economically backward groups [Schedule VII (iii)]		Delhi	600,000	556,157	-	556,157	Yes	Direct
<i>Project Synopsis:</i> Expenses on account of miscellaneous activities like creation of Art Labs in supported schools, civil repair of toilet blocks etc.										
10	Admin and Salary Expenses	-		Delhi	400,000	400,000	-	400,000	Yes	Direct
11	Contribution to Apollo Hospitals Educational and Research Foundation (AHERF) to undertake and promote scientific and medical research programs	Promoting Preventive health care [Schedule VII (i)]		Delhi	1,200,000	1,200,000	-	1,200,000	No	AHERF
<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>8,425,000</b>	<b>8,567,457</b>	<b>-</b>	<b>8,567,457</b>		

## ANNEXURE-2: FORM NO. MR-3

### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2021

[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, 2021 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, 2021 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 2020-2021);
- (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the financial year 2020-2021);
- (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 2020 -2021);
- (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 2020 -2021);
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the financial year 2020 -2021);
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the financial year 2020 -2021);
- (i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; (to the extent applicable during the financial year 2020 -2021); 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;
- (xlv) 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. During the period from 01.04.2020 to 22.05.2020 there was non-compliance of Regulation No. 17(1) (a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to appointment of Independent Woman Director on the Board of the Company. However the Company appointed an Independent Woman Director on the Board of the Company on 23.05.2020 in compliance with Regulation 17(1)(a) of the SEBI (Listing Obligations 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**  
**Membership Number: FCS NO. 3616**  
**Certificate of Practice NO.: 3169**  
**ICSI – UDIN: F003616C000436202**

Place : Delhi  
Date : 9<sup>th</sup> June, 2021

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, 2021 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 various parts of 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**  
**ICSI – UDIN: F003616C000436202**

Place : Delhi  
Date : 9<sup>th</sup> June, 2021

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## ANNEXURE – 3:

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

#### Conservation of Energy

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

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

The following energy saving measures were adopted during the year 2020-21:-

- New Effluent Treatment Plant (ETP) was installed for laundry and commissioned successfully for treating and recycling laundry effluent water with a capacity of 150 KLD. Through this system we are able to re-use 100 KL of water in Laundry and 20 KL for boiler.
- Reduction in PNG Consumption by installing and utilizing the PNG operated tumblers and calendar machines in laundry which is resulting in better efficiency.
- Motion Detectors were installed in 11 new areas of the hospital.
- Partial power was purchased through a bilateral agreement.

In continuation to the above, we are also continuing with previous year energy conservation measure like Automatic Tube Cleaning system for maintaining Chillers at best efficiency. This helped in reducing chiller consumption. An average saving of 700 KL of fresh DJB water per month was accomplished by utilizing CSSD reject water in Boilers without much capital investment.

In order to prevent Energy wastage, we are also following a system through which

- Frequency of OT AHU's is being reduced from 50 Hz to 35 Hz during lean hours.
- Increase adjustment of chilled water set point as per ambient / building load.

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

#### Technology Absorption

Over the years, your Company has invested in the best and leading world class technology for diagnostics and treatment.

During the year, the following new equipment have been installed in the Hospital: -

#### Digital Radiography Unit

The hospital continued its focus on introducing new medical technologies for the benefit of its patients and installed a state-of-the-art Digital Radiography (DR) unit as part of the upgradation of the Radiology Services portfolio. The DR system is a digitised system which does away with the need for physical radiology films and provides immediate results for doctors to assess and plan the treatment. Further, the image quality is superior, thereby leading to more accurate diagnosis of conditions. The system is more sensitive than the conventional iterations and helps improve the workflow and accuracy of radio-diagnostics' capability. It has wide use but is especially useful in paediatrics and orthopaedics.

#### Foreign Exchange Earnings & Outgo

**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 been appointed healthcare facilitator in various countries to cater to international patients.

#### Total Foreign Exchange Earnings and Outgo

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

Earnings	: Rs. 619.88 million
Outgo	: Rs. 52.18 million

# MANAGEMENT DISCUSSION & ANALYSIS

## Industry Structure & Developments

Good health is central to human happiness and well-being. Irrespective of one's economic strata or geographical location, nothing is more important to a person than his health. Taking care of one's health means much more than medicine and doctors - it starts with being aware of one's body and committing to the pursuit of wellness. It encompasses preventive medicine, health checks and assured equitable access to reliable basic healthcare facilities. People interact with such a healthcare system in various ways and to differing degrees throughout one's life, although those living in poverty, or dealing with the devastating effects of war, are denied this right to healthcare. Developed nations are able to provide their citizens better healthcare infrastructure as compared to developing nations where investment in healthcare infrastructure lags behind. A comparison of the basic health indicators between the two, clearly indicates this gap. Good health makes an important contribution to a country's economic progress, as healthy populations live longer, are more productive, and save more. The economic growth of any country can be enhanced by healthy citizens and a disease-free society. Studies have shown that health is one of the most important causative factors that affects a country's aggregate of economic growth. Investment in health is therefore not only desirable, but also an essential priority for societies.

One of the biggest challenges for societies across the world today, is the improvement of access to quality healthcare in terms of both reach and affordability. Coping with modern diseases, public health engineering, disease surveillance and exorbitant costs are some of the other key challenges for the healthcare industry.

The COVID-19 pandemic has caused immense disruption and highlighted the importance of adequate resources for managing such crises without excessive economic disruption. Sustainable and equitable pre-eminent healthcare for all is imperative. To make this a reality, all stakeholders, including healthcare providers, Governments, investors and consumers, have to come together to understand, analyze and implement necessary changes across the ecosystem. New health technologies such as wearable tech, telemedicine, genomics, virtual reality, robotics and artificial intelligence, although still nascent, are expected to soon change the very landscape of the healthcare industry. To meet the demands of the

future, these technologies should be capable of adequate scale, compelling healthcare providers to deliver better health outcomes while managing changing consumer demand and behavior.

It is safe to expect that the future of health will focus on digital technology with more importance being given to preventive healthcare. Innovations are already breaking barriers in the way diagnoses and treatments are being provided. Technology will also help to democratize healthcare by lowering costs and breaking geographic hurdles. The increasing pace of technological innovation in healthcare will soon offer a plethora of opportunities for healthcare service providers across the globe. Overall, along with improved healthcare access, there would be a huge focus on the quality of healthcare, use of innovative diagnostics and treatment methods, improved transparency and patient centered models of healthcare delivery.

## General Overview on India's Healthcare Service Landscape

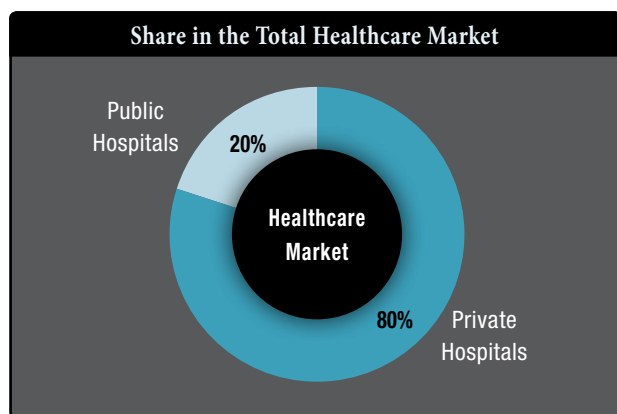
Historically, people in developing countries have had lower access to health services than those in developed countries. Like most developing countries, India has limited healthcare infrastructure and this is inadequate to meet the demands of a large and diverse population. Even today, there is a significant gap in the supply of healthcare services versus the demand. However, it is important to note that over the years, the Indian healthcare sector has changed from an unorganized sector to an organized one and also moved towards corporatization. It is one of the largest economic sectors in the country today, with regard to both employment and revenue. Various demographic changes like a bulging middle class with increased per capita income and growing awareness about diseases, increasing health consciousness among people, changing lifestyles, and a transition in disease profile, have led to an increasing demand for modern healthcare facilities, spurring the growth of the healthcare services sector. The system has therefore grown significantly and through the leverage of medical technology, has garnered many achievements in the treatment and modalities of cure for many diseases.

The country is successfully offering best-in-class healthcare treatment services at a fraction of the cost in other major markets around the globe. The reduced cost



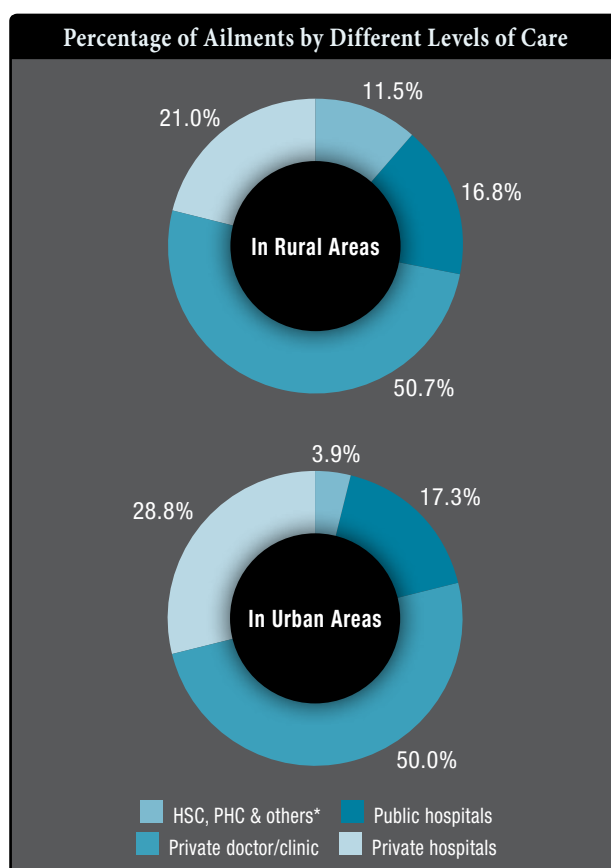
of life-saving drugs and medical devices, the evolved pharmaceutical industry, world-class specialty hospitals in Tier 1 and Tier 2 cities coupled with a large pool of well-trained medical professionals, are other factors that have contributed immensely to the growth of the sector.

The public healthcare facilities in India have been unable to scale adequately to serve the needs of the large population; reaching the interiors of the country has been another challenge. Additionally, several of these facilities are understaffed, poorly equipped in terms of basic infrastructure and equipment, and in need of enhanced quality standards and protocols. This unmet opportunity combined with strong fundamentals has largely led to the private sector taking center stage in the healthcare landscape. The late 1990s witnessed improvement in the economic conditions and made private healthcare affordable to many Indians. These hospitals turned into Centers of Excellence and over time, became preferred choice for patients and communities. These healthcare institutions provide world class facilities, employ highly skilled and globally recognized professionals, leverage advanced technology in treatments, and maintain high standards of quality. The 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 its share of hospital beds is estimated at 40%.



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

From the chart below, it is clear that populations in rural as well as urban areas seek private sector treatment for their illness or disease. Of all the levels of care mentioned here, private doctor/clinic is the single most important 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 hospital and HSC, PHC & others. There is great discrepancy in the quality and coverage of medical treatment in India - healthcare in different states, rural and urban areas, can be vastly different.



Source: MoSPI, NSS 71st Round (January-June 2014)

Note: Public sector includes HSC, PHC & others\* and public hospitals. Private sector includes private doctor/clinic and hospitals.

\* Others include Auxillary Nurse Midwives (ANM), Accredited Social Health Activists (ASHA), Anganwadi Workers (AWW), Dispensaries, Continuing Healthcare (CHC), and Mobile Medical Units (MMU)

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 over the years into assets like hospitals and other facilities. 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 the growth of the Healthcare industry

Governments all over the world work towards providing good quality healthcare for their people. Creating awareness about health issues, ensuring strong infrastructure, and promoting health insurance are productive activities conducted by the authorities for the people's welfare. The Indian Government also undertakes such measures from time-to-time. In fact, the Country's healthcare sector is strongly supported by the Indian Government which has been undertaking commendable

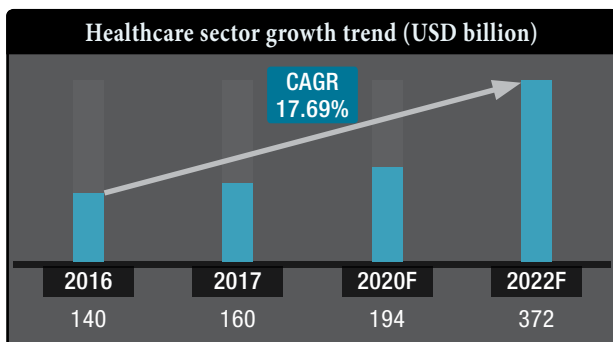


work to develop India as a global healthcare hub. Over the years, a multitude of initiatives to drive the growth of the healthcare sector in the country has been yielding positive results. These initiatives have gone a long way in not only improving overall healthcare access for the general population but have also enhanced the quality of healthcare in the country.

### Market Size of Indian Healthcare industry

Today, the Indian healthcare industry is growing at a significant pace owing to its strengthening coverage, services, and increasing expenditure by the public and private sectors. As per a report from the Ministry of Commerce and Industry, the Indian healthcare sector, which stood at a size of USD 140 billion in 2016, is expected to reach a size of over USD 372 billion by 2022, registering a CAGR of 17.69%. India ranks 145 among 195 countries in terms of quality and accessibility of healthcare. For India, the healthcare access and quality (HAQ) index increased from 24.7 in 1990 to 41.2 in 2016. Industry experts believe that there is immense scope for enhancing healthcare services penetration in India, thus presenting ample opportunity for development of the healthcare industry.

The Indian healthcare industry is one of the most knowledgeable and professional industries in the world. Also, the sector is one of the most efficient and cost-effective healthcare delivery systems thanks to expert doctors and specialists, well-equipped diagnostics, and nursing services. There is immense scope for enhancing healthcare services penetration in India and ample opportunity for the development of the healthcare industry as a whole.



Source: Frost & Sullivan, LSI Financial Services, Deloitte

In FY19, the Indian healthcare sector stood as the fourth largest employer as the sector employed a total of 3,19,780 people. The Asian Research and Training Institute for Skill Transfer (ARTIST) announced plans to create around one million skilled healthcare providers by 2020.

### The Healthcare Service Delivery Landscape in India

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

#### Hospitals

Government hospitals - It includes healthcare centres, district hospitals and general hospitals

Private hospitals - It includes nursing homes and mid-tier and top-tier private hospitals

#### Pharmaceutical Companies & Standalone Pharmacies

It includes manufacturing, extraction, processing, purification and packaging of chemical materials for use as medications for humans or animals. Standalone pharmacies include both organized and unorganized standalone pharmacies in India.

#### Diagnostics Services

It comprises businesses and laboratories that offer analytical or diagnostic services, including body fluid analysis.

#### Medical Equipment & Supplies

It includes establishment's primarily manufacturing medical equipment and supplies, e.g. surgical, dental, orthopedic, ophthalmologic, laboratory instruments, etc.

#### Medical Insurance

It includes health insurance and medical reimbursement facility, covering an individual's hospitalization expenses incurred due to sickness.

#### Telemedicine Industries

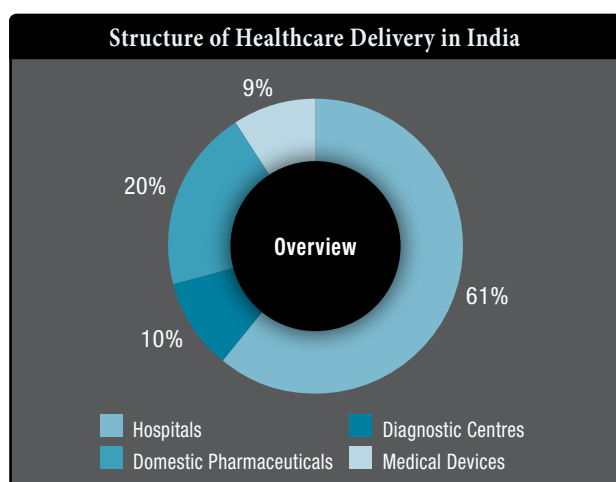
Telemedicine has enormous potential in meeting the challenges of healthcare delivery to rural and remote areas besides several other applications in education, training and management in health sector.

#### Medical Tourism

Indian medical tourism is enhancing the prospects of the Indian healthcare market substantially, benefiting its healthcare services players and in increasing the inflow of foreign exchange into India.

#### Retail Healthcare

Retail in healthcare enables opportunities of clinical service in a marketplace other than regular hospital. The Retail Healthcare business primarily include Primary Care Clinics, specialized birthing centers, single specialty clinics, primary health centers and diagnostic chains, apart from Dental, Daycare and Home Healthcare formats.



Source: CRISIL Research

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

	Primary Care	Secondary Care	Tertiary Care
Services	Provides all services as required for the first point of contact	Provides all services as required, including organized medical research	Provides all services as required, including provision for experimental therapeutic modalities and organized research in chosen specialties
Multi-disciplinary	Yes	Yes	Single- or multi-specialty
Type of service	Only medical services and excludes surgical services	Overall medical and surgical services	Complex surgical services with sophisticated equipment
Type of patient	Only outpatient	Inpatient and outpatient	Primarily inpatient
No. of beds	0 beds	50-200 beds	>200 beds
Dependent on	Secondary and tertiary care hospitals for further diagnosis and support	Tertiary care hospital for diagnostic and therapeutic support on referral and for patient transfer	Tertiary care/ secondary hospital for referrals for its workload
Investment	Low investment required	Medium	High

### Primary Healthcare

Primary care facilities are outpatient units that offer basic, point-of-contact medical and preventive healthcare services, where patients come for routine health screenings and vaccinations. This is the first point of contact between the populace and the healthcare service providers. These facilities do not have intensive care units (ICU) or operation theatres. Their infrastructure offers basic medical and health prevention services through a network of Sub Centers and Primary Health Centers in rural areas, whereas in urban

areas it is provided through Health Posts and Family Welfare Centers. Primary Care Centers also act as feeders for secondary / tertiary care hospitals, where patients are referred to for treatment of chronic / serious ailments.

