STRICTLY CONFIDENTIAL – DO NOT FORWARD

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached pre-numbered preliminary placement document of Apollo Hospitals Enterprise Limited (the "**Company**") in relation to the proposed qualified institutions placement of the equity shares of the Company ("**Equity Shares**", and such preliminary placement document, the "**Preliminary Placement Document**"). You are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the attached Preliminary Placement Document. In accessing the Preliminary Placement Document, you acknowledge and agree to be bound by the following restrictions, terms and conditions, including any modifications to it from time to time, each time you receive any information from us as a result of such access. **You acknowledge that access to the attached Preliminary Placement Document is intended for use by you only and you agree not to forward this on to any other person, internal or external, in whole or in part, or otherwise provide access via e-mail or otherwise to any other person, other than to your affiliates and our and their respective members, directors, officers, employees, agents, advisors and funding sources (on a need to know basis).**

THE PRELIMINARY PLACEMENT DOCUMENT MAY NOT BE DOWNLOADED, FORWARDED OR DISTRIBUTED, IN WHOLE OR IN PART, TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND, IN PARTICULAR, MAY NOT BE FORWARDED, IN WHOLE OR IN PART, TO ANY U.S. ADDRESS. ANY DOWNLOADING, FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE U.S. SECURITIES ACT OF 1933, AS AMENDED ("SECURITIES ACT") OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

INVESTING IN THE EQUITY SHARES DESCRIBED IN THE PRELIMINARY PLACEMENT DOCUMENT INVOLVES RISKS AND YOU SHOULD NOT INVEST ANY FUNDS IN THE EQUITY SHARES, UNLESS YOU ARE PREPARED TO RISK LOSING ALL OR PART OF YOUR INVESTMENT. YOU ARE ADVISED TO CAREFULLY READ THE SECTION TITLED "RISK FACTORS" AS WELL AS INFORMATION CONTAINED ELSEWHERE IN THE ATTACHED PRELIMINARY PLACEMENT DOCUMENT BEFORE MAKING AN INVESTMENT DECISION.

Confirmation of Your Representation: You are accessing the attached Preliminary Placement Document on the basis that you have confirmed your representation, agreement and acknowledgement to each of BofA Securities India Limited, Axis Capital Limited, J.P. Morgan India Private Limited and Kotak Mahindra Capital Company Limited (the "Book Running Lead Managers") and to the Company, that: (1) (i) you received the attached Preliminary Placement Document; (ii) you are not a resident in a country where delivery of the Preliminary Placement Document by electronic transmission may not be lawfully made in accordance with the laws of the applicable jurisdiction; (iii) you are outside the United States, and to the extent you subscribe to or purchase the Equity Shares described in the attached Preliminary Placement Document, you are doing so in an offshore transaction pursuant to Regulation S under the Securities Act; OR (iv) you are acting on behalf of, or you are, a qualified institutional buyer as defined in Rule 144A under the Securities Act; AND (2) you consent to delivery of the attached Preliminary Placement Document and any amendments or supplements thereto by electronic transmission.

The attached Preliminary Placement Document has been made available to you in electronic form. You are reminded that documents transmitted through this medium may be altered or changed during the process of transmission and consequently none of the Company or the Book Running Lead Managers or any of their respective directors, officers, employees, agents, representatives or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the Preliminary Placement Document distributed to you in electronic form and the physical copy. We will provide a physical copy to you upon request.

Restrictions: The attached Preliminary Placement Document is being furnished in connection with an offering exempt from registration under the Securities Act solely for the purpose of enabling you, as a prospective investor, to consider the subscription to or purchase of the Equity Shares described in this Preliminary Placement Document. An investment decision should only be made on the basis of the attached Preliminary Placement Document. In making an investment decision, investors must rely on their own examination of the merits and risks involved. You are advised that the information in the attached Preliminary Placement Document is not complete and may be changed at any time without any notice. No representation or warranty, express or implied is made or given by or on behalf of any of the Book Running Lead Managers named herein, or any person who controls it or any director, officer, employee, agent or representative of it or affiliate of such person as to the accuracy, completeness or fairness of the information or opinions contained in the attached Preliminary Placement Document and such persons do not accept responsibility or liability for any such information or opinions.

NOTHING HEREIN CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE EQUITY SHARES HAVE NOT BEEN, AND WILL NOT BE,

REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

Except with respect to eligible investors in jurisdictions where such issue is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation or solicitation by or on behalf of the Company or any of the Book Running Lead Managers to subscribe to or purchase, the Equity Shares described therein, and access has been limited so that it shall not constitute a general advertisement or solicitation in the United States or elsewhere. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Book Running Lead Managers or any of their affiliates is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Book Running Lead Manager or their eligible affiliates on behalf of the Company in such jurisdiction.

You are reminded that you have accessed the attached Preliminary Placement Document on the basis that you are a person into whose possession the Preliminary Placement Document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not and you are not authorized to deliver or forward this document, electronically or otherwise, to any other person, other than to our affiliates and our and their respective members, directors, officers, employees, agents, advisors and funding sources (on a need to know basis). The materials relating to the offering of Equity Shares referred to in this Preliminary Placement Document do not constitute, and may not be used in connection with, an offer, invitation to offer or solicitation in any place where offers, invitations to offer or solicitations are not permitted by law. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to subscribe to or purchase the Equity Shares described therein.

This e-mail and the attached Preliminary Placement Document are intended only for use by the addressee named herein and may contain legally privileged and/or confidential information. If you are not the intended recipient of this e-mail or the attached Preliminary Placement Document, you are hereby notified that any dissemination, distribution or copying of this e-mail or the attached Preliminary Placement Document is strictly prohibited. If you have received this e-mail and the attached Preliminary Placement Document in error, please immediately notify us by reply email and destroy any printouts of the e-mail and this Preliminary Placement Document.

Actions that You May Not Take: You should not reply by e-mail to this announcement, and you may not subscribe to or purchase any Equity Shares by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored, rejected or deleted, except as specified above.

YOU ARE NOT AUTHORIZED TO, AND YOU MAY NOT, FORWARD OR DELIVER THE ATTACHED PRELIMINARY PLACEMENT DOCUMENT, ELECTRONICALLY OR OTHERWISE, OR DISCLOSE THE CONTENTS OF THE PRELIMINARY PLACEMENT DOCUMENT TO ANY OTHER PERSON OR REPRODUCE IN WHOLE OR IN PART SUCH PRELIMINARY PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT AND THE ATTACHED PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

Preliminary Placement Document
Not for circulation
Private and confidential
Serial No. ___
Dated January 18, 2021

This Preliminary Placement Document relates to an issue made to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and no offer is being made through this Preliminary Placement Document to the public or any other categories of investors other than the Eligible QIBs. This Preliminary Placement Document is not an offer to sell securities, and is not soliciting an offer to buy securities in any jurisdiction where such offer or sale is not permitted. The information in this Preliminary Placement Document is not complete and may be changed.

APOLLO HOSPITALS ENTERPRISE LIMITED

*Apollo Hospitals Enterprise Limited (the "**Company**") was incorporated on December 5, 1979 under the laws of the Republic of India with a certificate of incorporation granted by the Registrar of Companies, Tamil Nadu at Madras. We obtained a certificate of commencement of business on December 27, 1979. For further details, see "**General Information**" on page 232.*

Corporate Identity Number: L85110TN1979PLC008035
Registered Office: No. 19, Bishop Gardens, Raja Annamalaipuram, Chennai – 600 028, Tamil Nadu, India
Corporate Office: Sunny Side Building, East Block, 3rd Floor, No. 8/17 Shafee Mohammed Road, Chennai – 600 006, Tamil Nadu, India
Tel No.: +91 44 2829 6117; **Website**: www.apollohospitals.com; **Email**: investor.relations@apollohospitals.com

Issue of up to [●] equity shares of face value of ₹ 5 each (the "**Equity Shares**") at a price of ₹ [●] per Equity Share, including a premium of ₹ [●] per Equity Share (the "**Issue Price**"), aggregating up to ₹ [●] million (the "**Issue**"). For further details, see "***Summary of the Issue***" on page 25.

THE ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "**SEBI ICDR REGULATIONS**"), SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED, READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "**PAS RULES**"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013, AS AMENDED AND THE RULES MADE THEREUNDER (THE "**COMPANIES ACT, 2013**").

The Equity Shares of our Company are listed on the National Stock Exchange of India Limited (the "**NSE**") and the BSE Limited (the "**BSE**" and together with NSE, the "**Stock Exchanges**"). The closing prices of the Equity Shares on the NSE and the BSE as on January 15, 2021 were ₹ 2,588.00 and ₹ 2,591.55 per Equity Share, respectively. Our Company has received in-principle approvals pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "**SEBI Listing Regulations**") for listing of the Equity Shares to be issued pursuant to this Issue, from each of BSE and NSE on January 18, 2021. Our Company shall make applications to the Stock Exchanges for obtaining final listing and trading approvals for the Equity Shares to be issued pursuant to this Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to be issued pursuant to this Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or the Equity Shares.

OUR COMPANY HAS PREPARED THIS PRELIMINARY PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE. THE ISSUE AND THE DISTRIBUTION OF THIS PRELIMINARY PLACEMENT DOCUMENT TO ELIGIBLE QIBs IS BEING MADE IN RELIANCE UPON CHAPTER VI OF THE SEBI ICDR REGULATIONS, SECTION 42 OF THE COMPANIES ACT, 2013 READ WITH RULE 14 OF THE PAS RULES AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013. THIS PRELIMINARY PLACEMENT DOCUMENT SHALL BE CIRCULATED TO ONLY SUCH ELIGIBLE QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY, PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES. THIS PRELIMINARY PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN TO QUALIFIED INSTITUTIONAL BUYERS AS DEFINED IN THE SEBI ICDR REGULATIONS ("QIBs"). YOU ARE NOT AUTHORIZED TO AND MAY NOT (1) DELIVER THIS PRELIMINARY PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PRELIMINARY PLACEMENT DOCUMENT, IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILIZE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS.

INVESTMENT IN EQUITY SHARES INVOLVES A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ "*RISK FACTORS*" BEGINNING ON PAGE 32 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONDUCT ITS OWN DUE DILIGENCE ON US AND THE EQUITY SHARES AND CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THIS PRELIMINARY PLACEMENT DOCUMENT AND THE PLACEMENT DOCUMENT.

A copy of this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereinafter)) has been delivered to the Stock Exchanges and a copy of the Placement Document (which will include disclosures prescribed under Form PAS-4) will be delivered to the Stock Exchanges. Our Company shall also make the requisite filings with the Registrar of Companies, Tamil Nadu at Chennai ("**RoC**"), within the stipulated period as required under the Companies Act, 2013 and PAS Rules. This Preliminary Placement Document has not been reviewed by the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), the Stock Exchanges or any other listing or regulatory authority and is intended only for use by Eligible QIBs. This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC, and will not be circulated or distributed to the public in India or any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction.

Invitations, offers and sales of the Equity Shares to be issued pursuant to this Issue shall only be made pursuant to this Preliminary Placement Document together with the Application Form, the Placement Document and the Confirmation of Allocation Note (each as defined hereinafter). For further details, please see "***Issue Procedure***" on page 175. The distribution of this Preliminary Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs to whom this Preliminary Placement Document is specifically addressed, and persons retained by such Eligible QIBs to advise them with respect to their purchase of Equity Shares is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document.

The information on the websites of our Company, Subsidiaries, Joint Ventures and Associates, or any other website directly or indirectly linked to the websites of our Company, Subsidiaries, Joint Ventures and Associates, or the respective websites of the Book Running Lead Managers (as defined hereinafter) or their respective affiliates, does not constitute nor form part of this Preliminary Placement Document and prospective investors should not rely on such information contained in, or available through, any such website.

The Equity Shares offered in the Issue have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act ("**Rule 144A**") and referred to in this Preliminary Placement Document as a "**U.S. QIB**") in transactions exempt from, or not subject to, the registration requirements of the Securities Act, and (b) outside the United States in offshore transactions in compliance with Regulation S under the Securities Act ("**Regulation S**") and the applicable laws of the jurisdictions where those offers and sales occur. The Equity Shares are transferable only in accordance with the restrictions described under the sections "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 190 and 198, respectively. For the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Preliminary Placement Document as "QIBs".

BOOK RUNNING LEAD MANAGERS			
BofA Securities India Limited	**Axis Capital Limited**	**J.P. Morgan India Private Limited**	**Kotak Mahindra Capital Company Limited**

This Preliminary Placement Document is dated January 18, 2021.

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Preliminary Placement Document and confirms that to the best of our knowledge and belief, having made all reasonable enquiries, this Preliminary Placement Document contains all information with respect to us and the Equity Shares that is material in the context of the Issue. The statements contained in this Preliminary Placement Document relating to us and the Equity Shares are, in every material respect, true and accurate and not misleading. The opinions and intentions expressed in this Preliminary Placement Document with regard to us and the Equity Shares to be issued pursuant to the Issue are honestly held, have been reached after considering all relevant circumstances, and are based on reasonable assumptions and information presently available to us. There are no other facts in relation to us and the Equity Shares to be issued pursuant to the Issue, the omission of which would, in the context of the Issue, make any statement in this Preliminary Placement Document misleading in any material respect. Further, all reasonable enquiries have been made by us to ascertain such facts and to verify the accuracy of all such information and statements.

BofA Securities India Limited, Axis Capital Limited, J.P. Morgan India Private Limited and Kotak Mahindra Capital Company Limited (collectively, the "**Book Running Lead Managers**") are acting as the Book Running Lead Managers to the Issue. The Book Running Lead Managers have not separately verified all the information contained in this Preliminary Placement Document (financial, legal or otherwise). Accordingly, neither the Book Running Lead Managers nor any of their respective shareholders, employees, counsel, officers, directors, representatives, agents or affiliates makes any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the Book Running Lead Managers or by any of their respective shareholders, employees, counsel, officers, directors, representatives, agents or affiliates as to the accuracy or completeness of the information contained in this Preliminary Placement Document or any other information supplied in connection with us or the Equity Shares or distribution of this Preliminary Placement Document. Each person receiving this Preliminary Placement Document acknowledges that such person has not relied on either the Book Running Lead Managers or on any of their respective shareholders, employees, counsel, officers, directors, representatives, agents or affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of us and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

No person is authorized to give any information or to make any representation not contained in this Preliminary Placement Document and any information or representation not so contained must not be relied upon as having been authorized by or on behalf of our Company or the Book Running Lead Managers. The delivery of this Preliminary Placement Document at any time does not imply that the information contained in it is correct as on any time subsequent to its date.