### Secondary Healthcare

Secondary care facilities diagnose and treat ailments that cannot be treated in primary care facilities. These act as the second point of contact in the healthcare system. In India, the health centers for secondary health care include District Hospitals and Community Health Centers at the block level.

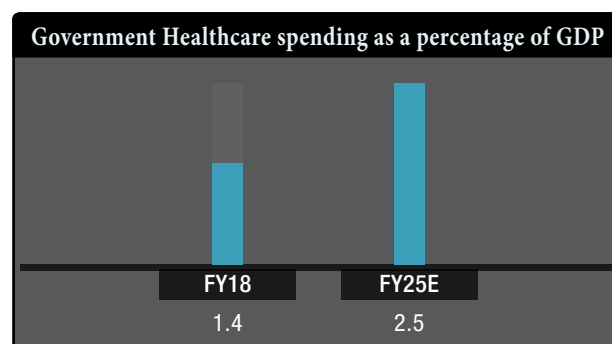
This infrastructure provides inpatient as well as outpatient medical services which includes simple surgical procedures. Some of medical specialties offered under secondary healthcare include internal medicine, pediatrics and limited coverage of other specialties like urology, cardiology, and other specialties.

### Tertiary Healthcare

Tertiary care hospitals provide advanced healthcare services, usually on referral from primary or secondary medical care providers. Specialized Intensive Care Units, advanced diagnostic support services and specialized medical personnel are key features of tertiary health care. Single-specialty tertiary care hospitals treat a particular ailment such as cardiac, cancer, etc. On the other hand, there are multi-specialty tertiary hospitals that offer all medical specialties under one roof and treat complex cases such as multi organ failure, high-risk, and trauma cases. In India, under the public health system, tertiary care service is also provided by medical colleges and advanced medical research institutes.

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

Despite the uptick in Government spending and thrust on increasing insurance coverage, the Government of India's expenditure on healthcare stood only at 1.4% of GDP in FY18. The continuing disparity of healthcare spends between urban and rural areas have resulted in 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.



Source: World Bank, Economic Survey FY18

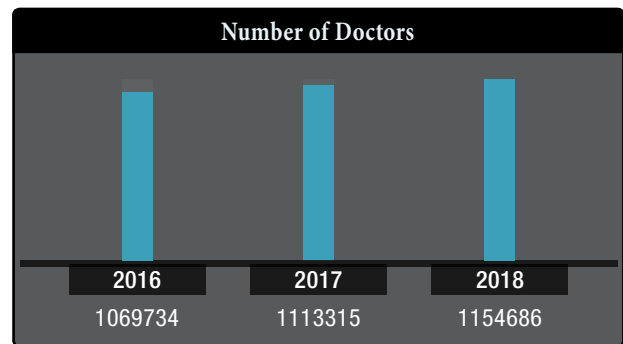
As a percentage of GDP, India's current healthcare expenditure falls behind not just developed countries such as the United States (the US) and the United Kingdom (the UK), but also behind various developing countries such as Brazil, Nepal, Vietnam, Singapore, Sri Lanka, Malaysia, and Thailand.

### Inadequate Healthcare Infrastructure

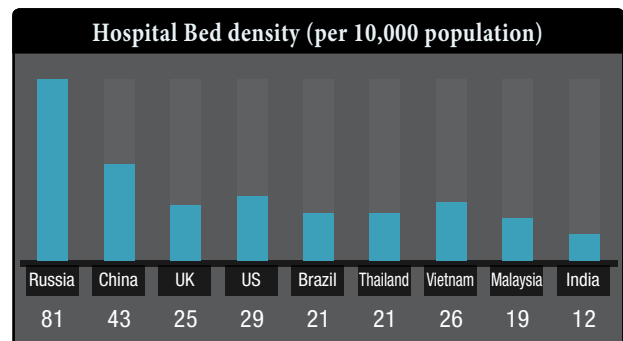
India which accounts for nearly a fifth of the world's population, has 12 beds per 10,000 people mainly in urban areas with the number being far lower in rural areas. India's bed density not only falls far behind the global median of 29 beds, it also lags that of other developing countries such as Brazil (21 beds), Malaysia (19 beds), and Vietnam (26 beds). As per a CRISIL report in 2015, India needs to invest ~₹14 tn (USD 230 bn) in order to meet the global average.

Over the last few decades, India has taken considerable steps to grow its medical educational infrastructure. In November 2020, the number of medical colleges in India increased to >560 from 412 in FY16. The number of doctors possessing recognized medical qualifications (under I.M.C Act) registered with state medical councils/medical council of India increased to 1,255,786 in September 2020 from 827,006 in 2010. According to a study, there is one Government doctor in India for every 10,189 people (a deficit of 6,00,000 doctors) The nurse-to-patient ratio is 1:483.

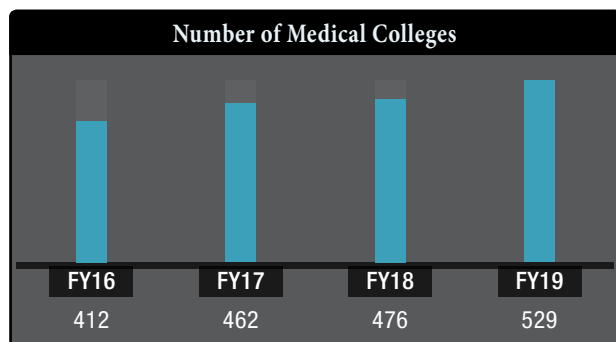
These statistics indicate the alarming gap in healthcare infrastructure in the country and the tremendous growth potential the sector offers.



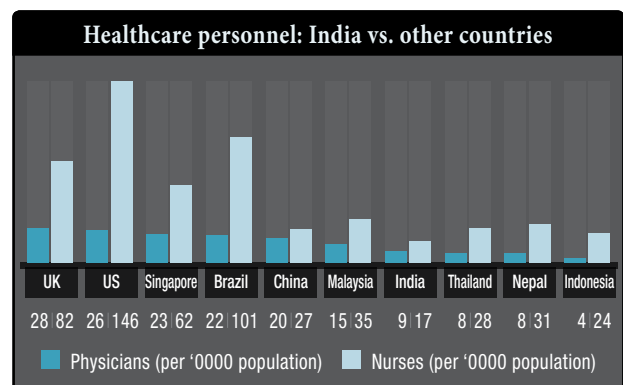
Source: Tracking Universal Health Coverage – 2017 Global Monitoring Report, World Bank Database, CRISIL Research



Note: India bed density is estimated by CRISIL Research. Source: Tracking Universal Health Coverage – 2017 Global Monitoring Report, World Bank Database, CRISIL Research



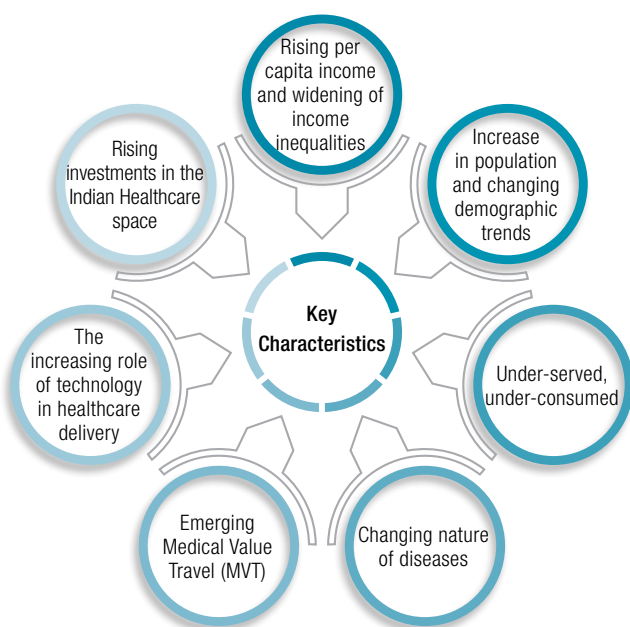
Source: Tracking Universal Health Coverage – 2017 Global Monitoring Report, World Bank Database, CRISIL Research



Source: WHO World Health Statistics 202

## Key Characteristics

A combination of economic and demographic factors is expected to drive healthcare demand in India. This industry in India is broadly characterized by the following:



### *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. With the country already witnessing a steady economic growth, the per capita income of its population as well as the economic stability of the expanding middle class Indian, is on the rise. This changing scenario and the accompanying demands, has improved affordability and access to better healthcare facilities for millions of upwardly mobile Indians.

India's per-capita income, a broad indicator of living standards, clocked a healthy ~5% CAGR, from Rs. 63,462 in fiscal 2012 to Rs. 94,954 in fiscal 2020. Growth in per-capita income has been led by better job opportunities, propping up overall GDP growth while the population growth has remained fairly stable at a ~1% CAGR.

	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20PE
Per-capita net national income (₹)	63,462	65,538	68,572	72,805	77,805	82,931	87,828	92,085	94,954
On-year growth (%)	2.1	3.3	4.6	6.2	6.7	6.8	5.9	4.8	3.1

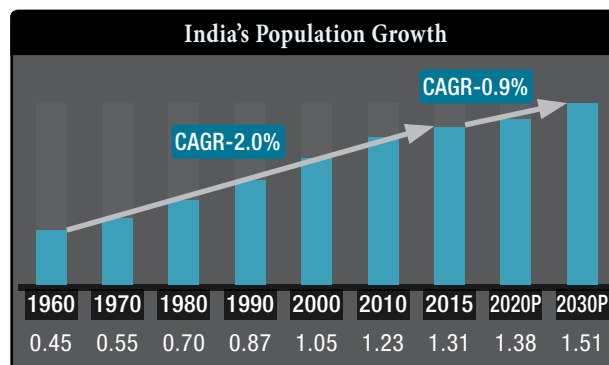
PE: Provisional estimates. Source: Provisional Estimates of Annual National Income, 2019-20, CSO, MoSPI, CRISIL Research

Due to increasing affordability, consumers are demanding and willing to pay for superior healthcare services. However, even as India continues to develop, the country is witnessing a widening of income inequalities. Low per capita income, minimal expenditure on healthcare, and a poor number of doctors coupled with muted insurance penetration in rural areas, account for wide disparity in healthcare offerings between urban and rural areas. Also, the inequality is becoming increasingly apparent even within the same city. People from the different socio-economic groups fall into unique baskets typified by varying healthcare needs. Each of these presents a market in terms of the addressable value proposition.

The enhanced affordability in a segment of the population, due to rising income levels, supports the need for quality medical care at a relatively higher price. Growth in household incomes, and consequently, disposable incomes, is, therefore, critical to the overall growth in the demand for healthcare delivery services in India.

### *Increase in Population and changing demographic trends*

According to the 'World Urbanization Prospects: The 2018 Revision' by the United Nations, India and China, the top two countries in terms of population, accounted for nearly 37% of the world's population in 2015. The report projects that India's population will increase at 1% CAGR to 1.5 billion by 2030, making it the world's most populous country, surpassing China with 1.4 billion people. India's 1.3 billion population base offers a sizable market and pertinent growth opportunities for health care services in the country. As per the National Health Profile 2018, 54.6% of India's population falls in the age group of 20 to 59 years - a productive demographic group with distinct advantages which is likely to propel India towards being ranked among the world's most developed economy in the next decade. This group expects and is willing to pay for modern and superior quality healthcare services for both treatments and wellness.



P – Projected. Source: World Urbanization Prospects: The 2018 Revision, United Nations, CRISIL Research

While the population of India seems considerably young, there is a parallel elderly population of 60 plus, that is growing. The rise in numbers in this segment combined with rising life expectancy, is another proponent for quality healthcare. Socio-demographic factors in the country, therefore, are expected to boost healthcare services demand in the future.

### *Under-Served, Under-Consumed*

India's healthcare space is under-served due to the absence of credible infrastructure. This scenario is the result of decades of under-investment in the health sector. In addition to this, the domestic healthcare delivery infrastructure is largely skewed by the organized private sector which has presence primarily in 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, although making healthcare affordable and accessible to all citizens of the country is one of the Government's key focus areas. In terms of infrastructure, India has 12 hospital beds whereas USA has 29 beds to serve per 10,000 populations. 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.

### *Transition in disease profile*

India has witnessed extensive change in the overall disease profile of its population. The share of death for communicable, maternal, neonatal, and nutritional diseases decreased to 27.5% in 2016 from 53.6% in 1990 and that of non-communicable diseases increased to 61.8% in 2016 from 37.9% in 1990. This shift in the disease profile has led to an additional need for healthcare services in the country. Non-communicable diseases tend to be of long duration, increasing the need for sustained healthcare services. Due to increased urbanization, the incidence of lifestyle diseases is anticipated to increase faster than any other segment. Within the lifestyle space, cancer is one of the fastest growing ailments.

Transition in disease profile	1990	2016
Share of communicable, maternal, neonatal and 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

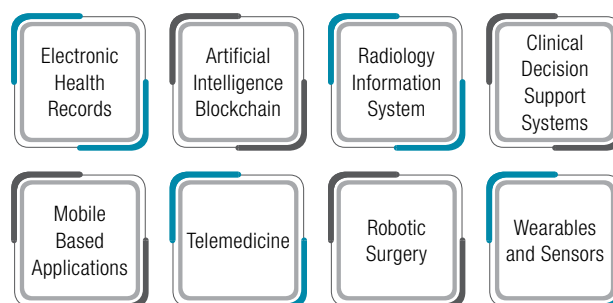
### *The increasing role of technology in healthcare delivery*

The healthcare industry, like other industries, is constantly evolving in terms of technology. Developments in information technology have helped create systems that ensure faster and reliable services. While, on the one

hand, these systems help increase reach and quality of healthcare delivery systems across the country, on the other, they enable healthcare delivery providers to improve efficiency by helping in resource planning, maintenance of patient records, etc.

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

### *Emerging Technologies in Healthcare Delivery*



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 which span patient engagement, physician engagement, field force effectiveness, R&D efficiency and supply chain management. As the pace of digital innovation in healthcare accelerates, so do the opportunities for healthcare service delivery institutions across India who are willing to embrace the digital health space over the coming years. CRISIL Research expects that the advent of 5G, smartphone penetration, and an increasingly health conscious population, will deepen digital healthcare penetration.

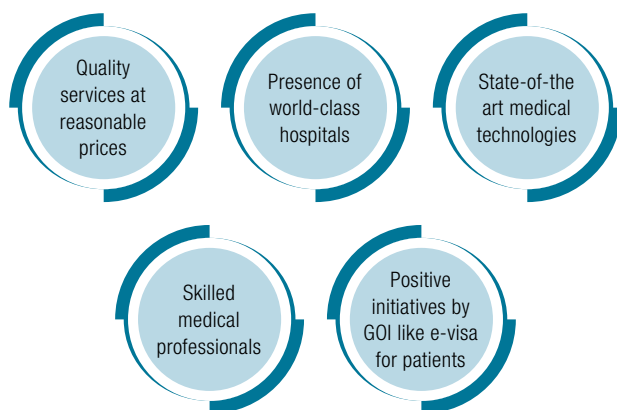
### *Scaling up of Medical Value Travel (MVT)*

**"Affordable and quality treatment makes India  
a favored destination"**

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 therapy, to the



range of procedural and treatment options, infrastructure and skilled manpower, care and compassion, to minimal waiting time 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 expensive and delicate surgeries like cardiac bypass, solid organ transplants, joint replacements, dental services, cosmetic surgeries and bariatric surgery. The cost of travel and accommodation is also low as compared to developed nations. India also attracts medical tourists from other developing nations due to the lack of advanced medical facilities in many of these countries. Government estimates suggest that the size of the medical tourism market would grow substantially by the next fiscal from a size of 3 billion USD in 2015.



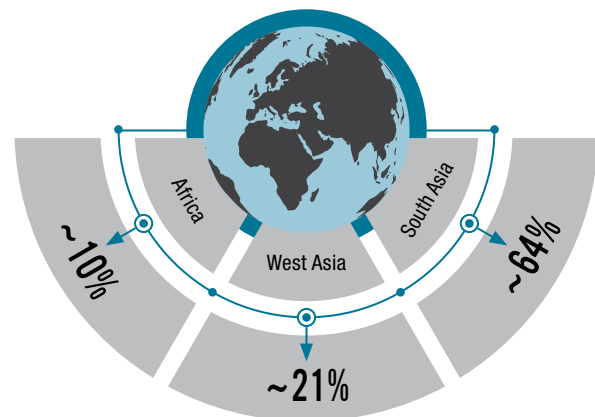
#### Cost advantage – India compares favorably with regional peers

Ailments (USD)	USA	UK	Thailand	Singapore	Korea	India
Heart Surgery	1,00,000	40,000	14,000	15,000	28,900	5,000
Bone Marrow Transplant	2,50,000	2,90,000	62,000	1,50,000	NA	30,000
Liver Transplant	3,00,000	2,00,000	75,000	1,40,000	NA	45,000
Knee Replacement	48,000	50,000	8,000	25,000	19,800	6,000
Dental Implant	2,800	NA	3,636	1,500	4,200	1,000

Source: CRISIL, FICCI, JCI

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.