The distribution of this Preliminary Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs specified by the Book Running Lead Managers or their respective representatives, and those retained by such Eligible QIBs to advise them with respect to their purchase of the Equity Shares, is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and make no copies of this Preliminary Placement Document or any offering material in connection with the Equity Shares.

The distribution of this Preliminary Placement Document and the offering of the Equity Shares may be restricted by law in certain countries or jurisdictions. As such, this Preliminary Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized, or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by our Company and the Book Running Lead Managers which would permit an offering of the Equity Shares or distribution of this Preliminary Placement Document in any country or jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain jurisdictions, see "***Selling Restrictions***" on page 190.

In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue, including the merits and risks involved. Investors should not construe the contents of this Preliminary Placement Document as legal, tax, accounting or investment advice. Investors should consult their own counsels and advisors as to business, legal, tax, accounting and related matters concerning the Issue. In addition, neither our Company nor the Book Running Lead Managers are making any representation to any investor, subscriber, offeree or purchaser of the Equity Shares regarding the legality or suitability of an investment in the Equity Shares by such investor, subscriber, offeree or purchaser under applicable laws or regulations. Prospective investors of the Equity Shares should conduct their own due diligence on us and the Equity Shares. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorised financial advisor and/ or legal advisor.

Each investor, subscriber, offeree or purchaser of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is eligible to invest in India and in our Company under Indian law, including Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act, 2013 and Rule 14 of the PAS Rules, and is not prohibited by SEBI or any other statutory, regulatory or judicial authority from buying, selling or dealing in securities, including the Equity Shares.

The information on the websites of our Company, Subsidiaries, Joint Ventures and Associates, or any other website directly or indirectly linked to the websites of our Company, Subsidiaries, Joint Ventures and Associates, or the respective websites of the Book Running Lead Managers or their respective affiliates, does not constitute nor form part of this Preliminary Placement Document and prospective investors should not rely on such information contained in, or available through, any such website. This Preliminary Placement Document contains summaries of certain terms of certain documents, which are qualified in their entirety by the terms and conditions of such documents.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

The Equity Shares to be issued pursuant to the Issue have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction, including the United States Securities and Exchange Commission ("**SEC**"), any other federal or state authorities in the United States, the securities authorities of any non-United States jurisdiction or any other United States or non-United States regulatory authority.

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Preliminary Placement Document or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of the Company and the terms of the Issue, including the merits and risks involved. The Equity Shares have not been and will not be registered under the Securities Act, or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to U.S. QIBs in transactions exempt from or not subject to the registration requirements of the Securities Act and (b) outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. The Equity Shares are transferable only in accordance with the restrictions described under the sections "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 190 and 198, respectively.

The Equity Shares are transferable only in accordance with the restrictions described under "***Selling Restrictions***" in this Preliminary Placement Document. Purchasers of the Equity Shares will be deemed to make the representations, warranties, acknowledgements and agreements set forth in "***Representations by Investors***", "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 6, 190 and 198, respectively.

This Placement Document is being furnished on a confidential basis solely for the purpose of enabling a prospective investor to consider subscribing for the particular securities described herein. The information contained in this Placement Document has been provided by the Company and other sources identified herein. Distribution of this Preliminary Placement Document to any person other than the offeree specified by the Lead Managers or their representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorized, and any disclosure of its contents, without prior written consent of the Company, is prohibited. Any reproduction or distribution of this Preliminary Placement Document in the United States, in whole or in part, and any disclosure of its contents to any other person is prohibited.

The Company is not subject to the periodic reporting requirements of the U.S. Securities Exchange Act of 1934, as amended (the "**U.S. Securities Exchange Act**"). In order to permit compliance with Rule 144A under the U.S.

Securities Act in connection with resales of the Equity Shares, the Company agrees to furnish upon request of a holder of its Equity Shares, or any prospective purchaser designated by such holder, the information required to be delivered under Rule 144A(d)(4) of the U.S. Securities Act if at the time of such request the Company is not a reporting company under Section 13 or Section 15(d) of the U.S. Securities Exchange Act, or is not exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

NOTICE TO INVESTORS IN THE EUROPEAN ECONOMIC AREA

This Preliminary Placement Document has been prepared on the basis that all offers of Equity Shares will be made pursuant to an exemption under the EU Prospectus Regulation from the requirement to produce a prospectus for offers of Equity Shares. The expression "EU Prospectus Regulation" means Regulation (EU) 2017/1129, as applicable in the Relevant Member State (as defined below) (each a "**Relevant Member State**"). Accordingly, any person making or intending to make an offer within the European Economic Area ("**EEA**") of Equity Shares which are the subject of the placement contemplated in this Preliminary Placement Document should only do so in circumstances in which no obligation arises for our Company or any of the Book Running Lead Managers to produce a prospectus for such offer. None of our Company and the Book Running Lead Managers have authorized, nor do they authorize, the making of any offer of Equity Shares through any financial intermediary, other than the offers made by the Book Running Lead Managers which constitute the final placement of Equity Shares contemplated in this Preliminary Placement Document.

Information to Distributors (as defined below)

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (B) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any 'manufacturer' (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Equity Shares have been subject to a product approval process, which has determined that such Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**target market assessment**"). Notwithstanding the target market assessment, distributors should note that: the price of the Equity Shares may decline and investors could lose all or part of their investment; the Equity Shares offer no guaranteed income and no capital protection; and an investment in the Equity Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The target market assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer. Furthermore, it is noted that, notwithstanding the target market assessment, the Book Running Lead Managers will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the target market assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase or take any other action whatsoever with respect to the Equity Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Equity Shares and determining appropriate distribution channels.

NOTICE TO INVESTORS IN THE UNITED KINGDOM

This Preliminary Placement Document has been prepared on the basis that all offers of Equity shares will be made pursuant to an exemption under the UK Prospectus Regulation from the requirement to produce a prospectus for offers of Equity Shares. The expression "UK Prospectus Regulation" means Prospectus Regulation (EU) 2017/1129, as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018. Accordingly, any person making or intending to make an offer within the United Kingdom of Equity Shares which are the subject of the placement contemplated in this Preliminary Placement Document should only do so in circumstances in which no obligation arises for our Company or any of the Book Running Lead Managers to produce a prospectus for such offer. None of our Company or the Book Running Lead Managers have authorized, nor do they authorize, the making of any offer of Equity Shares through any financial intermediary, other than the offers made by the Book Running Lead Managers which constitute the final placement of Equity Shares contemplated in this Offering Memorandum.

Information to Distributors (as defined below)

Solely for the purposes of the product governance requirements contained within the FCA Handbook Product Intervention and Product Governance Sourcebook ("**PROD**") (the "**UK MiFIR Product Governance Rules**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any 'manufacturer' (for the purposes of the UK Product Governance Rules) may otherwise have with respect thereto, the Equity Shares have been subject to a product approval process, which has determined that such Equity Shares are: (i) compatible with an end target market of: (a) investors who meet the criteria of professional clients as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (b) eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"); and (c) retail clients who do not meet the definition of professional client under (b) or eligible counterparty per (c); and (ii) eligible for distribution through all distribution channels as are permitted by Directive 2014/65/EU (the "**target market assessment**"). Notwithstanding the target market assessment, distributors should note that: the price of the Equity Shares may decline and investors could lose all or part of their investment; the Equity Shares offer no guaranteed income and no capital protection; and an investment in the Equity Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The target market assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer. Furthermore, it is noted that, notwithstanding the target market assessment, the Book Running Lead Managers will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the target market assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of COBS 9A and COBS 10A respectively; or (b) a recommendation to any investor or group of investors to invest in, or purchase or take any other action whatsoever with respect to the Equity Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Equity Shares and determining appropriate distribution channels.

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

For information relating to investors in certain other jurisdictions, see the sections "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 190 and 198, respectively.

REPRESENTATIONS BY INVESTORS

All references to "you" and "your" in this section are to the prospective investors in the Issue. By bidding and/ or subscribing to any Equity Shares under this Issue, you are deemed to have made the representations, warranties, acknowledgements and agreements set forth in the sections "***Notice to Investors***", "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 2, 190 and 198, respectively, and to have represented, warranted and acknowledged to and agreed with our Company and the Book Running Lead Managers as follows:

1. You are a "**Qualified Institutional Buyer**" as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted (hereinafter defined) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, 2013 and all other applicable laws; and (ii) comply with all requirements under applicable law in this relation, including reporting obligations/ making necessary filings, if any, with appropriate regulatory authorities including RBI, in connection with this Issue or otherwise in relation to accessing the capital markets;

2. You are eligible to invest in India under applicable law, including the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended ("**FEMA Non-Debt Rules**") and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, statutory authority or otherwise, from buying, selling or dealing in securities or otherwise in relation to accessing capital markets in India;

3. If you are not a resident of India, but a QIB, you are an Eligible FPI (and are not an individual, corporate body or a family office) having a valid and existing registration with SEBI under the applicable laws in India and are eligible to invest in India under applicable law, including the FEMA Non-Debt Rules, and any notifications, circulars or clarifications issued thereunder, or a multilateral or bilateral development financial institution and have not been prohibited by SEBI or any other regulatory authority, statutory authority or otherwise, from buying, selling, dealing in securities or otherwise accessing the capital markets. You confirm that you are not an FVCI;

4. You will provide the information as required under the Companies Act, 2013, the PAS Rules and applicable SEBI regulations and rules for record keeping by our Company, including your name, complete address, phone number, e-mail address, permanent account number and bank account details;

5. If you are Allotted Equity Shares pursuant to this Issue, you shall not, for a period of one year from the date of Allotment (hereinafter defined), sell the Equity Shares so acquired except on the floor of the Stock Exchanges. Please note that additional restrictions apply if you are in the United States. For details, please see "***Transfer Restrictions***" on page 198;

6. You have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements and undertakings detailed in the sections "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 190 and 198, respectively.

7. You are aware that this Preliminary Placement Document has not been, and will not be, filed as a prospectus with the RoC under the Companies Act, 2013, the SEBI ICDR Regulations, or under any other law in force in India, and no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. This Preliminary Placement Document has not been reviewed, verified or affirmed by the SEBI, the RBI, the Stock Exchanges or any other regulatory or listing authority and is intended only for use by Eligible QIBs. This Preliminary Placement Document has been filed, and the Placement Document shall be filed with the Stock Exchanges for record purposes only and this Preliminary Placement Document and the Placement Document shall be displayed on the websites of our Company and the Stock Exchanges;

8. You are entitled to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions applicable to you and that you have fully observed such laws and you have necessary capacity, have obtained all necessary consents and approvals, governmental or otherwise, and authorisations and complied and shall comply with all necessary formalities, to enable you to commit to, and to participate in this Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the

terms set out or referred to in this Preliminary Placement Document), and will honour such obligations;

9. Neither our Company, the Book Running Lead Managers nor any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates are making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with this Issue and your participation in this Issue is on the basis that you are not, and will not, up to the Allotment of the Equity Shares, be a client of the Book Running Lead Managers. Neither the Book Running Lead Managers nor any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates has any duty or responsibility to you for providing the protection afforded to their clients or customers or for providing advice in relation to this Issue and are not in any way acting in any fiduciary capacity;

10. You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents ("**Company Presentations**") with regard to us or this Issue; or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the Book Running Lead Managers may not have knowledge of the statements that our Company or its agents may have made at such Company Presentations and are therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the Book Running Lead Managers have advised you not to rely in any way on any information that was provided to you at such Company Presentations, and (b) confirm that, to the best of your knowledge, you have not been provided any material information relating to us and this Issue that was not publicly available;

11. All statements other than statements of historical fact included in this Preliminary Placement Document, including, without limitation, those regarding our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and environment in which we will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Preliminary Placement Document. None of our Company, the Book Running Lead Managers or any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates assumes any responsibility to update any of the forward-looking statements contained in this Preliminary Placement Document;

12. You are aware and understand that the Equity Shares are being offered only to Eligible QIBs on a private placement basis in the manner set forth herein and are not being offered to the general public, and the Allocation of the same shall be at the absolute discretion of our Company, in consultation with the Book Running Lead Managers;

13. You are aware that the Equity Shares being issued pursuant to this Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association of our Company and shall rank *pari passu* in all respects with the existing Equity Shares, including the right to receive all dividend and other distributions declared, made or paid in respect of the Equity Shares after the date of issue of the Equity Shares, as applicable;

14. You have been provided a serially numbered copy of this Preliminary Placement Document, and have read it in its entirety, including in particular the "***Risk Factors***" and "***Transfer Restrictions***" on pages 32 and 198, respectively;

15. You are not acquiring or subscribing for the Equity Shares as a result of any general solicitation or general advertising (as those terms are defined in Regulation D under the U.S. Securities Act) or directed selling efforts (as defined in Regulation S) and you understand and agree that offers and sales (a) in the United States, are being made in reliance on an exemption from the registration requirements of the Securities Act provided by Section 4(a)(2) of the Securities Act or Regulation S or another available exemption from the registration under the Securities and (b) the Equity Shares may not be eligible for resale under Rule 144A thereunder. You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described under "***Selling Restrictions***" and "***Transfer Restrictions***" on

pages 190 and 198, respectively.

16. In making your investment decision, you have (i) relied on your own examination of our Company and our Subsidiaries, Associates and Joint Ventures, and the terms of this Issue, including the merits and risks involved, (ii) made your own assessment of our Company and our Subsidiaries, Associates and Joint Ventures, the Equity Shares and the terms of this Issue based solely on the information contained in this Preliminary Placement Document and no other disclosure or representation by our Company or any other party, (iii) consulted your own independent counsels and advisors or otherwise have satisfied yourself concerning, the effects of local laws (including tax laws), (iv) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of us and the Equity Shares, and (v) relied upon your own investigation and resources in deciding to invest in this Issue;

17. Neither our Company nor the Book Running Lead Managers or any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates have provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including but not limited to this Issue and the use of the proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on our Company, the Book Running Lead Managers or any of their affiliates including any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates when evaluating the tax consequences in relation to the Equity Shares (including but not limited to this Issue and the use of the proceeds from the Equity Shares). You waive, and agree not to assert any claim against our Company or any of the Book Running Lead Managers or any of their affiliates including any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

18. You are seeking to subscribe to/ acquire the Equity Shares in this Issue for your own investment and not with a view to resale or distribute. You are aware that Equity Shares are being offered only to Eligible QIBs and are not being offered to the general public. You acknowledge that this Preliminary Placement Document does not, and the Placement Document shall not confer upon or provide you with the right of renunciation in favour of any person with respect to Equity Shares, proposed to be issued;

19. You are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of an investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in a similar nature of business, similar stage of development and in similar jurisdictions. You and any accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of your investment in the Equity Shares, (ii) will not look to our Company and/ or any of the Book Running Lead Managers or of their affiliates including any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered in connection with this Issue, including losses arising out of non-performance by our Company of any of its respective obligations or any breach of any representations and warranties by our Company, whether to you or otherwise, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investments in the Equity Shares, (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the securities in the near future, and (vi) are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute. You acknowledge that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment;

20. If you are acquiring the Equity Shares to be issued pursuant to this Issue for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire such Equity Shares for each managed account and to make (and you hereby make) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to “you” to include such accounts;

21. You are not a ‘promoter’ of our Company (as defined under the SEBI ICDR Regulations), and are not a person related to any of the Promoters, either directly or indirectly and your Bid (hereinafter defined) does not directly or indirectly represent any of our Promoters or Promoter Group of our Company or persons or entities related thereto;

22. You have no rights under a shareholders' agreement or voting agreement entered into with the Promoters or members of the Promoter Group of our Company, no veto rights or right to appoint any nominee director on the Board of Directors of our Company, other than the rights, if any, acquired in the capacity of a lender not holding any Equity Shares (a QIB who does not hold any Equity Shares and who has acquired the said rights in the capacity of a lender shall not be deemed to be a person related to our Promoters);

23. You agree that in terms of Section 42 of the Companies Act and Rule 14 of PAS Rules and other applicable provisions of the Companies Act, our Company shall make necessary filings with the RoC as may be required under the Companies Act;

24. You have no right to withdraw your Bid or revise your Bid downwards after the Issue Closing Date (as defined herein);

25. You are eligible to apply and hold the Equity Shares Allotted to you together with any Equity Shares held by you prior to this Issue. Further, you confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable law;

26. The Bid made by you would not eventually result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended ("**SEBI Takeover Regulations**");

27. To the best of your knowledge and belief, your aggregate holding, together with other Eligible QIBs in this Issue that belong to the same group or are under common control as you, pursuant to the Allotment under this Issue shall not exceed 50% of the Issue Size. For the purposes of this representation:
    a) Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIB, its subsidiary or holding company and any other QIB; and
    b) 'Control' shall have the same meaning as is assigned to it under the SEBI Takeover Regulations;

28. You are aware that after Allotment, final applications will be made for obtaining listing and trading approvals for listing and admission of the Equity Shares and for trading on the Stock Exchanges, and that there can be no assurance that such approvals will be obtained on time or at all. Neither our Company nor the Book Running Lead Managers nor any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising therefrom;

29. You shall not undertake any trade in the Equity Shares credited to your beneficiary account until such time that the final listing and trading approvals for such Equity Shares are issued by the Stock Exchanges;

30. You are aware that the pre-Issue and post-Issue shareholding pattern of our Company, as required by the SEBI Listing Regulations, will be filed by our Company with the Stock Exchanges, and if you together with any other Eligible QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in this Issue, our Company shall be required to disclose the name of such Allottees and the number of Equity Shares Allotted, to the Stock Exchanges and the Stock Exchanges will make the same available on their websites and you consent to such disclosures being made by our Company;

31. You are aware and understand that the Book Running Lead Managers have entered into a placement agreement with our Company, whereby the Book Running Lead Managers have, subject to the satisfaction of certain conditions set out therein, severally and not jointly, undertaken to use their reasonable efforts to procure subscription for the Equity Shares on the terms and conditions set out therein;

32. You are subscribing to the Equity Shares to be issued pursuant to this Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not

limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended, and the Companies Act;

33. The contents of this Preliminary Placement Document are exclusively the responsibility of our Company and neither the Book Running Lead Managers nor any person acting on its or their behalf or any of the counsels or advisors to this Issue has or shall have any liability for any information, representation or statement contained in this Preliminary Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in this Issue based on any information, representation or statement contained in this Preliminary Placement Document or otherwise. By accepting participation in this Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Preliminary Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, and you have neither received nor relied on any other information, representation, warranty or statement made by, or on behalf of, the Book Running Lead Managers or our Company or any other person and neither the Book Running Lead Managers nor our Company or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them and the Book Running Lead Managers and their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates will not be liable for your decision to accept an invitation to participate in this Issue based on any other information, representation, warranty, statement or opinion;

34. Neither the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in this Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with this Issue, including non-performance by our Company or any of its obligations or any breach of any representations and warranties by our Company, whether to you or otherwise;

35. Any dispute arising in connection with this Issue will be governed and construed in accordance with the laws of the Republic of India, and the courts in Chennai, India, shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Preliminary Placement Document and the Placement Document;

36. Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in this Issue. You agree to indemnify and hold our Company and the Book Running Lead Managers and their respective affiliates, and their respective shareholders, directors, officers, employees, counsels, representatives, agents and controlling persons harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements, agreements and undertakings made by you in this Preliminary Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;

37. If you are within the United States, you are a U.S. QIB, who is are acquiring the Equity Shares for your own account or for the account of an institutional investor who also meets the definition of a U.S. QIB, for investment purposes only, and not with a view to, or for reoffer or resale in connection with, the distribution (within the meaning of any United States securities laws) thereof, in whole or in part, and are not an affiliate of our Company or a person acting on behalf of such an affiliate;

38. If you are outside the United States, you are subscribing for the Equity Shares in an offshore transaction within the meaning of Regulation S under the Securities Act, and are not currently the Company's or the Book Running Lead Managers' affiliate or a person acting on behalf of such an affiliate;

39. You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described under the sections "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 190 and 198, respectively. Particularly, you represent and agree that you will only reoffer, resell, pledge or otherwise transfer the Equity Shares only (A) (i) to a person whom the beneficial owner and/ or any person acting on its behalf reasonably believes is a U.S. QIB in transactions meeting the requirements of Rule 144A or

another exemption from the registration requirements of the Securities Act or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the Securities Act and (B) in accordance with all applicable laws, including the securities laws of the states of the United States;

40. You are aware that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose names and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document. However, disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in this Issue shall continue to be at the sole discretion of our Company, in consultation with the Book Running Lead Managers;

41. You will make the payment for subscription to the Equity Shares pursuant to this Issue from your own bank account. In case of joint holders, the monies shall be paid from the bank account of the person whose name appears first in the application;

42. You are aware that in terms of the SEBI FPI Regulations and the FEMA Non-Debt Rules, the total holding by each FPI including its investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than fifty percent or common control) shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis. In terms of the FEMA Non-Debt Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. The existing individual and aggregate investment limits for an FPI in our Company are 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the sectoral cap applicable to our Company in accordance with the FEMA Non-Debt Rules, respectively. In case the holding of an FPI together with its investor group increases to 10% or more of the total paid-up Equity Share capital, on a fully diluted basis, such FPI together with its investor group shall divest the excess holding within a period of five trading days from the date of settlement of the trades resulting in the breach. If however, such excess holding has not been divested within the specified period of five trading days, the entire shareholding of such FPI together with its investor group will be re-classified as FDI, subject to the conditions as specified by SEBI and the RBI in this regard and compliance by our Company and the investor with applicable reporting requirements and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations;

43. You are eligible to invest in and hold the Equity Shares of our Company in accordance with press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India and the related amendment to the FEMA Non-Debt Rules, wherein an entity of a country which shares a land border with India or the beneficial owner an investment into India who is situated in or is a citizen of any such country, can only make investments through the Government approval route, as prescribed in the FEMA Regulations;

44. You are aware and understand that you are allowed to place a Bid for Equity Shares. Please note that submitting a Bid for Equity Shares should not be taken to be indicative of the number of Equity Shares that will be Allotted to a Successful Bidder. Allotment of Equity Shares will be undertaken by our Company, in its absolute discretion, in consultation with the Book Running Lead Managers;

45. You will make all necessary filings with appropriate regulatory authorities including the RBI as required pursuant to applicable laws; and

46. Our Company, the Book Running Lead Managers, their respective affiliates, directors, shareholders, officers, counsels, employees, representatives, agents and controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, which are given to the Book Running Lead Managers on their own behalf and on behalf of our Company, and are irrevocable. You are not an affiliate of our Company, or a person acting on behalf of an affiliate of our Company.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals, including in terms of Regulation 21 of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 ("**SEBI FPI Regulations**") and the Operating Guidelines for Foreign Portfolio Investors and Designated Depository Participants issued by SEBI to facilitate implementation of the SEBI FPI Regulations, FPIs, including the affiliates of the Book Running Lead Managers, who are registered as category I FPI may issue, subscribe and otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it in India, as its underlying) (all such offshore derivative instruments are referred to herein as "**P-Notes**") provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned category I FPIs may receive compensation from the purchasers of such instruments. Such P-Notes can be issued subject to compliance with the KYC norms and such other conditions as specified by SEBI from time to time, including payment of applicable regulatory fee. P-Notes have not been, and are not being, offered or sold pursuant to this Preliminary Placement Document. This Preliminary Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-notes, including, without limitation, any information regarding any risk factors relating thereto.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) is not permitted to be 10% or above of our post-Issue Equity Share capital. These investment restrictions also apply similarly to subscribers of offshore derivative instruments. In the event a prospective investor has investments as an FPI and as a subscriber of offshore derivative instruments, these investment restrictions shall apply on the aggregate of the FPI and offshore derivative instruments investments held in the underlying company.

All investments made by a non-resident entity in India shall be subject to the FDI Policy. Further, any investments where the beneficial owner of the Equity Shares is situated in or is a citizen or is an entity of a country which shares land border with India, can only be made through the Government approval route as specified in the FDI Policy.

Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the Book Running Lead Managers do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the Book Running Lead Managers and do not constitute any obligations of or claims on the Book Running Lead Managers. Respective affiliates of the Book Running Lead Managers which are eligible FPIs may purchase the Equity Shares in this Issue, and may issue P-Notes in respect thereof, in each case to the extent permitted by applicable law.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures from the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of this Preliminary Placement Document has been submitted to each of the Stock Exchanges.

The Stock Exchanges do not in any manner:

1. warrant, certify or endorse the correctness or completeness of the contents of this Preliminary Placement Document;

2. warrant that our Equity Shares will be listed or will continue to be listed on the Stock Exchanges; or

3. take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company.

It should not for any reason be deemed or construed to mean that this Preliminary Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares of our Company may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/ acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

PRESENTATION OF FINANCIAL INFORMATION AND OTHER CONVENTIONS

Certain Conventions

In this Preliminary Placement Document, unless the context otherwise indicates or implies, references to 'you,' 'your', 'offeree', 'purchaser,' 'subscriber,' 'recipient,' 'investors' and 'potential investor' are to the prospective investors in the Issue, references to 'Apollo', the 'Company', 'our Company', the 'Issuer' are to Apollo Hospitals Enterprise Limited, and references to 'we', 'our' or 'us' are to Apollo Hospitals Enterprise Limited, together with its Subsidiaries, Associates and Joint Ventures on a consolidated basis.

In this Preliminary Placement Document, references to 'US$', 'USD' and 'U.S. dollars' are to the legal currency of the United States, and references to '₹', 'Rs.', 'INR' 'Indian Rupees' and 'Rupees' are to the legal currency of the Republic of India. All references herein to the 'U.S.' or the 'United States' are to the United States of America and its territories and possessions. All references herein to "India" are to the Republic of India and its territories and possessions and the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. Our Company has presented certain numerical information in this Preliminary Placement Document in "million" units. One million represents 1,000,000.

Financial and Other Information

In this Preliminary Placement Document we have included the following financial statements prepared under Ind AS: (i) the audited consolidated financial statements for Fiscal 2018 read along with the notes thereto (the "**Fiscal 2018 Audited Consolidated Financial Statements**"); (ii) the audited consolidated financial statements for Fiscal 2019 read along with the notes thereto (the "**Fiscal 2019 Audited Consolidated Financial Statements**"); (iii) the audited consolidated financial statements for Fiscal 2020 read along with the notes thereto (the "**Fiscal 2020 Audited Consolidated Financial Statements**" and collectively with Fiscal 2018 Audited Consolidated Financial Statements and Fiscal 2019 Audited Consolidated Financial Statements, the "**Audited Consolidated Financial Statements**"); and (iv) the interim consolidated financial statements for the six months ended September 30, 2020 (including the comparative financial information with respect to the six months ended September 30, 2019) (the "**Interim Consolidated Financial Statements**").

Our Fiscal 2018 Audited Consolidated Financial Statements, Fiscal 2019 Audited Consolidated Financial Statements and Fiscal 2020 Audited Consolidated Financial Statements were audited by Deloitte Haskins & Sells LLP, Chartered Accountants our Statutory Auditors. Our Interim Consolidated Financial Statements have been subjected to limited review by our Statutory Auditors, who have reported that they applied limited procedures in accordance with professional standards for a review of such information. However, their separate report included herein, states that they did not audit and they do not express an opinion on that interim financial information. Accordingly, the degree of such reliance on their report for such information should be restricted in light of the limited nature of the review procedures applied therein.

In addition, Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including generally accepted accounting principles followed in the U.S. ("**U.S. GAAP**") or International Financial Reporting Standards ("**IFRS**"). Our Company does not attempt to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Preliminary Placement Document, nor does our Company provide a reconciliation of its Audited Consolidated Financial Statements to IFRS or U.S. GAAP. Accordingly, the degree to which the Audited Consolidated Financial Statements and the Interim Consolidated Financial Statements, as included in this Preliminary Placement Document, prepared in accordance with Ind AS, will provide meaningful information is entirely dependent on the reader's familiarity with the respective Indian accounting policies and practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited.

For further information, see "***Management's Discussion and Analysis of Financial Condition and Results of Operations"*** on page 70.

All numerical and financial information as set out and presented in this Preliminary Placement Document, except for the information in the section "***Industry Overview***", for the sake of consistency and convenience have been rounded off or expressed in two decimal place in ₹ million. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

The fiscal year of our Company commences on April 1 of each calendar year and ends on March 31 of the succeeding calendar year, so, unless otherwise specified or if the context requires otherwise, all references to a particular 'Financial Year', 'Fiscal Year' or 'Fiscal' or 'FY' are to the twelve month period ended on March 31 of that year.

INDUSTRY AND MARKET DATA

Information regarding market position, growth rates, other industry data and certain industry forecasts pertaining to our business contained in this Preliminary Placement Document consists of estimates based on data reports compiled by government bodies, data from other external sources and knowledge of the markets in which we compete.