#### Indian medical tourism originating countries

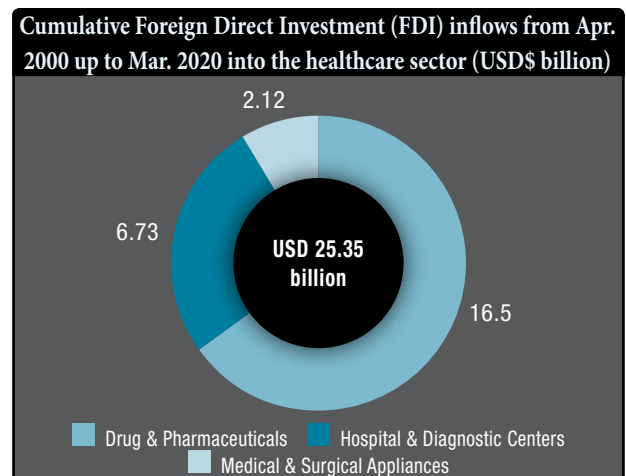


Source: CY17 CRISIL; Ministry of tourism

#### Rising Investments in the Indian Healthcare space

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 great level of interest for 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.



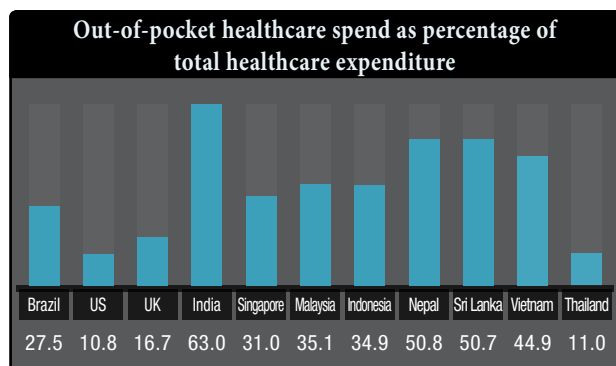
Source: CRISIL Research

The Government of India's decision to allow 100% FDI in the hospitals sector led to a significant increase in investment from overseas funds. 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

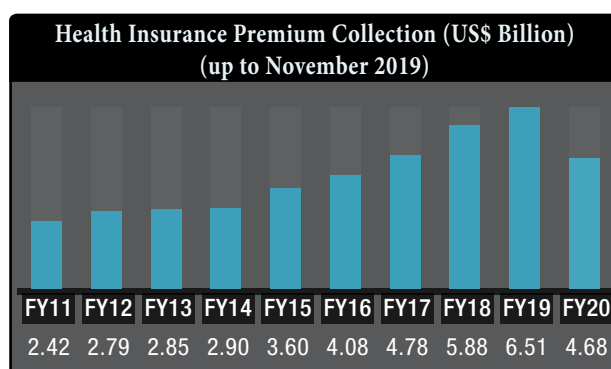
Health insurance encourages demand for healthcare services as the insured pays a premium for the policy which is reimbursed by the insurer in case he/she has to undergo treatment on account of illness, sickness or disease. The insurance, to an extent covers the health expenses of an individual and reduces his/her burden of healthcare costs. Therefore, an increase in health insurance market will drive up demand for healthcare services.



Source: Global Health Expenditure Database–World Health Organisation, CRISIL Research

In India, out-of-pocket (OOP) expenditure on health accounted for nearly 63% of total health expenditure as of 2018; the highest among many other countries. Nearly 25% of the rural population and 18% of the urban population is dependent on borrowings for funding their healthcare expenditure. Also, nearly 68% of the rural population and 75% of the urban population use their household savings on healthcare related expenditure. Health expenditure contributes to nearly 3.6% and 2.9% of rural and urban poverty, respectively, annually putting an estimated 60 to 80 million people into poverty due to healthcare-related expenditure. However, Pradhan Mantri Jan Arogya Yojana (PMJAY), is expected to promote healthcare affordability and reduce healthcare expenditure to some degree, especially for the deprived population.

Low health-insurance penetration is one of the major impediments to the growth of the healthcare delivery industry in India, as affordability of quality healthcare facilities by the lower-income groups remains an issue. Health insurance coverage has increased from 17% in fiscal 2012 to 36% in fiscal 2020. As per the Insurance Regulatory and Development Authority (IRDA), nearly 499 million people have health insurance coverage in India (as of fiscal 2020), as against 288 million (in fiscal 2015), but despite this robust growth, the penetration in fiscal 2020 stood at only 36%. The growing incidence of disease coupled with low Government funding has led to an increase in the financial burden for healthcare among the general public. Against a backdrop of rising healthcare costs, this underscores glaringly, the crying necessity for larger health coverage for the populace.



Source: GIC

Schemes providing health insurance coverage to corporate employees are further helping market penetration of insurance players. Government-funded health insurance options are relatively less attractive as compared to those offered by private players, indicating private insurance coverage will grow at a higher rate. Given that a majority of Indians are not covered under a health insurance scheme, augurs well for the future growth of the health insurance segment in India.

## SWOT Analysis

**S**

### Strengths

- ▶ Widespread network
- ▶ High brand salience
- ▶ Proficient medical team with rich medical expertise
- ▶ Comprehensive offerings
- ▶ Technological experience

**W**

### Weaknesses

- ▶ Capital intensive nature of industry
- ▶ Scarcity of experienced doctors and skilled medical professionals
- ▶ Intensive regulatory requirements
- ▶ Heterogeneous markets

**O**

### Opportunities

- ▶ Medical value travel
- ▶ Changing demographics
- ▶ Enhanced access and lower cost of delivery through digital solutions
- ▶ Changing formats and consumer preferences
- ▶ Preventive health and wellness
- ▶ Underserved and poorly-served markets

**T**

### Threats

- ▶ Heightened competitive intensity
- ▶ Changes in government regulations
- ▶ Increasing cost of resources
- ▶ Shortage of skilled manpower

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## **Strengths**

### ***High Brand Salience***

Indraprastha Apollo Hospitals has built and maintained a strong leadership position in the Indian healthcare industry. As India's leading integrated healthcare provider, Indraprastha Apollo Hospitals is respected in the industry. This position is commensurate with its unrelenting focus on consumer needs and safety. It is resolute in maintaining leadership position by embracing innovative cutting-edge technology and clinical protocols. The reputation and trust built over the years is a strong asset, and continue to help the Group attract a large numbers of patients, very talented clinicians, and staff.

### ***Proficient Medical Team with Rich Medical Expertise***

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 Hospital's senior management team has established a strong eco-system which enables and motivates the staff in delivering a superior level of care.

The doctors at Indraprastha Apollo Hospital 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 Indraprastha Apollo Hospital continue to receive multiple accolades and awards at different healthcare forums due to their expertise in the field of medicine.

### ***Comprehensive Offerings***

Indraprastha Apollo Hospital 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 Hospital's breadth of service offerings successfully spans the entire value chain of healthcare services.

### ***Widespread Network***

Indraprastha Apollo Hospital 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 Hospital 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.

## ***Technological experience***

Since its inception, Indraprastha Apollo Hospitals has given utmost importance to continually enhancing and adopting newer technologies. The Company has remained at the forefront in outlaying necessary capital for embracing best available advanced medical technology. This approach has gone a long way in enabling Indraprastha Apollo Hospitals to provide seamless treatment to its patients.

Additionally, in order to provide patients smooth access to Indraprastha Apollo Hospitals services, the Company has built an integrated online platform called 'Ask Apollo', using which, patients enjoy several benefits like booking doctor appointments and scheduling online consultation for basic medical needs. Most recently, Apollo Hospitals has launched its advanced App, Apollo 24/7, which provides a platform for virtual consults with doctors, on-line access to integrated medical records and prescriptions, and the ability to fill prescriptions through Apollo Pharmacy.

## **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, need high investments. These intensive capital requirements become barriers to entry into the industry and to expand operations. In addition, maintenance and upgradation of medical treatment technologies also requires considerable recurring expenditure. It is observed that once an enterprise is able to manage the initial capex requirement to set up a facility, the subsequent task of balancing day-to-day expenditure with competitive prices for healthcare services is challenging. Therefore, the basic cost of setting up and running a hospital is considerably high and escalates break-even levels while stretching viability.

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

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

remuneration for qualified personnel. The availability of skilled professionals is therefore a challenge for setting up and running a healthcare institution profitably in India.

### ***Intensive Regulatory requirements***

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

From a regulatory point of view, there are many requirements, which can prove to be onerous when compared to global norms like single window clearance. Better understanding between the various regulatory authorities and healthcare service providers is necessary. It is important to understand that private healthcare service providers cannot be equated with other businesses. Healthcare service providers have to be viewed from the perspective of the important contribution that they are making in ensuring the general wellbeing of the community.

### ***Heterogeneous Markets***

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

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

## **Opportunities**

### ***Medical Value Travel***

Medical Value Travel (MVT) is a growing multi-billion-dollar industry and is likely to grow further due to the many benefits that it offers to patients. World-class hospitals, equipped with best-in-class technology, skilled medical professionals and low treatment costs have strengthened India's position as a preferred destination for medical tourism. Indian hospitals are able to offer superior services at comparatively lower costs. The assurance of quality healthcare facilities and cost-effectiveness are the two main factors that have

been attracting millions of patients from across the globe for medical treatment in India. Proactive steps taken by the Union Government like approving issuance of e-medical visas, have also contributed to the growth of medical value travel in the country.

### ***Changing Demographics***

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

### ***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 using digital technologies and telemedicine. Technological development in recent decades has opened up ways to reduce distribution costs and increase healthcare penetration. Such solutions will be most successful in extending connectivity to rural and remote areas and offering first-class care thus obviating the need to undertake lengthy travels to urban health centers.

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

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

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### *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 progression. 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**

#### *Heightened Competitive Intensity*

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

#### *Changes in Government regulations*

In the last few years, the Government of India has taken a number of positive initiatives, such as National Health Protection Scheme (NHPS) and Pradhan Mantri Jan Arogya Yojana (PMJAY), which have benefited the Indian healthcare sector. However, GST implementation had an adverse impact on health care service delivery costs and operating margins since hospitals are unable to utilize input GST credit on output services, as hospital services are under the exempt category.

The possibility of further regulatory interventions by Government agencies in the future is an existing challenge for Indian healthcare service providers.

### *Increasing cost of resources*

Healthcare service providers are required to deliver a reasonable return on invested capital growth to their shareholders. Controlling costs and finding ways to improve realizations seem to be the golden mean. However, input costs in healthcare have become significant and are expected to rise in the coming times due to increasing competition.

There is a substantial demand for certain finite resources such as land, quality medical professionals and equipment. Healthcare players also have to constantly enhance and adopt newer technologies which increases 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.

### *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 populations, 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**

Medical Value Travel has been gaining strategic importance given its ability to create employment, encourage cultural exchanges, improve positioning of the country by projecting its 'soft power' and earning foreign exchange. Patients across the globe seek better quality

and affordable health care options, availability of the latest medical technologies and accreditations, facilitation around hospitality services and minimal waiting time. India has been able to successfully emerge as one of the most affordable and best providers of healthcare among all medical tourism destinations. The country has been ranked in the top three destinations in Asia along with Thailand and Singapore. Indraprastha Apollo Hospital is the flagbearer in the medical value travel space as it has been catering to patients from across the globe. Indraprastha Apollo Hospital provides state-of-the-art medical facilities and cutting-edge technologies, and has been attracting International patients in large numbers. The hospital has a stellar track record of providing better clinical outcomes when compared to the best institutions in the world, at a fraction of the International costs.

Indraprastha Apollo Hospitals has been providing a wide range of high-quality services to patients from various countries, including Preventive Health Checks, Organ Transplantations (kidney, liver, and cornea transplants), Robotic Surgeries, Cancer Treatments, Joint Replacement Surgeries, Cosmetic Procedures, Eye Procedures, Brain and Spine Surgeries, and so on. The hospital has successfully attracted large number of patients from countries like Pacific Islands, Afghanistan, Bangladesh, Iraq, Kenya, Nigeria, Ethiopia, Oman, Yemen, Sri Lanka, Uzbekistan, Myanmar and Nepal. The Company has entered into various agreements with the Ministries of Health of several other countries to treat patients referred by them.

The Government of India has launched a number of initiatives to promote medical tourism, which is helping improve India's image as a preferred destination for medical tourists. Initiatives such as facilitating visa on arrival and e-medical visa have made the modalities of admitting foreign patients a lot easier. The Niti Aayog Yojna has identified Medical Value Travel as one of the major growth drivers and a major source of forex earning. Indraprastha Apollo Hospital has been leading advocacy in this area and has been working closely with the Indian Government, to ensure seamless implementation of new policy initiatives. The Apollo Hospitals Group has also collaborated with the Ministry of External Affairs of the Government of India to train doctors and paramedics from Africa. On the whole, today, Indraprastha Apollo Hospital considers itself well placed to capitalize on the opportunity created by the country's growing Medical Value Travel segment.

### **Apollo 24/7**

Apollo 24/7 is Indraprastha Apollo Hospitals' new direct-to-patient M-Health platform which follows and guides the entire patient engagement cycle – from scheduling

a doctor's appointment, virtual consultations, health checks, diagnostic services, anytime-anywhere access to electronic health records, as well as chat-bot based assistance. The App also provides the facility to order medicines online and get them delivered at home.

Apollo 24/7 is a fully integrated offering to track a person's entire medical health and wellness journey. It starts with a virtual consultation with an Apollo certified doctor, from the safety of one's own home. 2,500+ doctors are on the Apollo 24/7 Tele-consultation platform covering 60 specialties for round the clock service. The program offers a quick path to Apollo's Emergency Services should one need it and top quality diagnostic services round the clock, even at one's doorstep. The technicians are well trained, clinically efficient, courteous, and friendly to the consumer.

Apollo 24/7 is an omni channel solution and is health safe for PHR. It is the only comprehensive condition management solution in India which blends wellness and clinical advisory services. It is also the only platform that can leverage on-line and off-line records to provide AI based predictions.

### **ProHealth**

At Indraprastha Apollo Hospitals, we give 'Care' the same importance as 'Cure'. Preventive Health has been a key focus area for us when we first introduced Master Health Checks. Drawing on this experience and learning, we have launched Apollo ProHealth, a proactive Health Management program. A first of its kind, this holistic, comprehensive health program, is powered by pHRA (personalised Health Risk Assessment), enabled by Artificial Intelligence. ProHealth empowers individuals and businesses with actionable health analytics, to know and eradicate health risks through appropriate clinical and lifestyle interventions. Driven by technology, the program also offers a personal Health Mentor as guide. We plan to create awareness regarding these preventive health initiatives amongst a wide section of people in the urban areas using mobile clinics. Well equipped with high-end technology for advanced screening of NCDs, the Samsung-Apollo Mobile Clinic will drive awareness on NCDs and facilitate early detection and preventive screening.

Non Communicable Diseases, including cardiovascular diseases, cancers, chronic respiratory diseases, and diabetes, which account for about 60% of all deaths in India, can be prevented or managed by making appropriate lifestyle changes, if diagnosed early. It is critical to undergo regular health check-ups to detect NCDs at an early stage to avoid future health related complications.



COVID-19 has brought the importance of good health to the fore. While over 80% of those affected have only mild symptoms and show good recovery, the prognosis is poor in patients with obesity, diabetes, hypertension, cardiac diseases and respiratory diseases - Studies have shown that 90% of hospitalized COVID-19 patients have one of these underlying conditions. These findings underscore the importance of good health in promoting a strong immune system to help fight off disease. These predictive and precautionary healthcare tools will help Predict, Prevent, and Overcome the ill effects of NCDs and mitigate potential health issues at an early stage.

### Infection Control and Environment

The Infection Prevention and Control Program has been an integral part of our organization since its inception. Reducing the preventable part of health care associated infections (HCAI) is central to our program. Our healthcare indices currently are 0.62 for CLABSI (central-line associated bloodstream infections), 1.41 for VAP (ventilator associated pneumonia) and 1.01 for CAUTI (catheter associated urinary tract infections) per 1000 device days respectively through implementation of 'bundles' with other preventive measures and are comparable to international healthcare centers.

Antimicrobial Stewardship Program forms a major focus for the Program and aims at judicious use of antimicrobials. Periodic review of antimicrobial guidelines is carried out along with strict vigilance of highly restricted antimicrobials which are issued by Pharmacy upon clearance from Infection Control after necessary interaction with the treating team. Newer antimicrobials are allowed to form a part of our in-house hospital formulary only after evaluation of scientific evidence. Syndromic molecular array panels that are being carried out, aid in identifying infections early and initiating appropriate antimicrobials in a timely manner. Emphasizing the need for antimicrobial stewardship during the COVID era, these aspects have been reinforced for rational use of antimicrobials including antifungals.

Efforts continue towards increasing hand-hygiene through innovative tools so as to spread the message not only hospital-wide but also other medical institutions and the community also, in this most important hygiene aspect.

Strict infection control practices have become all the more imperative in the COVID era, whether it is to do with direct patient-care or with diagnostics. We were amongst the first corporate healthcare institutions who were given permission for diagnostics (RT-PCR) as we already had a structured infrastructure for Molecular Microbiology. Moving forward, we had to address newer challenges in terms of preventive engineering adjustments with appropriate pressure gradients in segregated work-areas

and biomedical waste management. With the cases on the surge, the increased sample load was managed in real-time by upgrading resources in the form of equipment as well as training and diverting our existing non-COVID staff towards the COVID areas. The real-time data is being shared with Government authorities.

The creation and implementation of standard operating procedures for the staff involved in direct patient activities was taken up on priority so as to ensure safety for them and the patients. The challenges posed have been overcome with the timely response of recreating process flows into existing facilities as well as creating new facilities with specific environmental changes. Repeated training activities and competency checks along with counselling have helped overcome the psychological barriers and helped motivate our re-deployed or newly recruited staff. The training activities encompass retraining on hand-hygiene, safe PPE use, respiratory and mask etiquette and orientation to staff and patient flow in different areas. The evolution of our Infection Control Program continues to strive for infection prevention in healthcare facilities, and focus upon the safety of staff, patients and attendants. It also disseminates awareness in the community, catering to the needs of the state and the nation during COVID pandemic.