Unless stated otherwise, statistical information, industry and market data used throughout this Preliminary Placement Document has been obtained from the report titled "*Assessment of the healthcare delivery market in India*" dated January 2021 ("**CRISIL Report**"), which is a commissioned report prepared by CRISIL Research, a division of CRISIL Limited ("**CRISIL Report**"). Further, CRISIL Limited has issued the following disclaimer in the CRISIL Report:

"*CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report* ***Assessment of the healthcare delivery market in India*** *(Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard.*

Apollo Hospitals Enterprise Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL Ratings Limited / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL's Ratings Division / CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval."

Accordingly, neither the accuracy nor completeness of information contained in the CRISIL Report is guaranteed. The opinions expressed are not recommendation to buy, sell or hold an instrument.

This data is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. Neither we nor the Book Running Lead Managers have independently verified this data and do not make any representation regarding the accuracy or completeness of such data. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organizations) to validate market-related analysis and estimates, so we have relied on internally developed estimates. Similarly, while we believe our internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither we nor the Book Running Lead Managers can assure potential investors as to their accuracy.

The extent to which the market and industry data used in this Preliminary Placement Document is meaningful depends solely on the reader's familiarity with and understanding of the methodologies used in compiling such data. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "***Risk Factors – We have commissioned an industry report from CRISIL Limited which has been used for industry related data in this Preliminary Placement Document and such data has not been independently verified by us. Accordingly, prospective investors are advised not to place undue reliance on such information***" on page 53. Thus, neither our Company nor the Book Running Lead Managers can assure you of the correctness, accuracy and completeness of such data. Accordingly, investment decisions should not be based solely on such information.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Preliminary Placement Document that are not statements of historical fact constitute 'forward-looking statements'. Investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'could', 'can', 'estimate', 'expect', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'seek', 'shall', 'should', 'will', 'would', or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Preliminary Placement Document that are not historical facts. These forward-looking statements and any other projections contained in this Preliminary Placement Document (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Important factors that could cause actual results to differ materially from any of the forward looking statements include, among others:

- present and future impact of the COVID-19 pandemic on our financial performance, results of operations, financial condition, and/ or cash flows;
- heavy dependence on our doctors, nurses and other healthcare professionals and our inability to attract and retain such doctors, nurses and other healthcare professionals;
- divestment of the front-end stand-alone pharmacy business in 2020, which had historically been contributing to our profit;
- rapid technological obsolescence, technological failures, inability to identify and understand evolving technological advancements and other challenges related to our medical equipment;
- competition from other hospitals, pharmacy platforms and healthcare services providers;
- arrangements with some of our doctors which may give rise to conflicts of interest and time-allocation constraints;
- inability to obtain additional financing at all or on terms favorable to us;
- fines and penalties that may be imposed for any past purported non-compliance with foreign investment norms;
- geographic concentration of our hospital beds; and
- inability to increase our hospital occupancy rates.

Additional factors that could cause actual results, performance or achievements to differ materially include but are not limited to, those discussed under "***Risk Factors***", "***Management's Discussion and Analysis of Financial Condition and Results of Operations***", "***Industry Overview***" and "***Business***" on pages 32, 70, 94 and 133, respectively. The forward-looking statements contained in this Preliminary Placement Document are based on the beliefs of, as well as the assumptions made by, and information currently available to, our management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations, cash flows or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent written and oral forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

In any event, these statements speak only as of the date of this Preliminary Placement Document or the respective dates indicated in this Preliminary Placement Document. Our Company and the Book Running Lead Managers expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in our Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a limited liability company incorporated under the laws of India. The Chairman, the key managerial personnel/ senior management personnel of our Company and majority of our Directors are residents of India. A significant portion of our assets are located in India. As a result, it may be difficult for the investors outside India to affect service of process upon our Company or such persons in India, or to enforce judgments obtained against such parties outside India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments and execution of a foreign judgment is provided for under Sections 13 and 44A respectively, of the Code of Civil Procedure, 1908 (the "**Civil Procedure Code**") on a statutory basis.

Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud, or (vi) where the judgment sustains a claim founded on a breach of any law in force in India. A foreign judgment which is conclusive under Section 13 of the Civil Procedure Code may be enforced either by a fresh suit upon the judgment or by proceedings in execution. Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction.

Each of the United Kingdom of Great Britain and Northern Ireland, Republic of Singapore, Hong Kong and United Arab Emirates, amongst others, has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A foreign judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a new suit upon the foreign judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy, and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax in accordance with applicable laws.

EXCHANGE RATES

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth, for the periods indicated, information with respect to the exchange rates between the Rupee and the U.S. dollar (in Rupees per U.S. dollar), based on the reference rates released by the RBI/ FBIL, which are available on the website of the RBI/ FBIL. No representation is made that any Rupee amounts actually represent such amounts in U.S. dollars or could have been, or could be converted into, U.S. dollars at any particular rate, the rates indicated, any other rates or at all.

(₹ per US$)

Period	Period End(1)	Average(2)	High(3)	Low(4)
Fiscal:				
2020	75.39	70.88	76.15	68.37
2019	69.17	69.89	74.39	64.93
2018	65.04	64.45	65.76	63.35
Month ended:				
December 31, 2020	73.51	73.59	73.89	73.05
November 30, 2020	73.80	74.22	74.69	73.80
October 31, 2020*	73.97	73.46	73.97	73.14
September 30, 2020	73.80	73.48	73.92	72.82
August 31, 2020	73.60	74.67	75.09	73.35
July 31, 2020	74.77	74.99	75.58	74.68

(Source: www.rbi.org.in and www.fbil.org.in)

*FBIL reference rate for October 30, 2020 has been used since October 31, 2020 was a Saturday.

Notes:

1. The price for the period end refers to the price as on the last trading day of the respective fiscal year or monthly periods.
2. Average of the official rate for each Working Day of the relevant period.
3. Maximum of the official rate for each Working Day of the relevant period.
4. Minimum of the official rate for each Working Day of the relevant period.
5. The reference rates are rounded off to two decimal places.

DEFINITIONS AND ABBREVIATIONS

Our Company has prepared this Preliminary Placement Document using certain definitions and abbreviations which you should consider while reading the information contained herein. The following list of certain capitalized terms used in this Preliminary Placement Document is intended for the convenience of the reader/ prospective investor only and is not exhaustive.

The terms defined in this Preliminary Placement Document shall have the meaning set out herein, unless specified otherwise in the context thereof, and references to any statute or regulations or policies shall include amendments thereto, from time to time.

The words and expressions used in this Preliminary Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in the sections "***Industry Overview***", "***Taxation***", "***Legal Proceedings***" and "***Financial Information***" beginning on pages 84, 214, 221 and 231, respectively, shall have the meaning given to such terms in such sections.

Company Related Terms

Term	Description
"Issuer"/ "Our Company"/ "the Company"/ "Apollo"	Apollo Hospitals Enterprise Limited
"We"/ "us"/ "our"	Collectively, Apollo Hospitals Enterprise Limited and its Subsidiaries, Associates and Joint Ventures
Articles/ Articles of Association/ AoA	Articles of Association of our Company, as amended
Associate	The associates of our Company as set out under "***Organizational Structure***" on page 167
Audit Committee	The audit committee of our Board of Directors
Audited Consolidated Financial Statements	Collectively, Fiscal 2020 Audited Consolidated Financial Statements, Fiscal 2019 Audited Consolidated Financial Statements and Fiscal 2018 Audited Consolidated Financial Statements
Board of Directors/ Board	Board of Directors of our Company
Corporate Office	Sunny Side Building, East Block, 3rd Floor, No. 8/17 Shafee Mohammed Road, Chennai – 600 006, Tamil Nadu, India
Corporate Social Responsibility Committee	The corporate social responsibility committee constituted by the Board of Directors
CRISIL Report	Report titled "*Assessment of the healthcare delivery market in India*" dated January 2021 issued by CRISIL Limited
Directors	The directors on the Board of Directors of our Company
Equity Shares	Equity shares of our Company with a face value of ₹ 5 each
Executive Director	Executive director(s) of our Company, unless otherwise specified
Fiscal 2018 Audited Consolidated Financial Statements	The audited consolidated financial statements for Fiscal 2018 read along with the notes thereto, prepared in accordance with Ind AS
Fiscal 2019 Audited Consolidated Financial Statements	The audited consolidated financial statements for Fiscal 2019 read along with the notes thereto, prepared in accordance with Ind AS
Fiscal 2020 Audited Consolidated Financial Statements	The audited consolidated financial statements for Fiscal 2020 read along with the notes thereto, prepared in accordance with Ind AS
Fund Raising Committee	The Committee of our Board of Directors formed with respect to this Issue, pursuant to a resolution passed by our Board dated December 2, 2020
Independent Director	A non-executive and Independent director of our Company as defined in Section 2(47) of the Companies Act
Interim Consolidated Financial Statements	The unaudited consolidated financial statements prepared in accordance with Regulation 33 of the SEBI Listing Regulations for the six months ended September 30, 2020, read along with the notes thereto
Joint Ventures	The joint ventures of our Company as set out under "***Organizational Structure***" on page 167
Key Managerial Personnel	The key managerial personnel of our Company as identified/ named under "***Board of Directors and Senior Management***" on page 158
Memorandum/ Memorandum of Association/ MoA	Memorandum of Association of our Company, as amended
Nomination and Remuneration	The nomination and remuneration committee constituted by the Board of Directors

Term	Description
Committee	
Promoter Group	Promoter group of our Company as per the definition provided in Regulation 2(1)(pp) of the SEBI ICDR Regulations
Promoters	Promoters of our Company as per the definition provided in Regulation 2(1)(oo) of the SEBI ICDR Regulations and as reported to the Stock Exchanges, being, (i) PCR Investments Limited, (ii) Dr. Prathap C Reddy, (iii) Suneeta Reddy, (iv) Sangita Reddy, (v) Shobana Kamineni, (vi) Preetha Reddy, (vii) Vishweshwar Reddy K, (viii) Sucharitha P Reddy, (ix) Sindoori Reddy, (x) Karthik Anand, (xi) Harshad Reddy, (xii) Anuspala Kamineni, (xiii) Konda Anindith Reddy, (xiv) Konda Vishwajit Reddy, (xv) Upasana Kamineni, (xvi) Puansh Kamineni, (xvii) Aditya Reddy, (xviii) Konda Viraj Madhav Reddy, (xix) Dwaraknath Reddy, (xx) Anil Kamineni, (xxi) Vijay Kumar Reddy, (xxii) Obul Reddy Investments Private Limited and (xxiii) Indian Hospitals Corporation Limited.
Registered Office	No. 19, Bishop Gardens, Raja Annamalaipuram, Chennai – 600 028, Tamil Nadu, India
Risk Management Committee	The risk management committee constituted by the Board of Directors
RoC/ Registrar of Companies	Registrar of Companies, Tamil Nadu at Chennai
Senior Management	The members of the senior management of our Company as identified/ named under "***Board of Directors and Senior Management***" on page 158
Shareholders	The holders of the Equity Shares from time to time
Stakeholders' Relationship Committee	The stakeholders relationship committee constituted by our Board
Statutory Auditors	Deloitte Haskins & Sells LLP, Chartered Accountants, appointed pursuant to a resolution of our Shareholders dated September 20, 2017
Subsidiaries	The subsidiaries of our Company as set out under "***Organizational Structure***" on page 167

Issue Related Terms

Term	Description
Allocated/ Allocation	Allocation of Equity Shares, in consultation with the Book Running Lead Managers, following the determination of the Issue Price to Eligible QIBs on the basis of Application Forms and Application Amount submitted by them, in compliance with Chapter VI of the SEBI ICDR Regulations
Allot/ Allotment/ Allotted	Allotment and issue of Equity Shares pursuant to the Issue
Allottees	Eligible QIBs to whom Equity Shares are issued pursuant to the Issue
Application Amount	With respect to a Bidder shall mean the aggregate amount paid by such Bidder at the time of submitting a Bid in the Issue
Application Form	Form (including any revisions thereof) which will be submitted by the Eligible QIBs for registering a Bid in the Issue
Bid(s)	Indication of an Eligible QIB's interest, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for the Equity Shares pursuant to the Issue. The term "Bidding" shall be construed accordingly.
Bidder	Any prospective investor, being an Eligible QIB, who makes a Bid pursuant to the terms of this Preliminary Placement Document and the Application Form
Book Running Lead Managers or BRLMs	Together, BofA Securities India Limited, Axis Capital Limited, J.P. Morgan India Private Limited and Kotak Mahindra Capital Company Limited
CAN/ Confirmation of Allocation Note	Note, advice or intimation confirming Allocation of Equity Shares to such Successful Bidders after determination of the Issue Price
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e., on or about [●], 2021
Designated Date	The date of credit of Equity Shares to the Allotees' demat accounts pursuant to the Issue, as applicable to the relevant Allottees
Eligible FPIs	FPIs that are eligible to participate in this Issue in terms of applicable laws, other than individuals, corporate bodies and family offices.
Eligible QIBs	QIBs, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations that are eligible to participate in the Issue and which are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations and are not restricted from participating in the Issue under the applicable laws. In addition, QIBs, outside the United States in "offshore transactions" in reliance on Regulation S under the Securities Act. Further, FVCIs are not permitted to participate in the Issue.
Escrow Account	Special non-interest bearing, no-lien, current bank account without any cheques or overdraft facilities, to be opened in the name and style "APOLLO HOSPITALS

Term	Description
	ENTERPRISE LIMITED – QIP ESCROW ACCOUNT" with the Escrow Bank, subject to the terms of the Escrow Agreement into which the Application Amount payable by the Bidders in connection with the subscription to the Equity Shares pursuant to the Issue shall be deposited
Escrow Agreement	Agreement dated January 18, 2021, entered into by and amongst our Company, the Escrow Bank and the Book Running Lead Managers for collection of the Application Amounts and remitting refunds, if any, of the amounts collected, to the Bidders
Escrow Bank	Axis Bank Limited
Floor Price	Floor price of ₹ 2,508.58 for each Equity Share, calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount on the Floor Price in accordance with the approval of the Shareholders on January 9, 2021 by way of postal ballot, and in terms of Regulation 176(1) of the SEBI ICDR Regulations
Issue	Offer and issuance of the Equity Shares to Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations and the applicable provisions of the Companies Act, 2013 and the rules made thereunder
Issue Closing Date	January [●], 2021, the date after which our Company (or Book Running Lead Managers on behalf of our Company) shall cease acceptance of Application Forms and the Application Amount
Issue Opening Date	January 18, 2021, the date on which our Company (or the Book Running Lead Managers on behalf of our Company) shall commence acceptance of the Application Forms and the Application Amount
Issue Period	Period between the Issue Opening Date and the Issue Closing Date, inclusive of both days during which Eligible QIBs can submit their Bids along with the Application Amount
Issue Price	A price per Equity Share of ₹ [●]
Issue Size	Aggregate size of the Issue, up to ₹ [●] million
Net Proceeds	The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue
Placement Agreement	Placement agreement dated January 18, 2021 by and among our Company and the Book Running Lead Managers
Placement Document	Placement document to be issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules made thereunder
Preliminary Placement Document	This preliminary placement document cum application form, dated January 18, 2021 issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013
QIB/ Qualified Institutional Buyer	Qualified institutional buyer, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIP	Qualified institutions placement under Chapter VI of the SEBI ICDR Regulations and applicable provisions of the Companies Act, 2013 read with the PAS Rules
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all or part of the Application Amount submitted by such Bidder pursuant to the Issue
Refund Intimation	The letter from the Company to relevant Bidders intimating them of the Refund Amount, if any, to be refunded to their respective bank accounts.
Regulation S	Regulation S under the Securities Act
Relevant Date	January 18, 2021 which is the date of the meeting in which the Fund Raising Committee decided to open the Issue
Rule 144A	Rule 144A under the Securities Act
Stock Exchanges	Together, NSE and BSE
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Application Amount along with the Application Form and who will be Allocated Issue Shares
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India

Conventional and General Terms/ Abbreviations

Term/ Abbreviation	Full Form
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
Civil Procedure Code	Code of Civil Procedure, 1908
Companies Act/ Companies Act, 2013	Companies Act, 2013, as amended, read with the rules, regulations, clarifications and modifications thereunder
Competition Act	Competition Act, 2002
CSR	Corporate Social Responsibility
DDT	Dividend Distribution Tax
Depositories Act	Depositories Act, 1996
Depository or Depositories	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 2018
DP/ Depository Participant	Depository participant as defined under the Depositories Act
FBIL	Financial Benchmarks India Private Limited
FDI	Foreign Direct Investment
FDI Policy	Consolidated FDI Policy issued by the Department for Promotion of Industry and Internal Trade (Formerly Department of Industrial Policy and Promotion), Ministry of Commerce and Industry, GoI by circular DPIIT file number 5(2)/2020-FDI Policy, with effect from October 15, 2020
FEMA	Foreign Exchange Management Act, 1999
FEMA Non-Debt Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Finance Act	Finance Act, 2020
Financial Year/ Fiscal/ FY	Period of 12 months ended March 31 of that particular year
Form PAS-4	Form PAS-4 prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014
FPI	Foreign Portfolio Investors as defined under the SEBI FPI Regulations and includes a person registered under the SEBI FPI Regulations
FVCI	Foreign venture capital investors as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 and registered with SEBI
GDR	Global Depositary Receipts
GoI/ Government	Government of India
GST	Goods and Service Tax
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards of the International Accounting Standards Board
Ind AS	Indian Accounting Standards
India	Republic of India
MCA	Ministry of Corporate Affairs, GoI
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NCLT	National Company Law Tribunal
NEAT	National Exchange for Automated Trading
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	Per annum
PAN	Permanent Account Number
PAS Rules	Companies (Prospectus and Allotment of Securities) Rules, 2014
PAT	Profit after tax
P-Notes	Offshore derivative instruments, by whatever name called, which are issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India or unlisted debt securities or securitized debt instruments, as its underlying
RBI	Reserve Bank of India
Regulation S	Regulation S under the Securities Act
Rs. or Rupees or ₹	The lawful currency of India
SCR (SECC) Rules	Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India

Term/ Abbreviation	Full Form
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), 2018
SEBI Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011
SEC	United States Securities and Exchange Commission
Securities Act	U.S. Securities Act of 1933, as amended
STT	Securities Transaction Tax
U.S./ United States	United States of America
U.S. GAAP	Generally accepted accounting principles followed in the U.S.
US$/ U.S. dollars or USD	U.S. dollars, the lawful currency of the United States

Industry related definitions

Term	Description
AI	Artificial Intelligence
CDSS	Clinical decision support system
EHRs	Electronic health records
ENT	Ear-nose-throat
GDP	Gross domestic product
GMV	Gross merchandise value
ICU	Intensive care units
IPD	In-patient department
IRDA	Insurance Regulatory and Development Authority
O&M	Operation and maintenance
OPD	out-patient department
PMJAY	Pradhan Mantri Jan Arogya Yojana
RAS	Robot-assisted surgeries
RIS	Radiology information system
RSBY	Rashtriya Swasthya Bima Yojana
UMANG	Unified Mobile Application
UNFPA	The United Nations Population Fund, formerly the United Nations Fund for Population Activities
WHO	World Health Organisation

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Preliminary Placement Document, including "***Risk Factors***", "***Use of Proceeds***", "***Placement and Lock-up***", "***Issue Procedure***" and "***Description of the Equity Shares***" on pages 32, 64, 188, 175 and 204, respectively.

Issuer	Apollo Hospitals Enterprise Limited
Face Value	₹ 5 per equity share of the Company
Issue Size	Aggregating up to ₹ [●] million,* comprising [●] Equity Shares of our Company, at a premium of ₹ [●] each A minimum of 10% of the Issue Size, i.e. at least [●] Equity Shares, shall be available for Allocation to Mutual Funds only, and the balance [●] Equity Shares shall be available for Allocation to all Eligible QIBs, including Mutual Funds In case of under-subscription in the portion available for Allocation only to Mutual Funds, such undersubscribed portion or part thereof may be Allotted to other Eligible QIBs **Pursuant to the resolution passed on November 11, 2020, our Board of Directors has authorized the issuance of securities for an aggregate amount of ₹15,000 million, through qualified institutions placement and/or preferential allotment, in one or more tranches. Accordingly, our Company may undertake further issuance of Equity Shares or other eligible securities subsequent to the Issue, in accordance with applicable law and as authorized by the aforementioned resolution.*
Floor Price	₹ 2,508.58 per Equity Share In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price. However, our Company may offer a discount of up to 5% on the Floor Price in accordance with the approval of the Shareholders on January 9, 2021 by way of postal ballot, and in terms of Regulation 176(1) of the SEBI ICDR Regulations
Issue Price	₹ [●] per equity share of the Company (including a premium of ₹ [●] per Equity Share)
Eligible Investors	Eligible QIBs, as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations that are eligible to participate in the Issue and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations or restricted from participating in the Issue under the applicable laws including the SEBI ICDR Regulations. See "***Issue Procedure - Qualified Institutional Buyers***", "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 179, 190 and 198, respectively. The list of Eligible QIBs to whom this Preliminary Placement Document and Application Form is delivered will be determined by the Book Running Lead Managers in consultation with our Company, at their sole discretion.
Date of Board Resolution approving the Issue	November 11, 2020
Date of Shareholders' Resolution approving the Issue	January 9, 2021
Dividend	Please see section "***Description of the Equity Shares***", "***Dividends***" and "***Taxation***" on pages 204, 69 and 214, respectively.
Taxation	Please see "***Taxation***" on page 214.
Equity Shares issued and outstanding prior to the Issue	Issued capital before this Issue: 139,658,177 Equity Shares Subscribed and paid-up capital before this Issue: 139,125,159 Equity Shares
Equity Shares issued and outstanding immediately after the Issue	Issued capital after this Issue: [●] Equity Shares Subscribed and paid-up capital after this Issue: [●] Equity Shares
Listing	Our Company has received in-principle approvals from the BSE and the NSE each dated January 18, 2021 under Regulation 28(1)(a) of the SEBI Listing Regulations for the listing of the Equity Shares to be issued pursuant to the Issue.
Trading	The trading of the Equity Shares would be in dematerialized form and only in the cash segment of each of the Stock Exchanges.

	Our Company will make applications to the respective Stock Exchanges to obtain final listing and trading approvals for the Equity Shares after Allotment of the Equity Shares in the Issue.
Lock-up	For details of the lock-up, see "***Placement and Lock-up***" on page 188
Transferability Restrictions	Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges. Also see "***Transfer Restrictions***" and "***Selling Restrictions***" on pages 190 and 198, respectively.
Use of Proceeds	The gross proceeds of the Issue will aggregate to approximately ₹ [●] million. The net proceeds of the Issue, after deducting fees, commissions and expenses of the Issue, is expected to be approximately ₹ [●] million. See "***Use of Proceeds***" on page 64 for information regarding the use of Net Proceeds from the Issue.
Risk Factors	See "***Risk Factors***" on page 32 for a discussion of factors you should consider before deciding whether to subscribe to Equity Shares pursuant to this Issue
Closing Date	Allotment of the Equity Shares offered pursuant to the Issue is expected to be made on or about [●], 2021.
Status and Ranking	Equity Shares being issued pursuant to the Issue shall be subject to the provisions of our Memorandum of Association and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares, including rights in respect of dividends. Our Shareholders (who hold Equity Shares as on record date) will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, 2013, SEBI Listing Regulations and other applicable laws and regulations. Shareholders may attend and vote in Shareholders' meetings on the basis of one vote for every Equity Share held. See "***Dividends***" and "***Description of the Equity Shares***" on page 69 and page 204, respectively.
Security Codes for the Equity Shares	**ISIN:** INE437A01024 **BSE Code:** 508869 **NSE Code:** APOLLOHOSP

SELECTED FINANCIAL INFORMATION

The following tables set forth our selected financial information and should be read together with the more detailed information contained in "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" and the Audited Consolidated Financial Statements and Interim Consolidated Financial Statements included in "***Financial Information***" on pages 70 and 213, respectively.

Consolidated Statement of Assets and Liabilities

(in ₹ million)

Particulars	As at September 30, 2020	As at September 30, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
ASSETS					
Non-current assets					
(a) Property, plant and equipment	51,224	49,672	54,044	45,938	43,786
(b) Right-of-Use Asset	9,369	16,035	16,474	-	-
(c) Capital work-in-progress	2,111	4,685	2,091	8,218	7,122
(d) Investment property	56	62	59	65	71
(e) Goodwill	3,355	3,462	3,462	3,462	3,462
(f) Other Intangible assets	350	382	282	351	409
(g) Intangible assets under development	546	-	265	-	-
(h) Financial Assets					
(i) Investments in equity accounted investee	3,292	3,276	3,242	3,654	2,764
(ii) Other Investments	342	312	350	274	93
(iii) Loans	252	184	231	108	80
(iv) Other financial assets	1,360	2,122	2,337	2,351	2,528
(j) Deferred Tax Asset	552	532	496	174	172
(i) Income Tax Asset (Net)	3,185	2,749	2,811	2,540	1,770
(i) Other non-current assets	545	1,019	772	1,879	1,670
Total Non - Current Assets	**76,539**	**84,492**	**86,916**	**69,014**	**63,927**
Current assets					
(a) Inventories	2,510	6,503	7,378	5,848	5,659
(b) Financial assets					
(i) Investments	13	818	749	688	579
(ii) Trade receivables	11,415	11,245	10,272	10,232	8,846
(iii) Cash and cash equivalents	5,366	3,375	3,807	2,862	3,063
(iv) Bank balances	1,500	1,544	861	607	1,109
(v) Loans	35	80	70	80	-
(vi) Other financial assets	2,671	1,747	1,018	1,287	1,604
(c) Contract assets	986		663		
(d) Other current assets	2,059	1,524	1,650	1,213	1,341
Assets classified as held for sale	-	657	-	-	-
Total Current Assets	**26,555**	**27,493**	**26,468**	**22,817**	**22,201**
Total Assets	**103,094**	**111,985**	**113,384**	**91,831**	**86,128**
EQUITY AND LIABILITIES					
Equity					
(a) Equity Share capital	696	696	696	696	696
(b) Other equity	30,661	29,877	32,695	32,639	31,819
(c) Non-controlling interest	1,249	1,304	1,307	1,354	1,324
Total Equity	**32,606**	**31,877**	**34,698**	**34,689**	**33,839**
Liabilities					
Non-current liabilities					
(a) Financial Liabilities					
(i) Borrowings	31,372	28,553	28,520	29,521	29,238
(ii) Other financial liabilities	16,988	23,612	23,749	4,774	4,721
(b) Provisions	167	142	101	114	62
(c) Deferred tax liabilities (Net)	2,717	2,414	2,942	3,149	2,565
(d) Other Non-current liabilities	1	2	1	30	30
Total Non - Current Liabilities	**51,245**	**54,724**	**55,313**	**37,588**	**36,616**
Current liabilities					
(a) Financial Liabilities					
(i) Borrowings	1,332	6,474	4,975	4,982	3,792
(ii) Trade payables	9,704	7,897	9,088	7,131	5,888
(iii) Other financial liabilities	5,738	8,472	6,191	4,961	4,067
(b) Other current liabilities	1,459	1,599	1,887	1,447	950
(c) Provisions	1,009	933	1,230	1,022	963
(d) Current Tax Liabilities (Net)	1	10	2	11	13
Total Current Liabilities	**19,243**	**25,385**	**23,373**	**19,554**	**15,673**
Total Liabilities	**70,488**	**80,108**	**78,686**	**57,142**	**52,289**
Total Equity and Liabilities	**103,094**	**111,985**	**113,384**	**91,831**	**86,128**

Consolidated Statement of Profit and Loss

(in ₹ million)

Particulars	Six months ended September 30, 2020	Six months ended September 30, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
Income					
Revenue from Operations	49,322	54,126	112,468	96,174	82,435
Other Income	190	134	269	314	321
Total Income	**49,512**	**54,260**	**112,737**	**96,488**	**82,757**
Expenses					
Cost of materials consumed	7,094	8,997	18,092	16,449	14,610
Purchases of Stock-in-trade	21,312	17,701	37,967	30,876	26,499
Changes in inventory of stock-in-trade	(1,180)	(592)	(1,070)	(716)	(782)
Employee benefit expense	8,602	9,021	18,529	15,982	14,044
Finance costs	2,497	2,601	5,328	3,270	2,951
Depreciation and amortisation expense	3,096	2,985	6,197	3,955	3,590
Other expenses	10,141	11,227	23,077	22,947	20,132
Total expenses	**51,562**	**51,940**	**108,120**	**92,763**	81,044
Profit / (Loss) before share of profit in associates / joint ventures and exceptional items	**(2,050)**	**2,320**	**4,617**	**3,725**	**1,713**
Exceptional items	**354**	**-**	**1,983**	**-**	**-**
Profit before tax	**(1,696)**	**2,320**	**6,600**	**3,725**	**1,713**
Tax expense					
(1) Current tax (including tax expense of prior year)	(92)	1,222	1,309	1,259	884
(2) Deferred tax	(249)	(264)	943	475	235
Total Tax Expenses	**(341)**	**958**	**2,252**	**1,734**	**1,119**
Profit after tax	**(1,355)**	**1,362**	**4,348**	**1,991**	**594**
Share of profit/ (loss) of associates/ joint ventures	**(319)**	**(39)**	**(31)**	**10**	**2**
Profit for the year/ period	**(1,674)**	**1,323**	**4,317**	**2,001**	**596**
Other comprehensive income	**(51)**	**(41)**	**(6)**	**(291)**	**(172)**
Total comprehensive income for the period	**(1,725)**	**1,282**	**4,311**	**1,710**	**424**
Earnings per equity share of par value of ₹ 5 each					
Basic (in ₹)	(10.63)	10.31	32.70	16.97	8.44
Diluted (in ₹)	(10.63)	10.31	32.70	16.97	8.44