### 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
Hospital Management Asia	Talent development– We care for our warriors
Apollo Innovation	Best HR practices– We care for our warriors
AHPI Healthcare Excellence Award 2021	COVID Management

### Risks and Concerns

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 had constituted a Risk Management Committee to identify elements of risk in different areas of operations and to develop a policy for actions associated to mitigate the risks. The Committee on a timely basis informed the members of the Board



about risk assessment and minimization procedures and in the opinion of the Committee there was no risk that may threaten the existence of the Company.

The 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 & other factors affecting demand
- ▶ Increasing costs of wages, materials, transport & storage
- ▶ Labor shortages and attrition of key staff including medical professionals
- ▶ 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 Company has moved an Interlocutory Application before the Hon'ble Supreme Court seeking a direction that the conditions relating to provision of free treatment facilities for patients belonging to indigent category to the extent of 10% IPD and 25% OPD be made applicable to the Company as have been made applicable in case of other hospitals. Additionally, the Company has also made representations before the Govt. of NCT of Delhi to allow the Company to extend free treatment including medicines and consumables up to 10% IPD and 25% OPD as applicable to other hospitals.

- ▶ 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.

## Internal Control Systems and their Adequacy

Indraprastha Apollo Hospital is committed to maintaining high standards of internal controls throughout its operations. An adequate and synchronized internal control framework deploys a well-designed robust system which allows optimal use and protection of assets, facilitates accurate and timely compilation of financial statements and management reports. Additionally, it also ensures compliance with

statutory laws, regulations and company policies.

At Indraprastha Apollo Hospital, the management is responsible for assessing 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

Due to the COVID Pandemic, the financial performance of the Company has declined in the financial year 2020-21. The total revenue declined from ₹ 8314.55 million in the financial year 2019-20 to ₹ 6140.60 million in the financial year 2020-21.

The Profit Before Tax for the financial year 2020-21 stood at ₹ 42.89 million as compared to profit of ₹ 481.92 in the previous year. The Profit After Tax for the financial year 2020-21 stood at ₹ 23.29 million as compared to profit of ₹ 436.24 in the previous year.

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

#### Year Ended March 31, 2021

Particulars	31.03.2021	31.03.2020	increase (decrease)	% increase (decrease)
Discharges	39,452	56,969	(17,517)	-31%
Revenues per patient (₹)	1,55,475	1,45,828	9,647	7%
Average length of stay (days)	3.59	3.29		
Out-patients	2,15,858	4,90,042	(2,74,184)	-56%
Revenue per bed day (₹)	43,312	44,333	(1,021)	-2%

### Key Financial Ratios

There are significant changes (i.e. change of 25% or more as compared to the previous financial year) in the key financial ratios viz., Return on Net Worth, Operating Profit and Net Profit Margins attributed mainly due to reduction in profitability due to COVID-19 pandemic.

Key Ratios	FY 2020-21	FY 2019-20
Return on Net worth (%)	1%	16%
Operating Profit Margin (%)	1%	6%
Net Profit Margin (%)	0%	5%

## Human Resources

Values defines a company. Indraprastha Apollo has always been a family, working together, crossing hurdles together, and notching up victories together. The Company's core values hold and unite the people for a common purpose. They exemplify what is fundamentally the Apollo culture which is what makes Apollo one of the leading healthcare providers in the world.

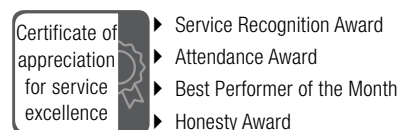
Indraprastha Apollo Hospital which has always given utmost importance to excellence and innovation in the field of healthcare continues to place its focus on its most valued resource, its employees. The institution has always understood the importance of having a highly skilled workforce, which is proficiently trained to provide the highest standard of care.

In addition to the high level of skills, commitment and professionalism of its people, Indraprastha Apollo Hospital strongly believes that proper management of human resources is extremely critical in providing high quality healthcare. The Company has therefore built an effective Human Resources department which supports the business in achieving sustainable and responsible growth. Indraprastha Apollo Hospitals has always strived hard in developing its workforce and building the right capabilities in the organization. It continues to focus on progressive employee relations policies, creating an inclusive work culture and building a strong talent pipeline. The Human Resources function contributes to the success of Indraprastha Apollo Hospital and its employees through leadership, service and excellence in human resource management. The Human Resources department at Indraprastha Apollo Hospitals has been playing an important role in creating a conducive work environment for its employees and supports them throughout their employment life cycle.

The total number of employees in the Company as on 31<sup>st</sup> March, 2021 was 2783 as against 3215 employees in previous year. The Company has also engaged contractors for various support services in the Hospital and they have deployed 923 workers as against 1052 workers in the previous year. Besides the above, there are Consultant Doctors who work on a 'Fee for Service' basis.

## Rewards and Recognition

Rewards and Recognition is an integral part of the Organization's culture which believes that a satisfied individual contributes more. Consistent efforts are taken by the Company to recognize and reward its employees for their contributions.



## Cautionary Statement

Some of the statements in this Management Discussion and Analysis that describe the Company's objectives, projections, estimates, expectations and predictions may contain certain 'forward looking statements' which are within the meaning of applicable laws and regulations. These statements and forecasts involve risks and uncertainty because they relate to events and depend upon circumstances that may occur in the future. There are a variety of factors that may cause real events or trends to vary significantly from those reflected or implied by these forward-looking statements and predictions. Important developments that could impact Company's performance include increased material costs, technology developments, significant changes in the political and economic environment, tax laws and labor relations.

## For and on behalf of the Board

**Jasmine Shah**  
**Chairman**  
**(DIN 08621290)**

**Place: New Delhi**  
**Date : 9<sup>th</sup> August, 2021**

# BUSINESS RESPONSIBILITY REPORT

## SECTION A 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	<a href="https://delhi.apollohospitals.com/">https://delhi.apollohospitals.com/</a>
E-mail id	imclshares@apollohospitalsdelhi.com
Financial Year reported	2020-21
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: <ul style="list-style-type: none"> <li>♦ Sarita Vihar, New Delhi</li> <li>♦ Sector 26, Noida (UP)</li> </ul>
Markets served by the Company - Local/State/National/International	National Capital Region, India

## SECTION B Financial Details of the Company

Paid up Capital (INR)	₹ 916.73 million
Total Turnover (INR)	₹ 6140.60 million
Total Profit after taxes (INR)	₹ 23.29 million
Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	36.79%
List of activities in which expenditure in 4 above has been incurred	<ol style="list-style-type: none"> <li>1. Community Development</li> <li>2. Healthcare</li> <li>3. Education and Skills Development and</li> <li>4. Promote Research in Healthcare</li> </ol> <p>For details on CSR programmes, please refer the annexure on CSR which also forms part of Annual Report.</p>

## 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	+91-11-71792108
e-mail id	md_delhi@apollohospitalsdelhi.com

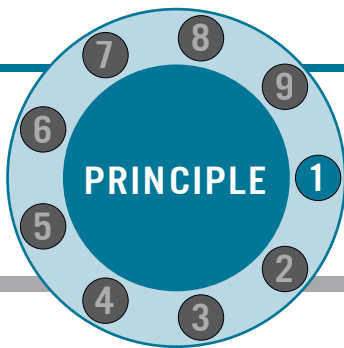
## 2a. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

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) Quality of healthcare guidelines issued by JCI and NABH. 3) Environment Guidelines as per ISO 14001 and Ministry of Environment and Forest.								
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.								

SECTION D

Business Review Information

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="https://delhi.apollohospitals.com/">https://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?	Yes
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.
<b>2b. If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options) — Not Applicable</b>		
<b>3. Governance related to Business Responsibility (BR)</b>		
1	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.
2	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Annually  <a href="https://delhi.apollohospitals.com/downloads/IMCL-Annual-Report-2020-21.pdf">https://delhi.apollohospitals.com/downloads/IMCL-Annual-Report-2020-21.pdf</a>



# 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 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, Stakeholders Relationship Committee and Risk Management 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 an organization.

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 to 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 an 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 has constituted a Risk Management Committee of Directors 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.

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## Ethics and Integrity

We adhere to all applicable statutes in letter and in 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.

## Anti-Corruption and Bribery

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

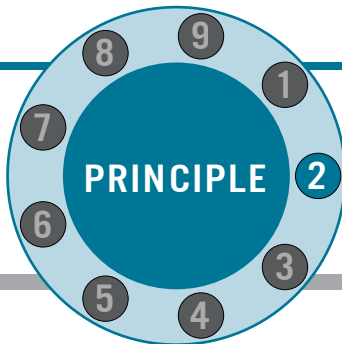
transparency in all its operations and in the services it provides in accordance with the highest standards of corporate governance and business ethics. However, if due to any unprecedented reason, stakeholders find that there is / are reason(s) to improve, they are encouraged to report the same.

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.

The feedback of our internal and external stakeholders is important for us to strengthen the relationship with our stakeholders. We received 65 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, we invite tenders or proposals to award 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.

### Risk Management

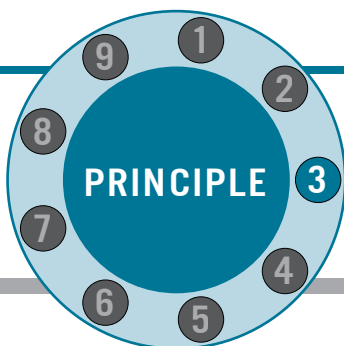
Transparent risk management policies which can reduce or mitigate business risks and potential internal and external conflicts of interest.

### 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 equipment 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

At 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 consumers into our hospitals. We believe, that superior patient 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 results in a positive outcome 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	963
Number of permanent female employees	1820
Total number of employees on roll	2783
Number of male employees with disabilities	None
Number of female employees with disabilities	None
Total number of contract employees	923
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	9	1

### Average Training Hours (ATH) per employee during the Financial Year:-

S.No.	Category	ATH per employee
1	Nursing	108
2	Others	23.6
3	Contract Staff	23

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 the appropriate 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 critical factors for the organization to succeed.

## Awards and Recognitions

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

Award	Category/Project Awarded
Hospital Management Asia	Talent development–We care for our warriors
Apollo Innovation	Best HR practices–We care for our warriors
AHPI Healthcare Excellence Award 2021	COVID Management

## Employee Health & Safety

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

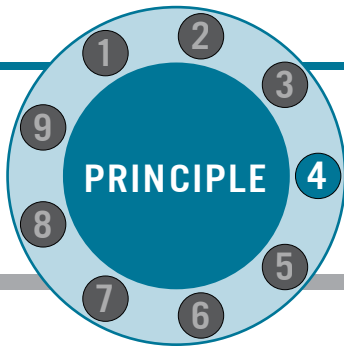
He said, "The new challenge that we will face in terms of NCDs - Diabetics, Heart Disease and Cancer are severe and we at Apollo Hospitals will take several steps in the coming years to address it."

## 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.

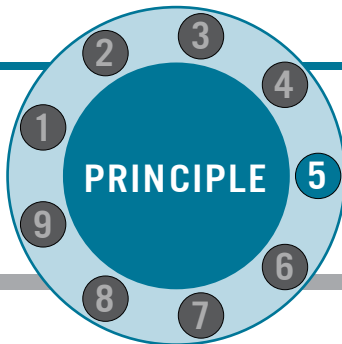
For us, Stakeholder engagement is about managing relationships with our stakeholders in an efficient and effective manner. This not only helps us in identifying opportunities but also in assessing emerging risks

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 at Indraprastha Apollo Hospitals to address these concerns, monitor, and ensure that they are addressed in a timely and efficient manner.

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

*“Healthcare 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 opportunity is 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 cantered on the needs of individuals, and offer equitable access to quality healthcare for all.

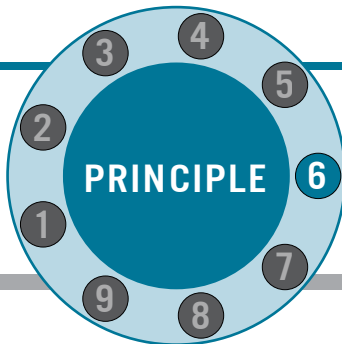
Dr. Prathap C. Reddy first set up Apollo Hospitals with the firm conviction that every person has an undisputed fundamental right to quality healthcare regardless of geographic location or economic status

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- 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 the 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:

- ◆ analysing 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 in-house 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

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medical equipment, 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 chemical spills reported.

## Water Harvesting

Water for all 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 channelling the excess rain/storm water into harvesting pits across the premises; and effective utilization with proper filtration.

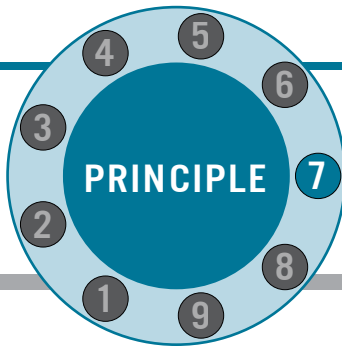
- ◆ Conservation of water by reuse of dialysis RO rejected water and drinking RO rejected water.
- ◆ Water conservation in western toilets by removing single push button.
- ◆ Reuse of water generated from sanitary and house-keeping for gardening purpose.

## 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: -

- ◆ New Effluent Treatment Plant (ETP) was installed for laundry and commissioned successfully for treating and recycling laundry effluent water with a capacity of 150 KLD. Through this system we are able to re- use 100 KL of water in Laundry and 20 KL for boiler.
- ◆ Reduction in PNG Consumption by installing and utilizing the PNG operated tumblers and calendar machines in laundry which is resulting in better efficiency.
- ◆ Motion Detectors were installed in 11 new areas of the hospital.
- ◆ Partial power purchase through bilateral agreement.



## 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.

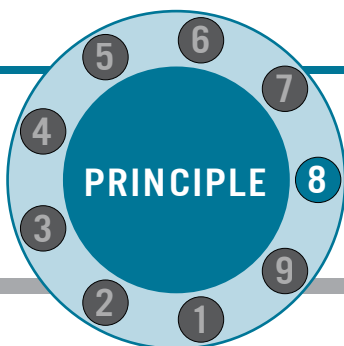
Health and human rights are interrelated. When human rights are promoted, health is promoted. When human rights are violated, there are devastating health consequences for both the individual and the community. Implicit in the concept of human rights is the principle of dignity and worth of every human 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

### Project 'A Healthy Start'

Under 'A Healthy Start', Indraprastha Apollo Hospitals has endeavoured to improve hygiene and sanitation levels amongst school children, especially girls. The project was envisaged to improve awareness, understanding and uptake of personal hygiene and community sanitation. The hospital developed new toilet blocks at four MCD run schools in proximate areas of the hospital - Molarband and Badarpur.

The project continues to support the maintenance and cleaning of toilets by cleaning staff appointed by the Company for the four MCD project schools. This was undertaken on a 50% basis as schools had not opened for children. Since the schools were redeployed for the use of distribution of food and rations, the hospital continued to provide support albeit in a scaled back manner.

### Art in Education Initiative by Nalandaway Foundation

The 'Arts in Education' program is a path-breaking initiative that helps children in all areas of development. A carefully curated curriculum specially designed by academicians, artists, learning experts and education officials, aims to benefit the child's overall growth including physical, social, cognitive, emotional and imagination.

Now in its sixth year, the project has shown increase in cognitive, emotional and related skills in the baseline and end-line studies conducted. Further, teachers have also welcomed the program which in their view has perceptibly improved the learning abilities in children.

Owing to the Covid-19 induced shutdown of schools, the project pivoted and innovated. The art material was created in an 'At Home' format and the modules were handed over to children. Tracking of children's progress was monitored through periodic updates sought by teachers and program implementers through mobile phones.

This pivot helped in ensuring continuity of the program and helped offer the module in the home environment.

Additionally, the hospital helped create Art Labs which will be used by the schools and Nalandaway instructors for enhancing the learning experience through an immersive medium of the Labs. Hygiene kits in keeping with the prevailing pandemic situation were distributed through special camps organised in the partner schools.

### Health Camps for the Underprivileged

Indraprastha Apollo Hospitals has been extending its support to the citizens of Shakurbasti, New Delhi to help improve health parameters for the population. Through our implementing partner the Society for Educational Welfare and Economic Development (SEED) the hospital over the years has been able to improve the lives of thousands of people through regular health camps, awareness drives and specialised camps for women and children.

Indraprastha Apollo Hospitals runs and operates a Free Clinic in Jasola focusing on the poor and underprivileged. However, owing to the Covid-19 situation, this clinic could not be operated.

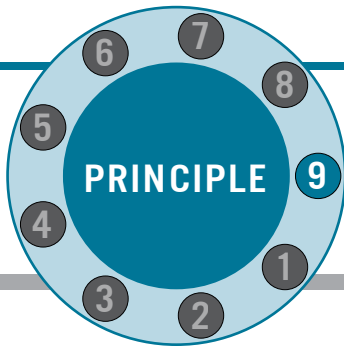


## Community Outreach Programmes

The hospital operates a comprehensive community outreach program that covers preventive health through activities in the community setting (in societies, through RWA's, social clubs etc.). The activities include Free Heart Check-up camps, Free ECG, BP, blood sugar and consultation with specialist doctors).

Social messages to boost the Covid-19 vaccination campaign from various senior consultants was recorded and uploaded on various social media platforms and distributed widely.

“Apollo Hospitals Meritorious Student Scholarship” was awarded to 38 students of Impact Paramedical and Health Institute working in the field of up-skilling and training of paramedical students.



## 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 Indraprastha Apollo Hospitals 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 CODE OF GOVERNANCE

The basic objective of the 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 global best practices of governance. Your Company believes that good Corporate Governance enhances the trust and confidence of all stakeholders.

Your Company reviews its corporate governance practices regularly to ensure they reflect the latest developments in this area, while suitably positioning itself to conform to global best practices. Your Company aspires to maximize shareholder wealth and is committed to the pursuit of excellence in all activities.