Consolidated Statement of Cash Flows

(in ₹ million)

	Particulars	For six months ended September 30, 2020	For six months ended September 30, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
A.	**Cash flow from Operating Activities**					
	Profit / (Loss) for the period	**(1,723)**	**1,323**	**4,317**	**2,002**	**596**
	Adjustments for:					
	Depreciation and amortisation expense	3,096	2,985	6,197	3,955	3,590
	Income tax expense	910	958	2,252	1,734	1,119
	Share of profit of associates	315	-	-	-	-
	Loss on Sale of Property Plant & Equipment	25	16	37	15	81
	Profit on Sale of Investments (Net)	-	(4)	(1,988)	-	-
	Impairment in value of Goodwill	-	-	-	-	1
	Loss of fair valuation of equity investments		-	-	-	-
	Finance costs	2,497	2,601	5,328	3,270	2,951
	Interest from Banks/others	(90)	(88)	(173)	(145)	(184)
	Dividend on non-current equity investments	-	-	-	(4)	(10)
	Expected Credit Loss on trade receivables (including bad debts written off & provision for disallowances)	681	265	752	656	588
	Deferred Revenue against customer loyalty program	-	98	-	-	-
	Provision written back	47	(8)	(51)	(35)	(50)
	Gain on fair valuation of mutual funds	(7)	(19)	(32)	(32)	(8)
	Unrealised foreign exchange loss (net)	20	7	51	7	12
	De-merger of Apollo Pharmacies Ltd	13	-	-	-	
	Share-based compensation expense	15	-	3	9	6
	Operating Profit before working capital changes	**5,799**	**8,134**	**16,693**	**11,432**	**8,692**
	Adjustments for (increase)/decrease in operating assets					
	Inventories	(1,038)	(655)	(1,531)	(189)	(989)
	Trade receivables	(3,235)	(1,277)	(845)	(2,637)	(2,367)
	Other financial assets - Non current	(167)	(22)	(207)	180	404
	Other financial assets - Current	785	(513)	(524)	723	(452)
	Contract Assets	-	-	72	-	-
	Other non-current assets	41	20	353	(298)	(6)
	Other current assets	(473)	(311)	(465)	129	(106)
		(4,087)	**(2,758)**	**(3,147)**	**(2,092)**	**(3,516)**
	Adjustments for increase/(decrease) in operating liabilities					
	Trade payables	1,112	769	1,905	1,073	1,086
	Other financial liabilities - Non Current	(1,168)	(641)	299	53	(100)
	Other financial liabilities - Current	2,025	454	(480)	(16)	831
	Provisions	302	(94)	240	27	(201)
	Other Non-current liabilities	-	(28)	(1)	-	-
	Other current liabilities	229	53	480	497	(172)
		2,500	**513**	**2,443**	**1,634**	**1,444**
	Cash generated from operations	**4,212**	**5,889**	**15,989**	**10,974**	**6,620**
	Net income tax paid	(1,567)	(2,262)	(3,061)	(1,924)	(1,251)
	Net cash generated from operating activities (A)	**2,645**	**3,627**	**12,928**	**9,050**	**5,369**
B.	**Cash flow from Investing Activities**					
	Purchase of Property plant & equipment	(1,573)	(1,265)	(5,130)	(6,790)	(6,214)
	Proceeds from sale of Property plant & equipment	-	-	24	69	9
	Purchase of Investments	385	(854)	(1,199)	(333)	(467)
	Purchase of Investments in Joint Ventures	-	-	-	(910)	-
	Proceeds from Non-current loans	(22)	105	10	-	-
	Proceeds from de-merger of front-end SAP	5,278	-	-	-	-
	Proceeds from sale of current investments	-	353	669	207	1,104
	Proceeds from sale of investment in associate	-	-	2,826	-	-
	Proceeds from current loans	-	-	10	-	-
	Investment in Bank Deposits	(639)	(101)	(252)	502	1,309
	Loans given to Subsidiary	-	-	-	-	-
	Interest received	90	65	154	145	200
	Dividend on equity investments	-	-	-	4	10

	Particulars	For six months ended September 30, 2020	For six months ended September 30, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
	Net cash used in Investing Activities (B)	**3,519**	**(1,697)**	**(2,888)**	**(7,106)**	**(4,049)**
C.	**Cash flow from Financing Activities**					
	Proceeds from issue of equity instruments			-	-	83
	Proceeds from Borrowings	4,099	6,536	7,518	5,624	5,717
	Payments towards lease liability	(640)	(1,431)	(1,289)	-	-
	Repayment of Borrowings	(5,270)	(3,836)	(8,089)	(3,276)	(2,699)
	Finance costs	(2,246)	(1,783)	(5,645)	(3,621)	(3,178)
	Acquisition of Non-controlling interest in a subsidiary	-	(27)	(39)	(35)	-
	Dividends paid (including dividend distribution tax)	(383)	(876)	(1,551)	(838)	(1,008)
	Net cash used in Financing Activities (C)	**(4,440)**	**(1,417)**	**(9,095)**	**(2,145)**	**(1,085)**
	Net Increase in cash and cash equivalents (A+B+C) = (D)	1,724	513	945	(201)	235
	Cash and cash equivalents at the beginning of the period (E)	3,807	2,862	2,862	3,063	2,828
	Less: Transfer on account of De-merger	165	-	-	-	-
	Cash and cash equivalents at the end of the period (D) +(E)	5,366	3,375	3,807	2,862	3,063

RELATED PARTY TRANSACTIONS

For details of the related party transactions during Fiscals 2020, 2019 and 2018, as per the requirements under Ind AS 24 'Related Party Disclosures', see "***Financial Information***" on page 231.

RISK FACTORS

*This Preliminary Placement Document contains certain forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Preliminary Placement Document. For further information, see "**Forward-Looking Statements**" on page 17.*

Prospective investors should carefully consider the following risk factors as well as other information included in this Preliminary Placement Document prior to making any decision as to whether or not to invest in the Equity Shares.

*The risks described below are those that we consider to be most significant to our business, results of operations and financial conditions as of the date of this Preliminary Placement Document. However, they are not the only risks relevant to us or the Equity Shares or the industry in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business prospects, results of operations and financial condition. As a result, the trading price of the Equity Shares could decline and investors may lose part or all of their investment. To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this section. In order to obtain a complete understanding about us, you should read this section in conjunction with the sections titled "**Business**", "**Industry Overview**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**", on pages 133, 94 and 70, respectively, as well as the other financial and statistical information contained in this Preliminary Placement Document.*

Prospective investors should pay particular attention to the fact that we are an Indian company and are subject to a legal and regulatory environment which may differ in certain respects from that of other countries. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors. In making an investment decision, prospective investors must rely on their own examination of us on a consolidated basis and the terms of the Issue, including the merits and risks involved. Investors should consult their respective tax, financial and legal advisors about the particular consequences of an investment in this Issue.

*In this section, unless the context otherwise requires, "we", "us" and "our", includes our subsidiaries, joint ventures and associates. See "**Organizational Structure**" on page 167.*

Risks Relating to the Business of the Company

We expect the COVID-19 pandemic to continue to materially affect our financial performance in fiscal 2021, and, potentially, in future periods, and such pandemic may otherwise have material adverse effects on our results of operations, financial condition, and/or our cash flows.

COVID-19 was first identified in Wuhan, China in December 2019, and has spread throughout the world, including across India. In March 2020, the World Health Organization declared the COVID-19 outbreak a pandemic. In an attempt to contain the spread and impact of COVID-19, authorities throughout India and the world have implemented measures such as travel bans and restrictions, quarantines, stay-at-home and shelter-in-place orders, the promotion of social distancing, and limitations on business activity. This pandemic has resulted in a significant economic downturn in India and globally, and has also led to significant disruptions and volatility in capital and financial markets.

As a provider of healthcare services, we are significantly exposed to the public health and economic effects of the COVID-19 pandemic. We have been working with government health authorities to respond to COVID-19 cases in the communities we serve and have been taking or supporting measures to try to limit the spread of the virus and to mitigate the burden on the healthcare system, including rescheduling or cancelling elective procedures at our hospitals and other healthcare facilities. In addition, some cities have been requiring hospitals to maintain a reserve of personal protective equipment and mandating COVID-19 screening for new patients and certain hospital staff. We have dedicated close to 1,900 beds out of the 7,336 operating beds owned by us as of the eight months ended November 30, 2020 for treatment of COVID-19.

On March 14, 2020, India declared COVID-19 as a "notified disaster" and imposed a nationwide lockdown beginning March 25, 2020. Beginning in March 2020, we experienced a substantial reduction in footfall in outpatient treatments, in-patient admissions, elective surgeries, physician office visits and emergency room volumes at our hospitals and other healthcare facilities due to restrictions on elective procedures, quarantines, stay-at-home and shelter-in-place orders, the promotion of social distancing, travel related restrictions including curbs on international travel as well as general concerns related to the risk of contracting COVID-19 from interacting with the healthcare system. Further, in certain of our hospitals, in accordance with the government notifications, significant bed capacity has been dedicated to COVID-19 patients, thereby increasing the risk of other patients contracting COVID-19 while undergoing complex surgeries and procedures at such hospitals. Since May 2020 some of the lockdown measures have been lifted and partial travel has been permitted. While there have been progressive relaxations and calibrated easing of lockdown measures by the Government, we cannot predict if stricter lockdowns will not be re-introduced or extended in the future. The future impact of the COVID-19 pandemic on our business will depend on a range of factors, which we are not able to accurately predict, including the duration and scope of the pandemic, the geographies impacted, the impact of the pandemic on economic activity in India and globally, and the nature and severity of measures adopted by central and state governments. Also, while our patient volumes have recovered to some degree in comparison to patient volume levels experienced in the first quarter of fiscal 2020, in the immediate aftermath of the pandemic, our patient volumes have not recovered to the pre-COVID-19 levels as the result of the factors noted above.

We have incurred, and may continue to incur, certain increased expenses arising from the COVID-19 pandemic, including additional labour, supply chain, capital and other expenditures. Furthermore, unfavorable government orders or directives may mandate price caps and/or require private hospitals such as ours to treat COVID-19 patients on a pro bono or non-profit basis. For instance, a public interest litigation suit has been filed by Mr. Sachin Jain against the Union of India and others before the Supreme Court of India directing the Central Government to regulate the cost of treatment of COVID-19 at private hospitals across the country and mandate private hospitals operating on public land or as a charitable institutions to treat COVID-19 patients either on a pro-bono or non-profit basis and to direct the Central Government to combat the commercialization of the health care by the private health sector. For details, see "***Legal Proceedings***" on page 221. In light of the foregoing, there can be no assurance that directives mandating us to reserve beds for COVID-19 patients or to regulate the cost of treatment of COVID-19, will not be enacted in the future.

We have been implementing considerable safety measures at our hospitals and healthcare facilities. Nevertheless, exposure to COVID-19 patients has increased risks to our physicians, nurses and other medical staff, which may further reduce our operating capacity. All of these developments could result in reduced employee morale, labour unrest, work stoppages or other workforce disruptions. The COVID-19 pandemic and resulting government actions may also affect our business, results of operations and financial condition, in the future, in a number of ways such as requiring a complete or partial closure of our operations, disruptions or restrictions on our ability to conduct our business, pursue partnerships and other business opportunities, result in an inability to source key medical equipment as a result of the temporary or permanent closure of the facilities of suppliers of our medical equipment, and lead to non-availability of labour that could result in a slowdown in our operations. Moreover, it could also result in delay in expansions being currently pursued or delay or postponement in projects or engagement in new projects, if any, to be implemented or executed by us in the near future, which can adversely impact our ability comply with the financial covenants with respect to our borrowings which may in the short or medium term lead to event of defaults under our Company's or Subsidiaries' arrangements or adversely impact our ability to access debt and equity capital on acceptable terms, or at all. Further, the effects of the COVID-19 pandemic on our future results of operations, cash flows and financial condition could adversely impact our compliance with the covenants in our credit facilities and other financing agreements and could result in events of default and acceleration of indebtedness, the COVID-19 pandemic could also increase vulnerability to cyber-security threats and potential breaches (including phishing attacks, malware and impersonation tactics resulting from the increase in numbers of employees working from home), and cause uncertainty as to what conditions must be satisfied before government authorities completely lift lockdown orders.

Broad economic factors resulting from the current COVID-19 pandemic, including increased unemployment and underemployment levels and reduced consumer spending and confidence, may also adversely affect our service mix, revenue mix, payor mix and patient volumes, as well as our ability to collect outstanding receivables. Business closures and layoffs in the geographic areas in which we operate may lead to increases in the uninsured and underinsured populations, which may continue to adversely affect demand for our services, as well as the ability of patients and other payors to pay for services rendered. Moreover, there may be deterioration in the collectability of patient accounts receivable which, if sustained, may continue to adversely affect our financial results and require an increased level of working capital. International patient flows, or the medical value travel segment, has been adversely impacted due to international travel related restrictions which are still in place and may take time to recover to volumes before COVID-19. We may also be subject to lawsuits from patients, employees and others exposed to COVID-19 at our facilities. Such actions may involve large demands, as well as substantial defense costs. Our professional and general liability insurance may not cover all claims against us.

Developments related to COVID-19 have materially affected our financial performance during the six months ended September 30, 2020. Additionally, while we are not able to fully quantify the impact that the COVID-19 pandemic will have on our future financial results, we expect developments related to COVID-19 to materially affect our financial performance during the remainder of fiscal 2021, and, potentially, in future periods. Moreover, the COVID-19 pandemic may have material adverse effects on our results of operations, financial position, and/or our cash flows. The ultimate impact of the pandemic on our financial results will depend on, among other factors, the duration and severity of the pandemic and negative economic conditions arising from the pandemic, the volume of canceled or rescheduled procedures at our facilities, the volume of COVID-19 patients cared for across our health systems, the timing and availability of effective medical treatments and vaccines, and the impact of government actions and administrative regulation on the hospital industry and broader economy. COVID-19 developments continue to evolve quickly, and additional developments including any mutation, further outbreak and delay in availability of vaccines may occur which we are unable to predict. Furthermore, the COVID-19 pandemic has resulted in, and may continue to result in, significant disruption of global financial markets, which could reduce our ability to access capital and negatively affect our liquidity in the future.