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

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

### Governance Structure

Company's Governance structure broadly comprises the Board of Directors ("the Board") and the Committees of the Board at the apex level and the Management Team at the operational level. This layered structure is a harmonious blend in governance as the Board sets the overall objectives, while giving direction to, and empowering Management to achieve the goals within a said framework. This creates an enabling environment for value creation through sustainable and profitable growth.

The Board plays a pivotal role in ensuring that the Company runs on sound and ethical business practices and that its resources are utilized for creating sustainable

growth and societal wealth. The Board operates within the framework of a well-defined responsibility matrix which enables it to discharge its fiduciary duties of safeguarding the interests of the Company, ensuring fairness in the decision making process and having oversight on the integrity and transparency in the Company's dealings with its Members and other stakeholders.

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

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

## 2. BOARD OF DIRECTORS

The Board has a healthy blend of executive and non-executive directors, and consequently ensures the desired level of independence in functioning and decision-making. Moreover, all the non-executive directors are eminent professionals, and bring the wealth of their professional expertise and experience to the management of the Company.

### (a) Composition of Board of Directors

As on 31<sup>st</sup> March 2021, the Board of Directors consisted of fifteen members comprising one Executive Director and fourteen Non-Executive Directors including eight Independent Directors.

The Chairman, 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) Number of Directorship(s), Committee Membership(s) / Chairmanship(s) of Directors

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) Declaration of Independence

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

### (d) Board Meetings

Four Board meetings were held during the financial year ended 31<sup>st</sup> March, 2021, on 23<sup>rd</sup> May, 2020, 24<sup>th</sup> August, 2020, 10<sup>th</sup> November, 2020, and 8<sup>th</sup> February, 2021. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 read with the Listing Regulations.

The Companies Act, 2013 read with the relevant rules made thereunder, now facilitates the participation of a Director in Board / Committee Meetings through video conferencing or other audio visual mode. Accordingly, the option to participate in the Meeting through video conferencing was made available for the Directors.

(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, 2021, are given herein below.

### Name of the Director and Category

Name of the Director and Category	Number 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. Jasmine Shah (Chairman/Non-Executive/ Promoter) DIN: 08621290	NA	NA	Nil	3	Nil	Nil	Nil
Dr. Prathap C Reddy (Vice Chairman/Non-Executive/ Promoter) DIN: 00003654	4	Yes	5	Nil	2	2	Apollo Hospitals Enterprises Limited – Executive Chairman
Ms. Suneeta Reddy (Non-Executive/Promoter) DIN: 00001873	3	Yes	Nil	5	1	6	Apollo Sindoori Hotels Limited – Director Apollo Hospitals Enterprises Limited – Managing Director
Ms. Sangita Reddy (Non-Executive/Promoter) DIN: 00006285	2	Yes	Nil	9	1	6	Apollo Hospitals Enterprises Limited – Whole Time Director
Mr. P. Shivakumar (Managing Director/Executive) DIN: 08570283	4	Yes	Nil	Nil	Nil	Nil	Nil
Mr. Satnam Arora (Independent) DIN: 0001066	4	No	Nil	3	Nil	1	Kohinoor Foods Limited-Joint Managing Director
Mr. S Regunathan (Independent) DIN: 00286505	4	No	Nil	1	Nil	Nil	Nil
Mr. Deepak Vaidya (Independent) DIN: 00337276	4	Yes	3	2	5	9	Strides Pharma Science Limited – Non-Executive Director and Chairman Solara Active Pharma Sciences Limited – Non-Executive Director and Chairman Bombay Oxygen Investments Limited – Director Spandana Sphoorty Financial Limited – Chairman (Non Executive Independent Director)

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

Name of the Director and Category	Number 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. Arun Rai (Independent) DIN: 07159822	4	No	Nil	1	Nil	1	Nil
Mr. Vinayak Chatterjee (Independent) DIN: 00008933	4	Yes	Nil	3	1	3	Apollo Hospitals Enterprise Limited – Independent Director
Dr. Menaka Guruswami (Independent) DIN: 08742679	4	Yes	Nil	Nil	Nil	Nil	Nil
Ms. Vineeta Rai (Independent) DIN: 07013113	4	Yes	Nil	Nil	Nil	Nil	Nil
Mr. Salil Singhal (Independent) DIN: 00006629	NA	NA	1	4	Nil	2	Somany Ceramics Limited – Director
Dr. Mahesh Verma (Non-Executive/Promoter) DIN: 08997324	NA	NA	Nil	Nil	Nil	Nil	Nil
Ms. Madhumita Ganguli (Non Executive) DIN: 00676830	4	Yes	Nil	3	Nil	4	CL Educate Limited – Independent Director

As on 31<sup>st</sup> March, 2021, none of the Directors on the Board hold the office of Director in more than ten Public Limited Companies, or Membership of Committees of the Board in more than ten Committees and Chairmanship of more than five Committees, across all companies. None of the Independent Directors of the Company serve as an Independent Director in more than seven listed companies and where any Independent Director is serving as whole time director in any listed company, such Director does not serve as an Independent Director in more than three listed companies.

The following changes have taken place in the composition of the Board after 31<sup>st</sup> March, 2021: -

- Mr. Vinayak Chatterjee (DIN: 00008933) has been re-appointed by the Board as an Independent Director for five consecutive years from 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2026, subject to the approval of the shareholders. He has been re-appointed as an Independent Director by the shareholders of the Company by way of Postal Ballot through e-voting on 23<sup>rd</sup> July, 2021.
- Mr. Udit Prakash Rai (DIN: 07573658) has been appointed as an Additional Director w.e.f 7<sup>th</sup> April, 2021. He has been appointed as a Director by the shareholders of the Company by way of Postal Ballot through e-voting on 23<sup>rd</sup> July, 2021.

- Mr. Vikram Bhat (DIN: 09076418) has been appointed as an Additional Director w.e.f. 7<sup>th</sup> April, 2021. He has been appointed as a Director by the shareholders of the Company by way of Postal Ballot through e-voting on 23<sup>rd</sup> July, 2021.
- Ms. Madhumita Ganguli (DIN: 00676830) has tendered her resignation as “Non-Executive Non-Independent Director” from the Board of Directors of the Company vide her letter dated 7<sup>th</sup> June, 2021. In view of the background, experience and contributions made by Ms. Madhumita Ganguli during her tenure as “Non-Executive Non-Independent Director”, it was felt that her continued association would be beneficial to the Company, and therefore, based on the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on 9<sup>th</sup> June, 2021, appointed Ms. Madhumita Ganguli as an Independent Director, subject to the approval of the shareholders, to hold office for five consecutive years effective from 9<sup>th</sup> June, 2021 to 8<sup>th</sup> June, 2026, not liable to retire by rotation. She has been appointed as an Independent Director by the shareholders of the Company for a period of five consecutive years effective from 9<sup>th</sup> June, 2021 to 8<sup>th</sup> June, 2026, by way of Postal Ballot through e-voting on 23<sup>rd</sup> July, 2021.

- Mr. Jasmine Shah (DIN: 08621290) (an Additional Director as on 31<sup>st</sup> March, 2021) has been appointed as a Director by the shareholders of the Company by way of Postal Ballot through e-voting on 23<sup>rd</sup> July, 2021.
- Prof. (Dr.) Mahesh Verma (DIN: 08997324) (an Additional Director as on 31<sup>st</sup> March, 2021) has been appointed as a Director by the shareholders of the Company by way of Postal Ballot through e-voting on 23<sup>rd</sup> July, 2021.
- Mr. Salil Singhal (DIN: 00006629) (an Additional Director as on 31<sup>st</sup> March, 2021) has been appointed as an Independent Director by the shareholders of the Company for a period of five consecutive years from 8<sup>th</sup> February, 2021 to 7<sup>th</sup> February, 2026, by way of Postal Ballot through e-voting on 23<sup>rd</sup> July, 2021.
- Ms. Vineeta Rai (DIN: 07013113) was on the Board of Directors of the Company as a Nominee Director of Govt. of NCT of Delhi since 7<sup>th</sup> November, 2014. On withdrawal of nomination of Ms. Vineeta Rai by the Govt. of NCT of Delhi as its nominee on the Board of Directors of the Company, she has tendered her resignation on 8<sup>th</sup> February, 2021. In view of the background, experience and contributions made by Ms. Vineeta Rai during her tenure as a Nominee Director of Govt. of NCT of Delhi, it was felt that continued association of Ms. Vineeta Rai would be beneficial to the Company. Therefore, based on the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on 8<sup>th</sup> February, 2021, appointed Ms. Vineeta Rai as an Additional Director and Independent Director, subject to the approval of the shareholders, to hold office for five consecutive years effective from 8<sup>th</sup> February, 2021 to 7<sup>th</sup> February, 2026, not liable to retire by rotation. She has been appointed as an Independent Director by the shareholders of the Company for a period of five consecutive years effective from 8<sup>th</sup> February, 2021 to 7<sup>th</sup> February, 2026, by way of Postal Ballot through e-voting on 23<sup>rd</sup> July, 2021.

#### (f) Availability of Information to Board Members

During the year 2020-21, information as mentioned in Part A of Schedule II of the Listing Regulations, has been placed before the Board for its consideration.

#### (g) Independent Directors' Meeting

A meeting of the Independent Directors was held on 3<sup>rd</sup> August, 2021, 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) Number of shares held by Non-Executive Directors

The number of shares held by Non-Executive Directors, in the share capital of the Company as on 31<sup>st</sup> March, 2021, is as under: -

Name of the Non-Executive Director	Number of shares held
Dr. Prathap C Reddy	237187
Ms. Suneeta Reddy	138293
Ms. Sangita Reddy	8600
Ms. Vineeta Rai	1

Note: None of the Directors was holding shares as on 31<sup>st</sup> March, 2021, in the share capital of the Company, except above named Directors.

The Company has not issued any convertible instruments.

#### (j) Relationships between Directors

Relationships between Directors inter-se is as given below:

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

None of the Directors are related to each other except as detailed above.

#### (k) Familiarisation programmes for Board Members

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://delhi.apollohospitals.com/>

#### (l) Skills / expertise/ competency of the Board of Directors

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.



The following skills / expertise/ competencies have been identified for the effective functioning of the Company and are currently available with the Board of Directors: -

1. Leadership
2. Operational experience
3. Strategic Planning
4. Industry Experience
5. Financial Management
6. Regulatory/Legal and Risk Management
7. Corporate Governance
8. Diversity

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
Mr. Jasmine Shah	✓	✓		✓	✓	✓	✓
Dr. Prathap C Reddy	✓	✓			✓	✓	
Ms. Suneeta Reddy	✓	✓	✓		✓		✓
Ms. Sangita Reddy	✓	✓			✓	✓	
Mr. P. Shivakumar	✓	✓	✓		✓		✓
Mr. Satnam Arora	✓			✓	✓		
Mr. S. Regunathan	✓	✓	✓	✓	✓	✓	✓
Mr. Deepak Vaidya	✓	✓	✓	✓	✓	✓	✓
Dr. Arun Rai	✓			✓	✓	✓	
Mr Vinayak Chatterjee	✓		✓	✓	✓	✓	✓
Ms. Menaka Guruswamy	✓			✓	✓		
Ms. Vineeta Rai	✓	✓		✓	✓		
Mr. Salil Singhal	✓			✓	✓		✓
Prof. (Dr.) Mahesh Verma	✓	✓	✓	✓	✓	✓	✓
Ms. Madhumita Ganguli	✓			✓	✓		✓
Mr. Vikram Bhat	✓		✓		✓	✓	✓
Mr. Udit Prakash Rai	✓	✓			✓	✓	✓

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

The Company 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.

Mr. Priya Ranjan, AVP - Corporate Affairs & Legal has been appointed as the Compliance Officer and is responsible for ensuring adherence to the Code by all concerned. A copy of the code of conduct has been posted on the Company's official website <https://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, 2021.

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

#### (n) Code of Conduct for Prevention of Insider Trading

The Company has adopted a 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). Mr. Priya Ranjan, AVP - Corporate Affairs & Legal serves as the Compliance Officer. All the Directors and Senior Management Personnel and such other designated employees of the Company who are expected to have

access to unpublished price sensitive information relating to the Company are covered under the said code. The Directors, their relatives, senior management personnel, designated employees etc., are restricted from purchasing, selling and dealing in the shares while being in possession of unpublished price sensitive information about the Company during certain prohibited periods. All Board Directors and the designated employees have confirmed compliance with the Code.

The Company has also formulated Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in compliance with the PIT Regulations. This Code is displayed on the official website <https://delhi.apollohospitals.com/>

### 3. AUDIT COMMITTEE

#### (a) Terms of reference

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

1. 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.
2. Recommend appointment, remuneration and terms of appointment of auditors, including cost auditors, of the Company.
3. Approval of payment to statutory auditors, including cost auditors, for any other services rendered by them.
4. 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:
  - (a) matters required to be included in the Directors' responsibility statement in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b) changes, if any, in accounting policies and practices and reasons for the same;
  - (c) major accounting entries involving estimates based on the exercise of judgement by management;
  - (d) significant adjustments made in the financial statements arising out of audit findings;
  - (e) compliance with listing and other legal requirements relating to financial statements;
  - (f) disclosure of any related party transactions;
  - (g) modified opinion(s) in the draft audit report.
5. Review with the management, the quarterly financial statements before submission to the Board for approval.
6. 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.
7. Review and monitor the auditor's independence and performance, and effectiveness of the audit process.
8. Approval or any subsequent modification of transactions with related parties of the Company.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the Company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12.
  - a) Review with the management, performance of statutory and internal auditors.
  - b) Review with the management adequacy of the internal control systems.
13. 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.
14. Discuss with internal auditors of any significant findings and follow up there-on.
15. 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 report the matter to the Board.
16. Discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as hold post audit discussion to ascertain any area of concern.
17. 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.
18. Review the functioning of the Whistle Blower mechanism / oversee the vigil mechanism.
19. Approval of appointment of Chief Financial Officer after assessing qualifications, experience and background etc. of the candidate.
20. Mandatorily review the following:
  - a) Management Discussion and Analysis of financial condition and results of operations
  - b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management
  - c) Management letters / letters of internal control weaknesses issued by the statutory auditors
  - d) Internal audit reports relating to internal control weaknesses

- e) Appointment, removal and terms of remuneration of the chief internal auditor
- f) Statement of deviations:
  - (i) 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.
  - (ii) 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) Composition, name of members and Chairperson

As on 31<sup>st</sup> March, 2021, the Audit Committee consisted of six Non-Executive Directors (including four Independent Directors) namely Mr. S. Regunathan, Ms. Suneeta Reddy, Mr. Satnam Arora, Mr. Deepak Vaidya, Ms. Vineeta Rai and Dr. Menaka Guruswamy.

The Board has reconstituted the Audit Committee on 19<sup>th</sup> April, 2021, consisting of six Directors namely Mr. S. Regunathan, Ms. Suneeta Reddy, Mr. Satnam Arora, Mr. Deepak Vaidya, Mr. Udit Prakash Rai and Ms. Vineeta Rai. Mr. S. Regunathan is the Chairperson of the Audit Committee.

Mr. Priya Ranjan, AVP - Corporate Affairs & Legal is the Secretary to the Audit Committee.

#### (c) Meetings of Audit Committee

The Audit Committee met four times during the year on 23<sup>rd</sup> May, 2020, 24<sup>th</sup> August, 2020, 10<sup>th</sup> November, 2020, and 8<sup>th</sup> February, 2021. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 read with the Listing Regulations. The names of Members, Chairman and their attendance at the Audit Committee Meetings, as on 31<sup>st</sup> March, 2021, is as given below:

Members	Category	Meetings Held	Meetings Attended
Mr. S. Regunathan (Chairman)	Independent - Non-Executive	4	4
Ms. Suneeta Reddy	Non-Executive	4	3
Mr. Satnam Arora	Independent - Non-Executive	4	4
Mr. Deepak Vaidya	Independent - Non-Executive	4	4
Ms. Vineeta Rai*	Non-Executive	4	3
Dr. Menaka Guruswamy*	Independent - Non-Executive	4	3

\* Both appointed as Member of the Audit Committee by the Board on 23<sup>rd</sup> May, 2020.

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

Mr. S. Regunathan - Chairman of the Audit Committee was present at the last AGM of the Company.

## 4. NOMINATION AND REMUNERATION COMMITTEE

#### (a) Terms of reference

The terms of reference to the Nomination and Remuneration Committee covers the areas as contemplated in Section 178 of the 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 Directors, 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) Composition, name of members and Chairperson

As on 31<sup>st</sup> March, 2021, the Nomination and Remuneration Committee consisted of four Non-Executive Directors (including two Independent Directors) namely Mr. S. Regunathan, Ms. Suneeta Reddy, Mr. Vinayak Chatterjee, and Ms. Vineeta Rai.

The Board has reconstituted the Nomination and Remuneration Committee on 19<sup>th</sup> April, 2021, consisting of five Directors namely Mr. S. Regunathan, Ms. Sangita Reddy, Mr. Vikram Bhat, Mr. Vinayak Chatterjee and Ms. Vineeta Rai. Mr. S. Regunathan is the Chairperson of the Nomination and Remuneration Committee.

#### (c) Meetings of Nomination and Remuneration Committee

The Nomination and Remuneration Committee met three times during the year on 23<sup>rd</sup> May, 2020, 20<sup>th</sup> August, 2020 and 6<sup>th</sup> February, 2021. The names of Members, Chairman and their attendance at the Nomination and Remuneration Committee Meeting, as on 31<sup>st</sup> March, 2021, is as given below:

Members	Category	Meetings Held	Meetings Attended
Mr. S. Regunathan (Chairman)	Independent - Non-Executive	3	3
Ms. Suneeta Reddy	Non-Executive	3	3
Mr. Vinayak Chatterjee	Independent - Non-Executive	3	2
Ms. Vineeta Rai *	Independent - Non-Executive	2	2

\* Appointed as Member of the Nomination and Remuneration Committee by the Board on 23<sup>rd</sup> May, 2020. The meeting of the Nomination and Remuneration Committee on 23<sup>rd</sup> May, 2020, was held prior to the Board meeting.

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) Risk Management Committee

In terms of the requirements of amended Listing Regulations, the Board has constituted a Risk Management Committee on 9<sup>th</sup> June, 2021, consisting of three Non-Executive Directors (including one Independent Director) namely Prof. (Dr.) Mahesh Verma, Ms. Suneeta Reddy and Mr. Salil Singhal. Prof. (Dr.) Mahesh Verma is the Chairman of the Risk Management Committee.

#### (e) Performance evaluation of the Board and the Directors

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

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

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

Further, evaluation of Directors was based on criteria such as participation and contribution in Board and Committee meetings, representation of shareholder interests and enhancing shareholder value, experience and expertise to provide feedback and guidance to top management on business strategy, governance and risk, understanding of the organization's strategy, risk and environment, etc. However, in case of Independent Directors, their ability to provide independent views / judgement were additional criterion.

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

## 5. 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, 2021, the Stakeholders Relationship Committee consisted of Four Directors (including three Independent Directors) namely Mr. S. Regunathan, Ms. Vineeta Rai, Mr. P. Shivakumar and Mr. Satnam Arora.

The Board has reconstituted the Stakeholders Relationship Committee on 19<sup>th</sup> April, 2021, consisting of five Directors namely Mr. Vikram Bhat, Mr. S. Regunathan, Mr. Satnam Arora, Dr. Menaka Guruswamy and Mr. P. Shivakumar. Mr. Vikram Bhat is the Chairperson of the Stakeholders Relationship Committee.

The Stakeholders Relationship Committee met once on 2<sup>nd</sup> February, 2021.

#### Other details: -

##### a) Name of the Non-Executive Director heading the Committee:

Mr. Vikram Bhat (appointed as Chairperson of the Stakeholders Relationship Committee on 19<sup>th</sup> April, 2021).

##### b) Name and Designation of the Compliance Officer:

Mr. Priya Ranjan - AVP - Corporate Affairs & Legal

##### c) Number of Shareholders Complaints:

The Company has received Sixty-Five complaints during the year and no complaint was pending at the beginning of the year.

##### d) Numbers not resolved to the satisfaction of shareholders:

All the complaints have been resolved to the satisfaction of the complainants during the year.

##### e) Number of pending complaints as on 31<sup>st</sup> March, 2021: None

## 6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

As on 31<sup>st</sup> March, 2021, the Corporate Social Responsibility Committee consisted of four Directors (including two Independent Directors) namely Ms. Vineeta Rai, Mr. S. Regunathan, Ms. Suneeta Reddy and Mr. Vinayak Chatterjee.

The Corporate Social Responsibility Committee met once on 20<sup>th</sup> August, 2020 during the financial year 2020-21 and all the above said members were present in the meeting.

The Board has reconstituted the Corporate Social Responsibility Committee on 19<sup>th</sup> April, 2021, consisting

of six Directors namely Prof. (Dr.) Mahesh Verma, Mr. S. Regunathan, Ms. Sangita Reddy, Mr. Vinayak Chatterjee, Mr. Vikram Bhat and Dr. Menaka Guruswamy. Prof. (Dr.) Mahesh Verma is the Chairperson of the Corporate Social Responsibility Committee.

## 7. 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 for their contributions.

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, 2021, is as given below: -

- i) The Board has decided not to pay commission on profits to the Non-Executive Directors for the year 2020-21.

The details of sitting fees paid to Non-Executive Directors for the year ended 31<sup>st</sup> March, 2021, is as given below: -

Name of the Director	Amount (Rs.)
Dr. Prathap C Reddy	2,00,000
Ms. Suneeta Reddy	4,40,000
Ms. Sangita Reddy	1,00,000
Ms. Vineeta Rai	5,40,000
Mr. S. Regunathan	7,60,000
Mr. Satnam Arora	4,10,000
Mr. Deepak Vaidya	3,90,000
Dr. Arun Rai	2,20,000
Mr. Vinayak Chatterjee	3,40,000
Ms. Madhumita Ganguli	2,00,000
Dr. Meneka Guruswami	3,50,000

- (ii) The details of Remuneration paid to Executive Director is as given below: -

Name of the Director	Amount (Rs.)		
	Remuneration paid for the year ended 31 <sup>st</sup> March, 2021		
	Remuneration		
	Salary	Perquisite	Total
Mr. P. Shivakumar	1,13,91,499	3,73,309	1,17,64,808

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.

## 8. GENERAL BODY MEETINGS

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

Financial Year	Location	Date	Time
2019-20	Meeting held through Video Conferencing ("VC")/Other Audio Visual Mode ("OVAM")	29 <sup>th</sup> September, 2020	10:30 A.M.
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.

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

- 1) Special Resolution was passed at the AGM held on 29<sup>th</sup> September, 2020, for re-appointment of Dr. Arun Rai as an Independent Director in accordance with the provisions of Section 149, 152, read with other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualification) of Directors) Rules, 2014 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 2) Special Resolution was passed at the AGM held on 29<sup>th</sup> September, 2020, for adoption of new Articles of Association pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014.
- 3) 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 financial year i.e. 2020-21.

Vide Notice dated 9<sup>th</sup> June, 2021, the Company had sought approval of the shareholders through postal ballot. Mr. Baldev Singh Kashtwal, Practicing Company, was appointed as the Scrutinizer to scrutinize the postal ballot and remote e-voting process in a fair and transparent manner. The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the Rules framed thereunder.



The details of the resolutions passed through postal ballot is as follows: -

Particulars  Description of Resolution	Votes in favour of the resolution			Votes against the resolution		
	Number of members voted*	Number of Valid votes cast (shares)	% of total number of valid votes cast	Number of members voted*	Number of Valid votes cast (shares)	% of total number of valid votes cast
Approval for Appointment of Mr. Jasmine Shah (DIN: 08621290) as Director of the Company	487	29550014	99.97	37	9968	0.03
Approval for Appointment of Prof. (Dr.) Mahesh Verma (DIN: 08997324) as a Director of the Company	484	29548526	99.96	36	10813	0.04
Approval for appointment of Mr. Salil Singhal (DIN: 00006629) as Independent Director of the Company to hold office for five consecutive years effective from 8 <sup>th</sup> February, 2021 to 7 <sup>th</sup> February, 2026 and to continue as an Independent Director after attaining the age of 75 years during the aforesaid tenure of 5 consecutive years.	485	29548538	99.96	37	10934	0.04
Approval for appointment of Ms. Vineeta Rai (DIN: 07013113), who has attained the age of 75 years, as Independent Director of the Company to hold office for five consecutive years effective from 8 <sup>th</sup> February, 2021 to 7 <sup>th</sup> February, 2026.	482	29547456	99.96	39	11983	0.04
Approval for re-appointment of Mr. Vinayak Chatterjee (DIN: 00008933) as Independent Director of the Company to hold office for five consecutive years effective from 1 <sup>st</sup> April, 2021 to 31 <sup>st</sup> March, 2026.	475	29533634	99.91	45	25305	0.09
Approval for appointment of Mr. Udit Prakash Rai (DIN: 07573658) as Director of the Company	483	29548431	99.97	38	11008	0.03
Approval for appointment of Mr. Vikram Bhatt (DIN: 09076418) as Director of the Company	486	29549089	99.96	36	10383	0.04
Approval for appointment of Ms. Madhumita Ganguli (DIN: 00676830) as an Independent Director of the Company	483	29547856	99.96	38	11583	0.04

\* Pursuant to General Circular No. 14/2020 dated April 8, 2020, the General Circular No. 17/2020 dated April 13, 2020, the General Circular No. 22/2020 dated June 15, 2020, the General Circular No. 33/2020 dated September 28, 2020 and the General Circular No. 39/2020 dated December 31, 2020 issued by the Ministry of Corporate Affairs, votes were cast only through e-voting process.

All Resolutions were passed by the shareholders based on results of e-voting, with the requisite majority on 23<sup>rd</sup> July, 2021, the results of which were announced on 24<sup>th</sup> July, 2021.

**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.

## 9. 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 <https://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.

## 10. GENERAL SHAREHOLDER INFORMATION

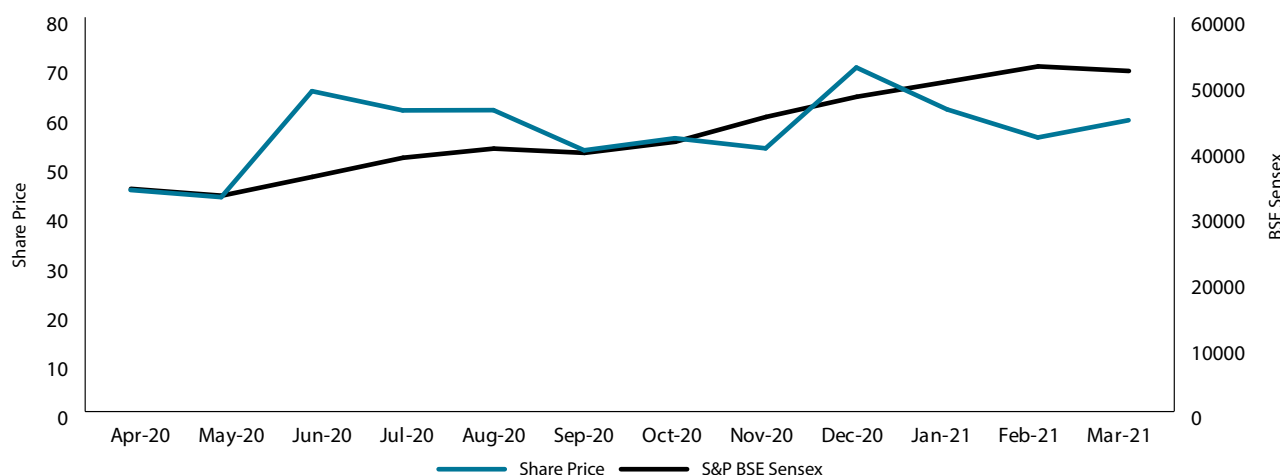
- Annual General Meeting:** Friday, 24<sup>th</sup> September, 2021, at 10.15 a.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").
- Financial Year:** 1<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2021
- Date of Book Closure:** From Saturday, 18<sup>th</sup> September, 2021 to Friday, 24<sup>th</sup> September, 2021 (both days inclusive) for Annual General Meeting.
- Dividend Payment Date:** No dividend has been recommended for the financial year 2020-21.
- Listing on Stock Exchanges:** BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001 and National Stock Exchange of India Limited (NSE), "Exchange Plaza", C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051. Annual Listing Fee for the year 2020-21 has been paid by the Company to BSE & NSE.
- Stock Code:** BSE - 532150, NSE - INDRAMEDCO, Demat ISIN - INE681B01017



- g. **Market Price Data:** Monthly High & Low during each month of the financial year 2020-21 at National Stock Exchange (NSE) and BSE Ltd. (BSE) is as given below: -

Month	National Stock Exchange			BSE Ltd.		
	Highest (Rs.)	Lowest (Rs.)	Volume (Nos.)	Highest (Rs.)	Lowest (Rs.)	Volume (Nos.)
April, 2020	44.90	30.00	6368534	44.95	31.40	513321
May, 2020	43.50	35.20	4183721	43.50	34.95	388861
June, 2020	62.95	38.10	20705740	65.00	38.05	2558895
July, 2020	61.15	48.20	15631862	61.10	48.00	1665732
Aug., 2020	61.40	49.50	8139125	61.15	49.50	947770
Sept., 2020	52.80	45.30	4794312	53.00	45.25	409527
Oct., 2020	55.40	48.45	5342864	55.45	48.20	477555
Nov., 2020	53.50	48.45	3736418	53.40	48.40	271606
Dec. 2020	69.75	51.00	18797627	69.80	51.10	1929249
Jan., 2021	61.00	51.90	4669116	61.30	52.10	653256
Feb., 2021	55.80	52.15	3387791	55.60	52.05	317383
Mar., 2021	59.10	52.75	5812568	59.10	52.50	598690

- 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, trading in shares of the Company was not suspended.
- 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 given below: -

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: 011-49411000

- 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, 2021:**

Shareholding of shares	Shareholders		Total Shares	
	Number	% to total	Number	% to total
Upto 500	47606	85.6839	5629966	6.1414
501 - 1000	4037	7.2660	3511701	3.8307
1001 - 2000	1844	3.3189	2934310	3.2008
2001 - 3000	597	1.0745	1559927	1.7016
3001 - 4000	327	0.5886	1199607	1.3086
4001 - 5000	312	0.5616	1494325	1.6301
5001 - 10000	437	0.7865	3339250	3.6426
10001 & above	400	0.7199	72003914	78.5443
<b>Total</b>	<b>55560</b>	<b>100.0000</b>	<b>91673000</b>	<b>100.0000</b>

**Shareholding Category as on 31<sup>st</sup> March, 2021**

Category	No. of Shares held	% to total
<b>Promoter and Promoter Group</b>	<b>46751700</b>	<b>51.00</b>
<b>Public:</b>		
Financial Institutions/Banks/ Insurance Companies	16594	0.02
Individuals	27394488	29.88
Employees Trusts	Nil	Nil
IEPF	598166	0.65
Trusts	1970	0.00
Hindu Undivided Family	1336596	1.46
Non Resident Indians (Non Repat)	307244	0.34
Non Resident Indians (Repat)	1525741	1.66
Clearing Members	190219	0.21
Bodies Corporate	13550282	14.78
<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, 2021.

The details of demat of shares as on 31<sup>st</sup> March, 2021, is as given below: -

	No. of Shareholders	No. of Shares	% of capital
NSDL	21834	52621435	57.40
CDSL	19527	12446249	13.58

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.

**Reconciliation of Share Capital Audit Report**

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

- 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, 2021, ICRA has given long term credit ratings at [ICRA]AA (pronounced ICRA Double A) for Rs. 55.00 crore bank facilities and short term credit ratings at [ICRA] A1+ (pronounced ICRA A One Plus) for Rs. 40.00 crore Commercial Paper to the Company.

**11. 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, 2021, 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 the 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. 29.L 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 under Regulation 17(1)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the period from 1<sup>st</sup> April, 2020 to 22<sup>nd</sup> May 2020 for which National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE') has imposed a fine of Rs. 2,60,000/- (Rupees Two Lakh Sixty Thousand only). The same has been deposited by the Company with NSE. BSE Limited has waived the fine on application made by the Company for waiver of fine.

### 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, 2021, no matter has been received under Whistle Blower 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.

### 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 Practicing Company Secretary:

Mr. Baldev Singh Kashtwal - Practising Company Secretary (Membership No. 3616 and Certificate of Practice No. 3169) 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 2020-21, 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 is as given below: -

(Rs. in million)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
As Statutory Auditor	2.00	2.00
For taxation matters	0.13	0.13
Reimbursement of Expenses	0.08	0.22
For Other Matters	0.43	0.29
<b>Total</b>	<b>2.64</b>	<b>2.64</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 2020-21	9
Number of complaints disposed of during the financial year 2020-21	8
Number of complaints pending as on end of the financial year	1

## 12. 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 9<sup>th</sup> June, 2021.

## 13. COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

The certificate issued by Mr. Baldev Singh Kashtwal - Practising Company Secretary (Membership No. 3616 and Certificate of Practice No. 3169), on compliance of Corporate Governance norms is annexed to this Report.

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## 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 the 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](http://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

**Jasmine Shah**  
**Chairman**  
**(DIN 08621290)**

**Place: New Delhi**  
**Date : 9<sup>th</sup> August, 2021**

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## CERTIFICATE

To,

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

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, 2021, 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 during the period from 1<sup>st</sup> April, 2020 to 22<sup>nd</sup> May, 2020 for which NSE and BSE Ltd. imposed a fine of Rs. 260000/-. The Company deposited the fine with NSE and BSE has waived the fine vide its mail dated 5<sup>th</sup> July, 2021.*

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 9, 2021**

**CS BALDEV SINGH KASHTWAL**  
**PRACTISING COMPANY SECRETARY**  
**Membership No.: FCS 3616**  
**C. P. No. 3169**  
**ICSI-UDIN : F003616C000780106**

## **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](http://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, 2021 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 : Delhi**  
**Date : June 9, 2021**

**CS BALDEV SINGH KASHTWAL**  
**PRACTISING COMPANY SECRETARY**  
**Membership No.: FCS 3616**  
**C. P. No. 3169**  
**ICSI-UDIN : F003616C000436257**

## **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, 2021.

**Date : 29<sup>th</sup> July, 2021**  
**Place : New Delhi**

**P. Shivakumar**  
**Managing Director**

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## CEO-CFO CERTIFICATE

Date: 21<sup>st</sup> May, 2021

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 2021**

Dear Sir(s),

- A. We have reviewed financial statements and the cash flow statement for the year 2020-21 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, 2021, 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, 2021, 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.

### EMPHASIS OF MATTER

We draw attention to Note 30 I of the financial statements which describes the impact of Covid-19 pandemic on the Company's operations and the management's assessment of assets, trade receivables and inventories of the Company. Our conclusion is not modified in respect of this matter.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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 30.B (i) and (iii), Note 30.C, 30.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 Hon'ble High Court of Delhi upheld the order dated 25<sup>th</sup> June, 2018, issued by DGHS. 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-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.

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 these litigations.