We are highly dependent on our doctors, nurses and other healthcare professionals and our business and financial results could be harmed if we are not able to attract and retain such doctors, nurses and other healthcare professionals.

Our operations depend on the efforts, ability and experience of our employees and the doctors and medical staff at our hospitals. Our performance and the execution of our business strategy depend substantially on our ability to attract and retain leading doctors and other healthcare professionals in a particular specialty or in a region relevant to our growth plans. We compete with other healthcare services providers, including providers located in other parts of Asia, Europe and North America, in recruiting and retaining these doctors and other healthcare professionals.

The factors that doctors consider important before deciding where they will work include the level of compensation, the reputation of the hospital and its owner, the quality of the facilities, research opportunities and community relations. We may not compare favorably with other healthcare services providers on these factors. Further, certain of our doctors who are not our employees, are engaged under a professional services agreement. In addition, some of our doctors are visiting doctors or work only part time and are engaged in private practice in other hospitals/clinics. Many of these healthcare professionals are well-known personalities in their fields and regions with large patient bases and referral networks, and it may be difficult to negotiate favorable terms and arrangements with them. In some of our markets, doctor recruitment and retention is also affected by a shortage of doctors in certain specialties such as neurology, oncology and transplants.

Our performance also depends on our ability to identify, attract and retain other healthcare professionals, including nurses. We have experienced and expect to continue to experience significant wage and benefit pressures created by the current global nursing shortage, with many of our nurses pursuing opportunities overseas. We expect the global and Indian nursing shortage to continue, and we may be required to enhance wages and benefits to recruit and retain nurses or increase our training efforts to continually train a stream of freshly nursing graduates.

If we are unable to attract or retain doctors, nurses or other medical personnel as required, we may not be able to maintain the quality of our services and we could be forced to admit fewer patients to our hospitals, thereby having a material adverse effect on our business, financial position and results of operations. We have also incurred increased costs to retain and recruit medical personnel and we expect such costs to continue to increase in the future.

Our Pharmacy Platform business had historically been contributing to our profit and we have divested the front-end stores of our Pharmacy Platform business in 2020. We may not be able to maintain the same operating margin as a result of such divestment which may have an adverse effect on the Company's results of operations and financial condition.

As part of the reorganization which became effective as of September 1, 2020, we have divested our interest in the front-end stores of our Pharmacy Platform business to APL and we retain the back-end pharmacy distribution business. As a result of the reorganization, we own a 25.5% equity interest in APL, which operates the 3,975 stand-alone pharmacies as of November 30, 2020. We are also the exclusive supplier for APL under a long term supply agreement and we have also entered into a brand licensing agreement with APL to license (i) our "**Apollo Pharmacy**" brand to APL for use in its front-end retail stores and (ii) our online pharmacy domain name "www.apollopharmacy.in" to APL for its undertaking and fulfilling of retail sale orders online. Each of these agreements is valid for a term of 10 years from September 1, 2020. Historically, our Pharmacy Platform business was represented by the retail pharmacy segment in AHEL until August 31, 2020, and it included both front-end retail pharmacy business and the back-end pharmacy distribution business under one segment. Our retail pharmacy segment historically contributed to 39.7%, 40.4% and 42.9% of total revenues from operations in fiscals 2018, 2019 and 2020. After the reorganization, from September 1, 2020 onward, we reported the pharmacy distribution business as a new segment, which may not be comparable to our historical results in fiscals 2018, 2019 and 2020. In the six months ended September 30, 2020, the revenues from retail pharmacy segment contributed to 46% of our total revenues from operations, and the revenues from pharmacy distribution as a new segment contributed to 7.3% of our total revenues from operations. We do not have control over the front-end retail stand-alone pharmacy business after the reorganization. There is no assurance that the intended benefits from the reorganization of our Pharmacy Platform business can be achieved or the reorganization will be or will continue to be profitable to our business. If the Pharmacy Platform business after the reorganization is not successfully managed, our operating costs may increase and our results of operations and financial condition may be adversely affected.

Rapid technological obsolescence, technological failures, inability to identify and understand evolving technological advancements and other challenges related to our medical equipment could adversely affect our business.

We use sophisticated and expensive medical equipment in our hospitals to provide our services. The healthcare services industry is characterized by frequent product improvements and evolving technology, which could, at times, lead to earlier than planned redundancy of our medical equipment and result in asset impairment charges. The purchase and replacement of some of these equipment may involve significant costs, and may expose us to currency fluctuation risk, as such equipment are imported from other countries. As industry standards evolve, we may be required to enhance and develop our internal processes, procedures and training, as well as medical equipment, from time to time, in order to comply with the standards required for operating in this industry, and in order to maintain the accreditations that our healthcare facilities have received. In addition, because of the high costs of such medical equipment, we may not maintain back-up equipment, and, therefore, even though we generally obtain warranties for our equipment, if such equipment is damaged or breaks down, our ability to provide services to our patients may be impaired, which could adversely affect our business. Our success in the future will depend significantly on our ability to take advantage of and adapt to technological developments to compete with other healthcare services providers. Our failure to understand, anticipate or respond adequately to evolving medical technologies, market demands or client healthcare requirements may cause adverse effects on our business and reduce our competitiveness and market share.

We face competition from other hospitals, pharmacies, pharmacy distributors and healthcare services providers. Any adverse effects on our competitive position could result in a decline in our revenues, profitability and market share.

The healthcare services business, including the hospital, pharmacies, pharmacy distributors and clinics, faces a challenge in providing quality patient care in a competitive environment and managing costs at the same time. The competition for patients and customers among hospitals, pharmacies, clinics and other healthcare services providers has intensified in recent years. In some cases, competing hospitals are more established than our hospitals. Some of the hospitals that we compete with are owned or operated by tax-supported governmental bodies or by private not-for-profit entities supported by endowments and charitable contributions which can finance capital expenditures on a tax-exempt basis, or are hospitals affiliated with medical colleges. We will also have to compete with any future healthcare facilities located in the regions in which we operate. Some of these competitors may be more established and have greater financial, personnel and other resources than our healthcare facilities. In some of the markets that we operate in, we also face competition from other healthcare services providers such as stand-alone laboratories, orthopedic, oncology, radiology and imaging centers. We also face competition from international healthcare chains which have begun providing services in India. New or existing competitors, including smaller hospitals, stand-alone clinics and other hospitals, may price their services at a significant discount to our prices or offer better services or amenities than us, exert pricing pressure on some or all of our services and also compete with us for doctors and other medical professionals. Some of our competitors may also have plans to expand their hospital networks, which may exert further pricing and recruiting pressure on us. If we are forced to reduce the price of our services or are unable to attract patients, doctors or other healthcare professionals, our business, revenues, profitability and market share may be adversely affected.

In our Pharmacy Platform business, we compete with other hospital-based pharmacies and stand-alone pharmacies for customers. We also compete with other pharmacy distributors and suppliers. The competition we face from other healthcare services providers, stand-alone pharmacies, pharmacy distributors and other firms may result in a decline in our revenues, profitability and market share.

Our arrangements with some of our doctors may give rise to conflicts of interest and time-allocation constraints, adversely affecting our operations.

Our contracts and other arrangements with some of our visiting doctors permit them to maintain their own private practices, as well as positions, at other hospitals. Some of these doctors may also have admitting privileges at other hospitals in addition to our hospitals. Certain of our senior doctors may also maintain positions at local clinics or affiliations with teaching hospitals. These arrangements may give rise to conflicts of interest, including with regard to how these doctors allocate their time and other resources between our hospitals and other clinics or hospitals at which they work and where doctors refer patients. Such conflicts may prevent us from providing a high quality of service at our hospitals and adversely affect the level of our patient intake.

We rely on financing from banks or financial institutions to carry on our business operations, and inability to obtain additional financing at all or on terms favorable to us could have an adverse effect on our results of operations and financial condition. If we are unable to raise additional capital, our business, results of operations, financial condition and cash flows could be adversely affected. Furthermore, a downgrade in credit rating could adversely impact interest costs or access to future borrowings.

As of September 30, 2020, we had an aggregate consolidated outstanding indebtedness of ₹ 34,718 million. Financial indebtedness here means current and non current borrowings plus current maturities of long term debts plus unpaid deposits. Of our consolidated debt, approximately 5.8% matures within the next 12 months. Mature (current maturities on long term debts) means installments of non current borrowings falling due within next 12 months. Our existing operations and execution of our business strategy may require substantial capital resources and we may incur additional debt to finance these requirements in the future, including as part of our expansion plans. However, we may be unable to obtain sufficient financing on terms satisfactory to us, or at all. If interest rates increase it will be more difficult to obtain credit. As a result, our development activities may have to be curtailed or eliminated and our financial results may be adversely affected.

We will continue to incur significant expenditure in maintaining and growing our existing infrastructure. We cannot assure you that we will have sufficient capital for our current operations or any future expansion plans that we may have. Additionally, the inability to obtain sufficient financing could adversely affect our ability to complete expansion plans. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. Any unfavorable change to terms of borrowings may adversely affect our cash flows, results of operations and financial conditions. If we decide to meet our capital requirements through debt financing, we may be subject to certain restrictive covenants. If we are unable to raise adequate capital in a timely manner and on acceptable terms, or at all, our business, results of operations, financial condition and cash flows could be adversely affected.

Our borrowing costs can also be affected by short and long-term credit ratings assigned by rating organizations. Our debt instruments/facilities have been rated "CRISIL AA/Stable" by CRISIL Limited. Further, our fixed deposits have been rated as "FAA+/Stable" and our fund based bank facilities have been rated as "CRISIL AA/Stable/CRISIL A1" by CRISIL Limited. Credit ratings reflect the opinions of ratings agencies on our financial strength, operating performance, strategic position and ability to meet our obligations. Certain factors that influence our credit ratings may be outside of our control. A decrease in these credit ratings could limit our access to capital markets and increase our borrowing costs, which could materially and adversely affect our financial condition and operating results. However, these ratings are not recommendations to buy, sell or hold securities and prospective investors should take their own decisions.

Our level of indebtedness and debt service obligations could have important consequences, including the following:

- The terms of our existing debt obligations contain numerous financial and other restrictive covenants which, among other things, require us to maintain certain financial ratios and comply with certain reporting requirements and restrict any changes in controlling interest or restrict our ability to make capital expenditures and investments, raise additional capital by way of equity or debt offerings, declare dividends, merge with other entities, incur further indebtedness and incur, or dispose of, liens on our assets, sell assets, undertake new projects and/or any expansion, modernization, or diversification programs, change our management and Board of Directors, materially amend or terminate any material contract or document and modify our capital structure. These restrictions may limit our flexibility in responding to business opportunities, competitive developments and adverse economic or industry conditions. Furthermore, if we do not comply with these obligations, it may cause an event of default, which, if not cured or waived, could require us to repay the indebtedness immediately.

- A breach of the covenants could also result in a variety of adverse consequences, including increase in the interest rate, the termination of the credit facilities in part or full and enforcement of any security provided. A default under one financing document may also trigger cross-defaults under our other financing documents. An event of default, if not cured or waived, could result in the acceleration of all or part of our financial indebtedness or other obligations. In fiscal 2020, some of our Subsidiaries were not in compliance with certain financial covenants, including minimum asset cover ratio, total debt/EBITDA, debt service coverage ratio, debt/tangible net worth under some of their financing agreements as at the applicable testing date. We have addressed such non-compliances by informing the relevant lenders and obtained relevant waivers from them in respect thereof. However, such remedies were only for past defaults and we cannot assure you that we will not breach these or other covenants in the future or be able to procure corresponding waivers. If we are unable to comply with any such covenants in the future, our lenders could accelerate the payment of the outstanding principal and interest amount due thereunder, which could have a material adverse effect on our financial condition.

- We may be more vulnerable in the event of downturns in our businesses and to general adverse economic and industry conditions.

- If we have difficulty obtaining additional financing at favorable interest rates we may face difficulties in meeting our requirements for working capital, capital expenditures, acquisitions, general corporate purposes or other purposes.

- Any borrowings we may make at variable interest rates leave us vulnerable to increases in interest rates generally. As of September 30, 2020, a large portion of our consolidated indebtedness is subject to variable rates of interest. Interest rate fluctuations can be highly unpredictable, and can be further affected by a number of factors, including global economic trends and adverse events in the global financial markets. Our failure to effectively manage our interest rate risk sensitivity could result in increased debt service costs and adversely affect our results of operations.

- We may be required to dedicate a significant portion of our operating cash flow to making periodic principal and interest payments on our debt, thereby limiting our ability to take advantage of significant business opportunities and placing us at a competitive disadvantage compared to healthcare services providers who have relatively less debt.

Further, we have granted security interests over certain of our movable and immovable assets in order to secure our borrowings, and any failure to satisfy our obligations under such borrowings could lead to the forced sale and seizure of such assets, which may adversely affect our business, results of operations and financial condition.

Further, our Company has provided letters of comfort and guarantees for certain borrowings availed by some of our Subsidiaries. Our business, financial condition, results of operations and prospects may be adversely affected by the invocation of all or any of the letters of comfort and guarantees provided by our Company in connection with our Subsidiaries' borrowings.

Further, while we propose to utilize the proceeds from this Issue for repayment/prepayment of certain borrowings availed by us, the ability to repay/prepay such borrowings will be subject to various factors, including receipt of consents for prepayment from the respective lenders.

While we have recently restructured our operations for our standalone pharmacy business to comply with the directions of the Foreign Investment Promotion Board ("FIPB") in relation to foreign investment norms for multi-brand retail trading, we could be subject to fines and penalties for any past purported non-compliance with such norms.

Our Company filed an application in June 2015 with the Foreign Investment Promotion Board ("**FIPB**") seeking its approval for foreign investment by non-resident shareholders in connection with a proposed capital raising. The Department of Economic Affairs, Ministry of Finance rejected such proposal in November 2015, and in response to an amended proposal subsequently filed by our Company with the FIPB in December 2015, stated by a letter dated March 29, 2016 that our Company had more than 51% foreign equity holding while it was engaged in retail trade in pharmacy, which constituted multi brand retail trading, and accordingly was in contravention of the prevailing FDI Policy which permitted foreign direct investment ("**FDI**") up to only 51% therein under the Government approval route. Our Company was further directed to file a compounding application with the RBI for breach of the FDI Policy.