## 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 will 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 identified above when it become available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls 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 30.B (i)

- and (iii), Note 30.C and 30.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: 21077974AAAACR5526  
 Place: Noida  
 Date: 09 June 2021

**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, 2021**

**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, 2021)**

- (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: 21077974AAAACR5526  
Place: Noida  
Date: 09 June 2021

**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, 2021**

## 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")**

- We have audited the internal financial controls over financial reporting of Indraprastha Medical Corporation Limited ("the Company") as of 31 March, 2021 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

- 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, 2021, 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: 21077974AAAACR5526

Place: Noida  
Date: 09 June 2021



## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2021

	Particulars	Note No.	As at 31 <sup>st</sup> March 2021 (Rs. in million)	As at 31 <sup>st</sup> March 2020 (Rs. in million)
<b>I.</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Property, Plant and Equipment	1	2,732.40	2,921.25
	(b) Right-of-use asset	2	67.10	91.49
	(c) Capital work-in-progress		33.41	-
	(d) Intangible Assets	3	33.82	14.02
	(e) Financial Assets	4	18.31	17.32
	(f) Other non-current Assets	5	20.27	31.12
	<b>Total of Non-current assets</b>		<b>2,905.31</b>	<b>3,075.20</b>
<b>2</b>	<b>Current assets</b>			
	(a) Inventories	6	87.38	120.66
	(b) Financial Assets			
	(i) Trade receivables	7	673.93	791.52
	(ii) Cash and cash equivalents	8	249.21	203.32
	(iii) Bank Balances other than (ii) above	9	26.01	36.79
	(iv) Loans	10	-	2.51
	(v) Others	11	49.18	52.93
	(c) Current Tax Assets (Net)		148.96	63.76
	(d) Other current assets	12	179.58	143.23
	<b>Total of Current assets</b>		<b>1,414.25</b>	<b>1,414.72</b>
	<b>TOTAL OF ASSETS</b>		<b>4,319.56</b>	<b>4,489.92</b>
<b>II.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Equity</b>			
	(a) Equity Share capital	13	916.73	916.73
	(b) Other Equity	14	1,810.83	1,761.27
	<b>Total of Equity</b>		<b>2,727.56</b>	<b>2,678.00</b>
	<b>Liabilities</b>			
<b>2</b>	<b>Non-current liabilities</b>			
	(a) Financial Liabilities	15	72.80	100.64
	(b) Provisions	16	137.63	112.66
	(c) Deferred tax liabilities (Net)	17	222.51	202.57
	<b>Total of Non-current liabilities</b>		<b>432.94</b>	<b>415.87</b>
<b>3</b>	<b>Current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	18	-	39.75
	(ii) Trade payables	19		
	- Total outstanding dues of micro and small enterprises		33.54	42.85
	- Total outstanding dues of creditors other than micro and small enterprises		884.02	994.53
	(iii) Others	20	41.24	77.17
	(b) Other current liabilities	21	116.18	143.67
	(c) Provisions	22	84.08	98.08
	<b>Total of Current liabilities</b>		<b>1,159.06</b>	<b>1,396.05</b>
	<b>TOTAL OF EQUITY AND LIABILITIES</b>		<b>4,319.56</b>	<b>4,489.92</b>
<b>III.</b>	<b>Summary of significant accounting policies</b>	<b>29</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

Rajeev K Saxena  
Partner  
M. No. 077974  
Place : Noida  
Date : 9<sup>th</sup> June, 2021

Suneeta Reddy  
Director  
(DIN 00001873)  
Place : Chennai  
Date : 9<sup>th</sup> June, 2021

C P Tyagi  
Chief Financial Officer  
Place : New Delhi  
Date : 9<sup>th</sup> June, 2021

P Shivakumar  
Managing Director  
(DIN 08570283)  
Place : New Delhi  
Date : 9<sup>th</sup> June, 2021

Priya Ranjan  
Associate Vice President Cum  
Company Secretary  
Place : New Delhi  
Date : 9<sup>th</sup> June, 2021

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021

	Particulars	Note No.	For the year ended 31 <sup>st</sup> March 2021 (Rs. in million)	For the year ended 31 <sup>st</sup> March 2020 (Rs. in million)
I.	<b>Revenue from Operations</b>	23	<b>6,133.82</b>	<b>8,307.68</b>
II.	Other Income	24	6.78	6.87
III.	<b>Total Income (I+II)</b>		<b>6,140.60</b>	<b>8,314.55</b>
IV.	<b>EXPENSES</b>			
	Stores & Spares consumed		1,138.53	1,516.07
	Employee benefits expense	25	1,977.13	2,139.30
	Finance costs	26	33.36	59.17
	Depreciation and amortization expense		333.23	329.69
	Other expenses	27	2,615.46	3,788.40
	<b>Total expenses (IV)</b>		<b>6,097.71</b>	<b>7,832.63</b>
V.	Profit before exceptional items and tax (III-IV)		42.89	481.92
VI.	Exceptional Items		-	-
VII.	Profit/(loss) before tax (V-VI)		42.89	481.92
VIII.	Tax expense:			
	(1) Current tax		8.49	109.41
	(2) Deferred tax		11.11	(63.73)
IX.	Profit/(loss) for the year (VII-VIII)		23.29	436.24
X.	Other Comprehensive Income			
	(i) Items that will not be reclassified subsequently to profit or loss			
	Re-measurement gains (losses) on defined benefit plans		35.10	(27.54)
	Income Tax effect (Deferred Tax)		(8.83)	7.06
			26.27	(20.48)
XI.	Total Comprehensive Income for the year (Comprising Profit (Loss) and Other Comprehensive Income for the year)		49.56	415.76
XII.	Earnings per equity share			
	(1) Basic		0.25	4.76
	(2) Diluted		0.25	4.76
XIII.	<b>Summary of significant accounting policies</b>	29		
	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

Rajeev K Saxena  
Partner  
M. No. 077974  
Place : Noida  
Date : 9<sup>th</sup> June, 2021

Suneeta Reddy  
Director  
(DIN 00001873)  
Place : Chennai  
Date : 9<sup>th</sup> June, 2021

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Place : New Delhi  
Date : 9<sup>th</sup> June, 2021

P Shivakumar  
Managing Director  
(DIN 08570283)  
Place : New Delhi  
Date : 9<sup>th</sup> June, 2021

Priya Ranjan  
Associate Vice President Cum  
Company Secretary  
Place : New Delhi  
Date : 9<sup>th</sup> June, 2021

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021

### EQUITY SHARE CAPITAL

Particulars	Balance as at 1 <sup>st</sup> April, 2020		Changes in equity share capital during the year		Balance as at 31 <sup>st</sup> March, 2021	
Authorised	Number	Amount Rs. in million	Number	Amount Rs. in million	Number	Amount Rs. in million
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>	-	-	427.50	1,348.87	(15.10)	1,761.27
<b>Balance as at 1<sup>st</sup> April, 2020</b>	-	-	427.50	1,348.87	(15.10)	1,761.27
Total Comprehensive Income for the year	-	-	-	23.29	26.27	49.56
<b>Balance as at 31<sup>st</sup> March, 2021</b>	-	-	427.50	1,372.16	11.17	1,810.83

As per our separate report of even date attached

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

Rajeev K Saxena  
Partner  
M. No. 077974  
Place : Noida  
Date : 9<sup>th</sup> June, 2021

Suneeta Reddy  
Director  
(DIN 00001873)  
Place : Chennai  
Date : 9<sup>th</sup> June, 2021

C P Tyagi  
Chief Financial Officer  
Place : New Delhi  
Date : 9<sup>th</sup> June, 2021

P Shivakumar  
Managing Director  
(DIN 08570283)  
Place : New Delhi  
Date : 9<sup>th</sup> June, 2021

Priya Ranjan  
Associate Vice President Cum  
Company Secretary  
Place : New Delhi  
Date : 9<sup>th</sup> June, 2021

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021

	Particulars	Year ended 31 <sup>st</sup> March 2021 (Rs. in million)	Year ended 31 <sup>st</sup> March 2020 (Rs. in million)
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit before tax	42.89	481.92
	<b>Add:</b>		
	Depreciation and amortization expense	333.23	329.69
	Interest expense	8.14	21.15
	Loss on discarded Property, Plant & Equipment	7.12	10.14
	<b>Deduct:</b>		
	Interest received	6.78	6.87
	Operating Profit before Working Capital changes	384.60	836.03
	<b>Adjustments for:</b>		
	Trade & Other Receivables	96.07	27.57
	Trade payables	(141.23)	164.97
	Inventories	33.27	(37.53)
	Cash Generated from Operations	372.71	991.04
	<b>Deduct:</b>		
	Interest paid	0.04	0.82
	Income tax paid	93.69	125.71
	Net Cash from Operating Activities	278.98	864.51
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Property, Plant & Equipment (Net of sale)	(209.63)	(409.18)
	Interest received	8.01	7.25
	Net Cash from Investing Activities	(201.62)	(401.93)
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Lease Payments	(20.93)	(18.49)
	Repayment of non-current borrowings	-	(210.00)
	Interest paid	(8.09)	(20.32)
	Dividend paid (including Tax on Dividend)	(2.45)	(178.63)
	Net Cash from Financing Activities	(31.47)	(427.44)
	<b>Net increase / (decrease) in Cash and Cash equivalents</b>	<b>45.89</b>	<b>35.14</b>
	<b>Opening Cash and Cash equivalents</b>	<b>203.32</b>	<b>168.18</b>
	<b>Closing Cash and Cash equivalents</b>	<b>249.21</b>	<b>203.32</b>
	<b>Components Cash and Cash equivalents</b>		
	Cash balance on hand	4.03	2.44
	Balance with Banks	245.18	200.88

As per our separate report of even date attached

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

Rajeev K Saxena  
Partner  
M. No. 077974  
Place : Noida  
Date : 9<sup>th</sup> June, 2021

Suneeta Reddy  
Director  
(DIN 00001873)  
Place : Chennai  
Date : 9<sup>th</sup> June, 2021

C P Tyagi  
Chief Financial Officer  
Place : New Delhi  
Date : 9<sup>th</sup> June, 2021

P Shivakumar  
Managing Director  
(DIN 08570283)  
Place : New Delhi  
Date : 9<sup>th</sup> June, 2021

Priya Ranjan  
Associate Vice President Cum  
Company Secretary  
Place : New Delhi  
Date : 9<sup>th</sup> June, 2021

## NOTES TO FINANCIAL STATEMENT

(Rs. in million)

## 1. PROPERTY, PLANT &amp; EQUIPMENT

Particulars	Building	Furniture & Fittings	Plant & Machinery	Office Equipment	Medical Equipment	Surgical Instruments	Vehicles	Total
Cost as at 1 <sup>st</sup> April, 2020	1,873.10	182.03	68.69	259.47	1,799.15	68.19	51.76	4,302.39
Additions	-	0.93	13.62	27.15	54.86	16.10	-	112.66
Deletions / Adjusted	-	(1.90)	(1.21)	(7.83)	(26.66)	(23.75)	(1.22)	(62.57)
Cost as at 31 <sup>st</sup> March, 2021	1,873.10	181.06	81.10	278.79	1,827.35	60.54	50.54	4,352.48
Accumulated Depreciation upto 31 <sup>st</sup> March, 2020	(405.37)	(95.73)	(13.71)	(200.97)	(610.84)	(32.97)	(21.55)	(1,381.14)
Depreciation for the year	(65.38)	(16.49)	(5.06)	(22.52)	(158.86)	(20.49)	(5.61)	(294.41)
Written Back / Adjusted	-	1.56	1.11	5.73	22.18	23.75	1.14	55.47
Accumulated Depreciation up to 31 <sup>st</sup> March, 2021	(470.75)	(110.66)	(17.66)	(217.76)	(747.52)	(29.71)	(26.02)	(1,620.08)
Net carrying amount as at 31 <sup>st</sup> March, 2021	1,402.35	70.40	63.44	61.03	1,079.83	30.83	24.52	2,732.40

Particulars	Building	Furniture & Fittings	Plant & Machinery	Office Equipment	Medical Equipment	Surgical Instruments	Vehicles	Total
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 as 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	(339.53)	(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

## NOTES TO FINANCIAL STATEMENT

	Particulars	As at 31 <sup>st</sup> March 2021 (Rs. in million)	As at 31 <sup>st</sup> March 2020 (Rs. in million)
<b>2</b>	<b>Right-of-use Assets</b>	<b>Building</b>	<b>Building</b>
	Cost as at beginning of the year	115.87	-
	Reclassified on account of adoption of Ind AS 116	-	115.87
	Additions	-	-
	Disposals	-	-
	Cost at end of the year	115.87	115.87
	Accumulated Depreciation at beginning of the year	(24.38)	-
	Depreciation for the year	(24.39)	(24.38)
	Disposals	-	-
	Accumulated Depreciation at end of the year	(48.77)	(24.38)
	<b>Net carrying amount as at end of the year</b>	<b>67.10</b>	<b>91.49</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</b>	<b>Intangible Assets</b>	<b>Software Licenses</b>	<b>Software Licenses</b>
	Cost as at beginning of the year	65.58	49.72
	Additions	34.23	15.86
	Disposals	(15.22)	-
	Cost at end of the year	84.59	65.58
	Accumulated Amortization at beginning of the year	(51.56)	(45.42)
	Amortization for the year	(14.43)	(6.14)
	Disposals	15.22	-
	Accumulated Amortization at end of the year	(50.77)	(51.56)
	<b>Net carrying amount as at end of the year</b>	<b>33.82</b>	<b>14.02</b>
<b>4</b>	<b>Financial Assets</b>		
	<u>Financial Assets at amortised cost</u>		
	Fixed deposits kept as Margin Money with Bank	0.43	0.15
	Security Deposit	17.88	17.17
		<b>18.31</b>	<b>17.32</b>
<b>5</b>	<b>Other Non-Current Assets</b>		
	<b>(Considered good)</b>		
	Capital Advances	2.19	13.04
	Balance with Statutory Authorities	18.08	18.08
		<b>20.27</b>	<b>31.12</b>
<b>6</b>	<b>Inventories</b>		
	Stores & spares	81.37	111.96
	Crockery & utensil	2.98	4.19
	Linen	3.03	4.51
		<b>87.38</b>	<b>120.66</b>
<b>7</b>	<b>Trade Receivables</b>		
	Unsecured		
	- Considered Good	673.93	791.52
	- Considered Doubtful	75.29	66.06
	Less: Allowances for doubtful receivables	(75.29)	(66.06)
		<b>673.93</b>	<b>791.52</b>
	Includes amount due from related parties (refer note 30L)		



## NOTES TO FINANCIAL STATEMENT

	Particulars	As at 31 <sup>st</sup> March 2021 (Rs. in million)	As at 31 <sup>st</sup> March 2020 (Rs. in million)
<b>8</b>	<b>Cash and Cash Equivalent</b>		
	Cash balance on hand	4.03	2.44
	Balances with Banks		
	- in current accounts	4.39	7.28
	- in deposit accounts	240.79	193.60
		<b>249.21</b>	<b>203.32</b>
<b>9</b>	<b>Bank Balances other than Cash and Cash equivalent</b>		
	Fixed Deposit - Margin Money with Bank	3.83	12.44
	Fixed Deposit others (restricted)	6.38	6.10
	Earmarked Balances - Unpaid dividend Accounts	15.80	18.25
		<b>26.01</b>	<b>36.79</b>
<b>10</b>	<b>Loans</b>		
	Financial Assets at amortised cost		
	Employee loans	-	2.51
		<b>-</b>	<b>2.51</b>
<b>11</b>	<b>Other financial assets</b>		
	Financial Assets at amortised cost		
	Lease Rent Receivable	2.29	3.86
	Patient Treatment in Progress (Net of Advances)	46.89	49.07
		<b>49.18</b>	<b>52.93</b>
<b>12</b>	<b>Other Current Assets</b>		
	(Unsecured ,considered good)		
	Advance for expenses	3.07	9.71
	Export Incentives	72.20	72.20
	Prepaid Expenses	104.31	61.32
		<b>179.58</b>	<b>143.23</b>
<b>13</b>	<b>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		
	(91,673,000 equity shares of Rs. 10/- each fully paid up)	916.73	916.73
		<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, 2021		As at 31 <sup>st</sup> March, 2020	
	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%

## NOTES TO FINANCIAL STATEMENT

- (ii) The company has not issued any shares for consideration other than cash, bonus shares and no shares have been bought back during the period of five years immediately preceding the reporting date.
- (iii) There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.
- (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 31 <sup>st</sup> March 2021 (Rs. in million)	As at 31 <sup>st</sup> March 2020 (Rs. in million)
<b>14</b>	<b>Other Equity</b>		
<b>a.</b>	<b>General Reserve</b>		
	Opening balance	427.50	427.50
		<b>427.50</b>	<b>427.50</b>
<b>b.</b>	<b>Surplus in Statement of Profit and Loss</b>		
	Opening balance	1,348.87	1,090.75
	Add : Surplus for the year	23.29	436.24
	Add: Lease Adjustment	-	(1.73)
	Add: Tax Adjustment on above	-	0.44
	Less: Dividend	-	146.68
	Less: Tax on Dividend	-	30.15
		<b>1,372.16</b>	<b>1,348.87</b>
<b>c.</b>	<b>Other Comprehensive Income</b>		
	Opening balance	(15.10)	5.38
	Add : Re-measurements of Defined Employee Benefits plans (Net of tax)	26.27	(20.48)
		<b>11.17</b>	<b>(15.10)</b>
	<b>Total</b>	<b>1,810.83</b>	<b>1,761.27</b>
<b>15</b>	<b>Financial liabilities</b>		
	<b>Financial liabilities at amortised cost</b>		
	Security Deposits	19.76	22.46
	Lease Obligations	53.04	78.18
		<b>72.80</b>	<b>100.64</b>
<b>16</b>	<b>Non - Current Provisions</b>		
	<b>Employees benefits:</b>		
	Provision for Leave	137.63	112.66
		<b>137.63</b>	<b>112.66</b>

## NOTES TO FINANCIAL STATEMENT

	Particulars	As at 31 <sup>st</sup> March 2021 (Rs. in million)	As at 31 <sup>st</sup> March 2020 (Rs. in million)
<b>17</b>	<b>Deferred Tax Liabilities (Net)</b>		
	Deferred tax liability (net) as on date is as follows:		
	On account of depreciation	292.21	268.67
	Less: Deferred tax assets arising on account of		
	Allowance for doubtful receivables	18.95	16.63
	Provision for Employee benefits and others	50.75	49.47
	<b>Net deferred tax liability</b>	<b>222.51</b>	<b>202.57</b>
<b>18</b>	<b>Current Borrowings</b>		
	Loan repayable on demand (Secured)		
	From Banks	-	39.75
		<b>-</b>	<b>39.75</b>
The Company has an overdraft limit of Rs. 250 million from ICICI bank at an interest rate of 7.50%, which is secured by first pari passu charge on the current assets of the company.			
<b>19</b>	<b>Trade Payables</b>		
	Due to Micro & Small Enterprises	33.54	42.85
	Due to Others:		
	For Expenses	519.61	604.29
	For others	364.41	390.24
		<b>917.56</b>	<b>1,037.38</b>
	Includes amount payable to related parties (refer note 30L)		
<b>20</b>	<b>Other Financial liabilities</b>		
	Financial liabilities at amortised cost		
	Sundry Creditors for capital items	16.10	56.24
	Lease Obligations	25.14	20.93
		<b>41.24</b>	<b>77.17</b>
<b>21</b>	<b>Other Current liabilities</b>		
	Advance from patients	45.44	57.26
	Unclaimed Dividend	15.80	18.25
	Statutory Liabilities	43.43	56.44
	Others	11.51	11.72
		<b>116.18</b>	<b>143.67</b>
<b>22</b>	<b>Current Provisions</b>		
	Employees benefits:		
	Provision for Leave	7.29	11.77
	Provision for Gratuity	76.79	86.31
		<b>84.08</b>	<b>98.08</b>

## NOTES TO FINANCIAL STATEMENT

	Particulars	For the year ended 31 <sup>st</sup> March 2021 (Rs. in million)	For the year ended 31 <sup>st</sup> March 2020 (Rs. in million)
<b>23</b>	<b>Revenue from operation</b>		
	Sale of services	5,960.42	7,966.94
	Other operating revenue		
	License fee & commission from licensees	126.60	178.21
	Chamber rent received from doctors	11.79	24.91
	Export incentive	0.38	94.49
	Miscellaneous income	34.63	43.13
		<b>6,133.82</b>	<b>8,307.68</b>
<b>24</b>	<b>Other Income</b>		
	Interest Income	6.78	6.87
		<b>6.78</b>	<b>6.87</b>
<b>25</b>	<b>Employee benefits expense</b>		
	Salaries, wages and bonus	1,825.88	1,965.56
	Contribution to provident & other funds	87.32	103.36
	Staff welfare	63.93	70.38
		<b>1,977.13</b>	<b>2,139.30</b>
<b>26</b>	<b>Finance costs</b>		
	Interest Cost	0.04	11.31
	Others	33.32	47.86
		<b>33.36</b>	<b>59.17</b>
<b>27</b>	<b>Other expenses</b>		
	Professional charges to doctors	1,350.10	2,007.93
	Outside lab investigations	8.87	13.57
	Leasehold ground rent	-	-
	Power and Fuel	171.84	211.57
	Rent	20.08	20.17
	Travelling and Conveyance	54.18	100.38
	Insurance	15.68	13.34
	Directors' sitting fees	4.53	1.53
	Communication	6.53	12.48
	Printing and stationery	31.72	57.14
	Advertisement, Publicity & Marketing	264.37	489.62
	Legal and professional charges	32.08	51.40
	Security charges	50.27	54.77
	Payment to auditors	2.13	2.13
	Auditors out of pocket expenses	0.08	0.22
	Rates, taxes and licenses	34.44	33.45

## NOTES TO FINANCIAL STATEMENT

Particulars	For the year ended 31 <sup>st</sup> March 2021 (Rs. in million)	For the year ended 31 <sup>st</sup> March 2020 (Rs. in million)
Corporate social responsibility expenses	8.57	8.19
Loss on disposal of Property Plant and Equipment	7.12	10.14
Outsourcing Expenses	383.30	469.36
Repairs and maintenance		
- Building	17.30	48.72
- Plant & Machinery	104.87	110.52
- Others	19.43	33.34
Miscellaneous expenses	2.29	12.21
Provision for Doubtful Debts	25.68	26.22
	<b>2,615.46</b>	<b>3,788.40</b>

## 28. GENERAL INFORMATION

Indraprastha Medical Corporation Limited ('the Company') is a Public Company incorporated in India. The address of its registered office and principal place of business is at Sarita Vihar, Mathura Road, New Delhi, India. The main business of the company is to enhance the quality of life of patients by providing comprehensive, high-quality hospital services on a cost-effective basis. The company has its primary listings on BSE Limited and National Stock Exchange of India Limited.

## 29. SIGNIFICANT ACCOUNTING POLICIES

### A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

### B. STATEMENT OF COMPLIANCE

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

### C. CAPITAL MANAGEMENT

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

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

### 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

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## 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

#### 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.

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



## NOTES TO FINANCIAL STATEMENT

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.

#### 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.

## NOTES TO FINANCIAL STATEMENT

### 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

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.

## NOTES TO FINANCIAL STATEMENT

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.

### P. FOREIGN CURRENCY

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

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## NOTES TO FINANCIAL STATEMENT

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.

#### 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.

## NOTES TO FINANCIAL STATEMENT

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

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

### Derecognition of financial instrument

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

### Equity instruments

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

## 30. NOTES ON ACCOUNTS

A. Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. Nil (Previous year Rs. 60.75 million).

B. Contingent Liability

- i) Claims against the company not acknowledged as debt Rs. 523.44 million ( Previous Year Rs. 499.39 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.
- ii) Bank guarantees outstanding on account of stores / spares and medical equipment amounting to Rs. 16.16 million (Previous year Rs. 8.82 million)

iii)

(Rs. in million)

In respect of :	31.03.2021	31.03.2020
a) Service Tax	19.90	19.90
b) Others	10.05	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<sup>th</sup> Nov, 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<sup>th</sup> Jan, 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.

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.

## NOTES TO FINANCIAL STATEMENT

- E. The Govt. of NCT of Delhi announced a revision in minimum wages of around 37% w.e.f. 03<sup>rd</sup> Mar, 2017 vide its gazette notification dated 04<sup>th</sup> Mar, 2017. Further, the Labour department of Govt. of Delhi, issued notification dated 22<sup>nd</sup> Oct, 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. 89.90 million as on 31<sup>st</sup> March, 2021 to 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, 2021, 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)	
		2020-21	2019-20
<b>i)</b>	<b>Change in Present Benefit Obligation</b>		
	Present value of obligation as at the beginning of the year	232.48	195.71
	Interest Cost	15.81	14.99
	Service Cost	19.71	21.30
	Benefits Paid	(27.83)	(19.33)
	Total Actuarial (Gain)/Loss on Obligation	(18.74)	19.81
	Present value of obligation as at the End of the year	221.43	232.48
<b>ii)</b>	<b>Change in plan assets</b>		
	Fair value of plan assets at the beginning of the year	146.17	137.68
	Expected return on plan assets	9.94	10.55
	Actuarial gain / (loss) on plan assets	16.36	(7.73)
	Employer contribution	-	25.00
	Benefits paid	(27.83)	(19.33)
	Fair value of plan assets at the end of the year	144.64	146.17
<b>iii)</b>	<b>Balance Sheet and related analyses</b>		
	Present Value of the obligation at year end	221.43	232.48



## NOTES TO FINANCIAL STATEMENT

(Rs. in million)

		2020-21	2019-20
	Fair value of plan assets	144.64	146.17
	Unfunded Liability/provision in Balance Sheet	(76.79)	(86.31)
	Unfunded liability recognized in Balance Sheet	(76.79)	(86.31)
<b>iv)</b>	<b>The amounts recognized in the income statement</b>		
	Service Cost	19.71	21.30
	Net Interest Cost	15.81	14.99
	Expected return on plan assets	(9.94)	(10.55)
	Expense recognized in the Income Statement	25.58	25.74
<b>v)</b>	<b>Other Comprehensive Income (OCI)</b>		
	Net cumulative unrecognized actuarial gain/(loss) opening	-	-
	Actuarial gain / (loss) for the year on PBO	18.74	(19.81)
	Actuarial gain /(loss) for the year on Asset	16.36	(7.73)
	Unrecognized actuarial gain/(loss) at the end of the year	35.10	(27.54)
<b>vi)</b>	<b>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
	Actuarial (Gain)/Loss on arising from Experience Adjustment	(18.74)	3.53
<b>vii)</b>	<b>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)</b>	<b>Net periodic gratuity cost, included in employee cost consists of the following components:</b>		
	Current Service Cost	19.71	21.30
	Interest Cost on Defined Benefit Obligation	5.87	14.99
		<b>25.58</b>	<b>36.29</b>
<b>ix)</b>	<b>Sensitivity Analysis of the defined benefit obligation</b>		
<b>a)</b>	<b>Impact of the change in discount rate</b>		
	Present Value of Obligation at the end of the period	221.43	232.48
	Impact due to increase of 0.50 %	(9.57)	(9.90)
	Impact due to decrease of 0.50 %	10.31	10.68
<b>b)</b>	<b>Impact of the change in salary increase</b>		
	Present Value of Obligation at the end of the period	221.43	232.48

## NOTES TO FINANCIAL STATEMENT

(Rs. in million)

		2020-21	2019-20
	Impact due to increase of 0.50 %	10.39	10.76
	Impact due to decrease of 0.50 %	(9.73)	(10.06)
<b>x)</b>	<b>Maturity Profile of Defined Benefit Obligation</b>		
	0 to 1 year	12.86	26.92
	1 to 2 year	12.26	10.43
	2 to 3 year	8.44	11.72
	3 to 4 year	18.79	8.25
	4 to 5 year	9.91	16.89
	5 to 6 year	20.64	9.15
	6 Year onwards	138.54	149.14
		2020-21	2019-20
<b>xi)</b>	<b>The assumptions used in accounting for the defined benefit plan are set out below:</b>		
	Discount Rate	6.80%	6.80%
	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:

		2020-21	2019-20
	– Contribution to Provident fund	36.32	45.49
	– Contribution to Pension fund	21.10	26.43
	– Contribution to ESI	1.39	5.67

## 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.

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

## NOTES TO FINANCIAL STATEMENT

to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

At the reporting date the interest rate profile of the Company's interest bearing financial instrument is at its fair value:

Particulars	Carrying Amount (Rs. in million)	
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Variable rate instruments		
Short term borrowings	-	39.75

### 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 2021	As at 31 <sup>st</sup> March 2020
Borrowings:		
0-1 years	-	39.75
More than 1 years	-	-
Trade Payables:		
0-1 years	917.56	1,037.38
More than 1 years	-	-
Other Financial liabilities:		
0-1 years	41.24	77.17
More than 1 years	72.80	100.64

### 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.

#### 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 going forward 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.

## NOTES TO FINANCIAL STATEMENT

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.

J. The Code on Social Security, 2020 has been enacted, which could impact the contributions by the company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified. Impact if any, of the change will be assessed and accounted in period of notification of relevant provisions.

### K. Financial Instruments by category

The carrying value and fair value of financial instruments by categories as of 31<sup>st</sup> March, 2021

(Rs. in million)

Particulars	FVTPL	FVTOCI	Amortised Cost	Carrying Cost
<b>Assets:</b>				
Fixed deposits being Margin Money with Bank	-	-	0.43	0.43
Security Deposit	-	-	17.88	17.88
Trade Receivables	-	-	673.93	673.93
Cash & Cash Equivalent	-	-	249.21	249.21
Bank Balances other than Cash & Cash equivalent	-	-	10.21	10.21
Loans	-	-	-	-
Lease Rent Receivable	-	-	2.29	2.29
Patient Treatment in Progress (Net of Advances)	-	-	46.89	46.89
<b>Liabilities:</b>				
Security Deposits	-	-	19.76	19.76
Non - Current Lease Obligations	-	-	53.04	53.04
Current Borrowings	-	-	-	-
Trade Payables	-	-	917.56	917.56
Sundry Creditors for capital items	-	-	16.10	16.10
Lease Obligations	-	-	25.14	25.14

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

## NOTES TO FINANCIAL STATEMENT

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>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

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, 2021	31 <sup>st</sup> March, 2020
Apollo Hospitals Enterprise Limited	Enterprise in respect of which the company is an associate	Pharmacy Consumables	106.18	151.01
		License Fees	12.00	12.00
		Commission on Pharmacy Sales	98.05	132.90
		Reimbursement of Expenses	24.44	1.20
		Account Payable	13.37	18.86
Faber Sindoori Management Services (P) Limited	Enterprise over which Directors are able to exercise significant influence	Purchase of services	76.47	82.47
		Account Payable	6.13	16.79
Life Time Wellness Rx International Ltd		Purchase of services	-	3.00
		Account Payable	1.38	1.38
Apollo Sugar Clinics Limited		Purchase of services	2.83	2.83
		Account Payable	5.00	0.82
Apollo Hospitals Educational and Research Foundation		Purchase of services	1.20	1.13
		Account Payable	-	-
Apollo Home Healthcare Limited		Sale of Services	-	0.30
		Account Receivable	-	0.04
Apollo Health and Lifestyle Limited		Sale of Services	16.70	-
		Account Receivable	2.61	-
Alliance Dental Care Limited		Share of revenue earned	1.71	11.46
		Account Payable	4.06	1.86
Family Health Plan Limited		Sale of Services	90.11	78.56
		Account Receivable	18.70	14.36
Apollo Munich Health Insurance Company Limited*		Sale of Services	-	190.06
		Account Receivable	-	-
<b>Key Management Personnel</b>				
P. Shivakumar <sup>§#</sup>	Managing Director	Remuneration Paid	11.76	10.05
Ashok Bajpai <sup>##</sup>	Managing Director	Remuneration Paid	-	3.64
C P Tyagi <sup>§</sup>	Chief Financial Officer	Remuneration Paid	6.24	9.39
Priya Ranjan <sup>§###</sup>	Associate Vice President cum Company Secretary	Remuneration Paid	5.60	-

## NOTES TO FINANCIAL STATEMENT

(Rs. in million)

Name	Relationship	Nature of Transactions	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Ajay Kumar Singhal####	Vice President cum Company Secretary	Remuneration Paid	16.15	13.23
Non Executive Directors	Directors	Sitting fees	4.53	1.53

\* 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 in respective employees.

# 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.

### Mr. Priya Ranjan, joined as Associate Vice President cum Company Secretary effective from 24<sup>th</sup> August, 2020.

#### Mr. Ajay Kumar Singhal, resigned as Vice President cum Company Secretary effective from 15<sup>th</sup> July, 2020.

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, 2021 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. 23.29 million (Previous Year Rs. 436.24 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<sup>th</sup> 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<sup>st</sup> March, 2021 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, 2021	As at 31 <sup>st</sup> March, 2020
(i) The amounts remaining unpaid to micro and small suppliers as at the end of the year		
– Principal	33.54	42.85
– 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 been 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.

P. Pursuant to sub section (5) of section 135 of the Companies Act, 2013, the Company was required to spend Rs 8.36 million (Previous Year Rs. 8.10 million) in respect of its "Corporate Social Responsibility Policy (CSR Policy)" on eligible activities. During the financial year, the company has spent Rs. 8.57 million (Previous Year Rs. 8.19 million) on such eligible activities. The said amount stands debited under the head "Other expenses".



## NOTES TO FINANCIAL STATEMENT

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, 2021	As at 31 <sup>st</sup> March, 2020
As Statutory Auditor	2.00	2.00
For Taxation matters	0.13	0.13
Reimbursement of Expenses	0.08	0.22
For Other Matters	0.43	0.29
<b>Total</b>	<b>2.64</b>	<b>2.64</b>

## S. INCOME TAXES:

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

(Rs. in million)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Balance at the beginning of the year	202.57	273.80
Deferred tax (income)/expenses during the year recognized in Statement of Profit and loss	11.11	(63.73)
Deferred tax (income)/expenses during the year recognized in Other Comprehensive income	8.83	(7.06)
Deferred tax (income)/expenses during the year recognized directly in equity	-	(0.44)
Balance at the end of the year	222.51	202.57

(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, 2021	For the year ended 31 <sup>st</sup> March, 2020
Accounting profit before tax	77.99	454.38
Applicable tax rates	25.17%	25.17%
Computed expected tax expense	19.63	114.36
Effect of change in tax rate	-	(76.60)
Effect of Non-deductible expenses	8.80	0.86
<b>Tax expense</b>	<b>28.43</b>	<b>38.62</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

Rajeev K Saxena  
Partner  
M. No. 077974  
Place : Noida  
Date : 9<sup>th</sup> June, 2021

Suneeta Reddy  
Director  
(DIN 00001873)  
Place : Chennai  
Date : 9<sup>th</sup> June, 2021

C P Tyagi  
Chief Financial Officer  
Place : New Delhi  
Date : 9<sup>th</sup> June, 2021

P Shivakumar  
Managing Director  
(DIN 08570283)  
Place : New Delhi  
Date : 9<sup>th</sup> June, 2021

Priya Ranjan  
Associate Vice President Cum  
Company Secretary  
Place : New Delhi  
Date : 9<sup>th</sup> June, 2021





## **Indraprastha Medical Corporation Limited**

[CIN: L24232DL1988PLC030958]

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