On September 14, 2016, our Company filed an application with the FIPB submitting that all past applications for foreign investments in our Company had clearly specified that the scope of activities of the Company included the pharmacy business and such applications had been approved by the Government of India after due consideration of all facts presented in such applications, and in light thereof, the condition requiring compounding be deleted. Our Company also sought that a reasonable period of time be allowed to undertake restructuring of the retail portion of the pharmacy business. Subsequently, the Department of Industrial Policy and Promotion by letter dated October 9, 2017, communicated that our Company should approach the RBI for undertaking the necessary compounding. We completed the restructuring of our pharmacy business and confirmed, by a letter dated October 21, 2020, to the Department for Promotion of Industry and Internal Trade that post-restructuring, our Company's activities only cover provision of healthcare services in which 100% FDI is permitted under automatic route, and that, given the past fund raisings were undertaken with FIPB approvals, the matter should be treated as closed. However, we have not received any response to our letter dated October 21, 2020 and our Company has not approached the RBI for compounding the matter. Hence, levy of a penalty, and the quantum of such penalty, if any, that may be imposed by the RBI in the future, is uncertain. Although we believe that we have taken the necessary corrective measures to ensure any such purported non-compliance does not recur in the future, there can be no assurance that we will not be subject to regulatory actions including imposition of fines and other penalties in respect of such purported past non-compliance.

Our operations are affected by the geographic concentration of our hospital beds.

As of September 30, 2020, the largest concentrations of our hospital beds were in Chennai and Hyderabad, where 21% and 11%, respectively, of our owned hospital beds were located. Our Chennai and Hyderabad clusters contributed 25% and 13%, respectively, to our overall healthcare services revenue for the six months ended September 30, 2020. Such concentrations increase the risk that, should adverse economic, regulatory or other developments including political or civil unrest, disruption or sustained economic downturn that reduce the demand for our services occur within Chennai and Hyderabad, our business, financial position, results of operations or cash flows could be adversely affected.

If we are unable to increase our hospital occupancy rates, we may not be able to generate adequate returns on our capital expenditures, which could materially adversely affect our operating efficiencies and our profitability.

We have invested a significant amount of capital expenditures in creating bed capacity and opening new hospitals. We have also introduced new technologies, modernized our facilities and expanded our range of services.

We intend to focus on improving occupancy rates throughout our hospital network. Improving occupancy rates at our hospitals is highly dependent on brand recognition, wider acceptance in the communities in which we operate, our ability to attract and retain well-known and respected doctors, our ability to develop super-specialty practices and our ability to compete effectively with other hospitals and clinics.

If we fail to improve our occupancy rates, which stood at 66%, 68%, 67%, 68% and 47% for fiscals 2018, 2019 and 2020 and for the six months ended September 30, 2019 and 2020, respectively, our capital expenditures, which included additions to plant, property and equipment and additions to intangibles, of ₹ 5,518 million, ₹ 6,128 million and ₹ 12,744 million for fiscals 2018, 2019 and 2020, respectively, as well as any capital expenditure incurred in the future, could materially adversely affect our operating efficiencies and our profitability.

We depend heavily on our senior management team, and loss of the services of one or more of our key executives or a significant portion of our local management personnel could weaken our management team and adversely affect our financial condition and prospects.

We are heavily dependent on members of our senior management team, including certain employees who have been with us for several decades, to manage our current operations. Our success and ability to meet future business challenges largely depends on the skills, experience and efforts of members of our senior management team and on the efforts, ability and experience of key members of our local management staff.

Senior management in our industry are usually in high-demand and the loss of services of one or more members of our senior management team or of a significant portion of any of our local management staff could weaken significantly our management expertise and our ability to deliver healthcare services efficiently or continue managing or expanding our business. Almost all of our Directors and executive officers are not covered by key man life insurance policies.

We are subject to risks associated with expansion into new geographic regions.

We have expanded our network of hospitals in metropolitan clusters and also in non-metropolitan cities in India with the objective of making high quality healthcare services and advanced medical technology available in urban and semi-urban areas. Hospitals established in non-metropolitan cities are typically smaller hospitals with around 100-200 beds. Other than the six key metropolitan cities, namely Chennai, New Delhi, Kolkata, Mumbai, Hyderabad, and Bangalore, we have already established Apollo hospital units in Bhubaneshwar, Bilaspur, Guwahati, Indore, Kakinada, Karur, Lucknow, Madurai, Nashik, Nellore, Trichy, Visakhapatnam and other cities along with new hospitals in Chennai and Bangalore.

Any further expansion into new geographic regions, or acquisitions of existing running hospitals located at various geographical regions, including different parts of India, subjects us to various challenges, including those relating to our lack of familiarity with the culture and economic conditions of these new regions, language barriers, difficulties in staffing and managing such operations, and the lack of brand recognition and reputation in such regions. The risks involved in entering new geographic markets and expanding operations, may be higher than expected, and we may face significant competition in such markets. By expanding our presence into new geographical regions, we could be subject to additional risks associated with establishing and conducting operations, including:

- compliance with a wide range of laws, regulations and practices, including uncertainties associated with changes in laws, regulations and practices and their interpretation;
- foreign ownership constraints and uncertainties with new local business partners, in jurisdictions outside India;
- exposure to expropriation or other government actions;
- political, economic and social instability; and
- inaccurate estimation of demand, non-availability of doctors and other healthcare professionals.

If we fail to effectively manage the businesses of our subsidiaries, joint ventures and associates, our business, financial position and prospects could be adversely affected.

Our primary line of business is the provision of healthcare services, through hospitals, pharmacy distribution, projects and consultancy services, primary clinics and retail healthcare services. As of the date of this Preliminary Placement Document, we operate our business through the Company, and its 18 direct subsidiaries, 10 step-down subsidiaries, three joint ventures and four associates See the section titled "***Organizational Structure***" on page 167. As of November 30, 2020, the number of hospital beds owned by our subsidiaries, joint ventures and associates comprised 29.3%, of the 10,209 hospital beds owned by us. In addition, we provide retail healthcare services through our 70.25% owned subsidiary, Apollo Health and Lifestyle Limited ("**Apollo Health and Lifestyle**").

We may increase or decrease our interests in our subsidiaries, joint ventures and associates in the future. For instance, we held a 9.96% interest in Apollo Munich Health Insurance Company Limited ("**AMHIL**") in fiscal 2018 and 2019. We subsequently divested the entire interest in fiscal 2020, whereby AMHIL ceased to be an associate of our Company and we recorded a profit of ₹ 1,983 million, net of transaction costs and after considering indemnity related deductions. Our revenues and profits depend upon our ability to successfully manage the businesses of these subsidiaries, joint ventures and associates. If we fail to do this successfully, our business, financial position and prospects could be adversely affected.

If we are unable to identify expansion opportunities or experience delays or other problems in managing these opportunities, our growth, financial condition, cash flows and results of operations may be adversely affected.

Our growth depends on our ability to develop, acquire and manage additional hospitals and also expand and improve our existing hospital facilities. We have certain projects under development and are continuously evaluating other proposals, including acquisition opportunities. We are currently undertaking expansion of our hospitals at Indore and Guwahati, and we are increasing the number of hospital beds for oncology-related services in our Bhubaneshwar hospital. We may not be able to identify suitable acquisition or hospital management opportunities or opportunities for expanding capacity at our existing hospital facilities. The number of attractive expansion opportunities may be limited and may command high valuations. We may be unable to secure the necessary financing or negotiate attractive terms to follow through an identified acquisition opportunity.

Any new hospitals acquisition opportunity we may undertake could be subject to a number of risks. We may face challenges while renovating, rebuilding or repositioning existing hospitals. We may also be unable to effectively integrate new facilities with our current operations. We may face difficulties in recruiting and retaining an adequate pool of doctors, nurses and other medical personnel for our planned initiatives. The costs and time required to integrate any acquired hospitals with our existing business could cause an interruption or a loss of momentum in our business activities. All of these factors may adversely affect our business and growth prospects.

Our ability to build and operate new hospital projects is subject to various factors that may involve delays or problems, including the failure to receive or renew regulatory approvals, constraints on human and capital resources, the unavailability of equipment or supplies or other reasons, events or circumstances. Our projects may incur significant cost overruns and may not be completed on time or at all.

New hospital projects are characterized by long gestation periods and substantial capital expenditures. We may not achieve the operating levels that we expect from future projects and it may not be able to achieve our targeted return on investment on, or intended benefits or operating synergies from, these projects. Potential title uncertainties regarding the lands on which potential acquisition targets and management contracts opportunities are or may be located, including related litigation, may also cause delays in, and may otherwise curtail, our expansion plans. We may experience delays in obtaining regulatory approvals regarding the use of our land for hospital purposes that may adversely affect our schedule for implementation of these projects. The projects that we have under development are at various stages of implementation and are expected to be completed over the next three years. Some or all of these projects may not be undertaken or, if undertaken, may be altered or take longer than anticipated to complete or may exceed our cost expectations.

In view of the highly competitive nature of the industry in which we operate, we may have to revise our management estimates from time to time and consequently our funding requirements may also change. This may result in the rescheduling of our proposed project expenditure and an increase or decrease in our proposed expenditure for a particular project. Any unanticipated increase in expansion costs could adversely affect our cost estimates and our ability to implement our expansion plans as proposed. A failure to identify suitable expansion projects, obtain adequate financing, implement projects in an efficient and timely manner or delays in the execution of such projects could have a material adverse effect on our business, financial condition and results of operations.

We may have difficulty in effectively integrating future acquisitions and joint ventures into our ongoing operations.

The competition to acquire hospitals and form joint ventures in the markets that we target is significant, and we may not be able to consummate such transactions on terms favorable to us if other healthcare services companies, including those with greater financial resources than ours, are competing for the same target businesses. We currently own 50.0% interest in Apollo Gleneagles Hospitals, Kolkata and we are in the process of acquiring the remaining 50.0% equity held by Gleneagles Development PTE Ltd, Singapore, and we have executed a share purchase agreement dated November 11, 2020 in pursuance of such acquisition. While we propose to consummate such acquisition by utilizing some of the proceeds from this Issue, we may not be able to obtain financing, as and when, if necessary, for this acquisition and any other acquisitions or joint ventures that we may make or we may be required to borrow at high rates and on less unfavorable terms. Additionally, we may not be able to effectively integrate the facilities that we acquire or we may experience difficulties arising from coordinating and consolidating corporate and administrative functions, including integration of internal controls and procedures with our ongoing operations. A failure to successfully integrate an acquired business or inability to realize the anticipated benefits of such joint venture or acquisition could adversely affect our results of operations and financial condition.

Acquired businesses may have unknown or contingent liabilities, including liabilities for failure to comply with healthcare laws and regulations, and we may become liable for the past activities of such businesses. Although we have policies in place to ensure that the practices of newly acquired facilities conform to our standards, and generally will seek indemnification from prospective sellers covering these matters, we may become liable for past activities of any acquired business.

Furthermore, certain cities in India require prior approval for the purchase, construction and expansion of healthcare facilities. The failure to obtain any required approval or the failure to maintain a required license could impair our ability to operate or expand operations in any city.

Land title in India can be uncertain and we may not be able to identify or correct defects or irregularities in title to the land which we own, lease or intend to acquire in connection with the development of our hospitals.

There is no central title registry for real property in India and the documentation of land records in India has not been fully computerized. Property records in India are generally maintained at the state and district level and in local languages, and are updated manually through physical records. Therefore, property records may not be available online for inspection or updated in a timely manner, may be illegible, untraceable, incomplete or inaccurate in certain respects, or may have been kept in poor condition, which may impede title investigations or our ability to rely on such property records. In addition, there may be a discrepancy between the duration of the principal lease under different orders issued by state governments in respect of a particular parcel of revenue land.

The difficulty of obtaining title guarantees in India means that title records provide only for presumptive rather than guaranteed title. The original title to lands may often be fragmented and the land may have multiple owners. In addition, title insurance is not commercially available in India to guarantee title or development rights in respect of land. The absence of title insurance, coupled with the difficulties in verifying title to land, may increase our exposure to third party claims to the property. Title may also suffer from irregularities, such as non-execution or non-registration of conveyance deeds and inadequate stamping, and may be subjected to encumbrances that we are unaware of. For instance, in 2008, the Andhra Pradesh Industrial Infrastructure Corporation Limited ("**APIIC**") allotted adjoining parcels of land to the extent of 60.14 acres of land to our Company and 40 acres to Apollo Hospitals Educational and Research Foundation ("**AHERF**"), for enabling the establishment of an integrated knowledge city campus comprising of healthcare services and educational institutions at Murukambattu Village, Chittoor District, Andhra Pradesh. Since our Company only required 7.02 acres for setting up healthcare related facilities and allied ancillaries whereas AHERF required more land (for construction of a medical college and residential/ hostel facilities), the Board of Directors of our Company at a meeting held on May 30, 2019 approved the proposal to approach the APIIC for transfer of 23.12 acres of land in favour of AHERF, in furtherance of which our Company subsequently submitted a proposal dated October 31, 2019 to the APIIC. While we await the approval of the APIIC, we are currently unable to proceed with registering the land allotted by the APIIC to our Company. We cannot be assured by when the title deed will be registered, or assess, identify or address all the risks and liabilities associated with such impending registration. Further, improperly executed, unregistered or insufficiently stamped conveyance instruments in a property's chain of title, unregistered encumbrances in favor of third parties, rights of adverse possessors, ownership claims of family members of prior owners or third parties, or other defects that a purchaser may not be aware of can affect title to a property. As a result, potential disputes or claims over title to the land on which our hospitals are or will be situated may arise.

Certain lands on which our hospital buildings or other healthcare facilities are operating are not owned by us, which could affect our operations. If the owner of premises does not renew the lease agreement, our business operations may suffer disruptions.

As of September 30, 2020, we owned 65 hospitals, of which 51 are located on land that has been leased. See the section titled "***Business - Properties***" on page 150 for lease information relating to key hospitals owned by us. We are using such premises pursuant to the respective lease agreements. In case of any deficiency in the title of the owners from whose premises we operate, or if any of the owners of these premises do not renew the agreements under which we occupy the premises, or if they seek to renew such agreements on terms and conditions unfavorable to us, or if they terminate our agreements, we may suffer a disruption in our operations and will have to look for alternate premises. In addition, certain lease agreements relating to the Apollo Speciality Hospital, Nandanam have expired and we are in the process of renewing those. Furthermore, in the event that we are unable to comply with the terms of any of our lease arrangements or are unable to renew them on favorable terms, it may impair our operations and adversely affect our business, results of operations and financial condition. Moreover, the lessors of these properties may terminate the lease agreements early in the event of any breach of the terms of allotment, including delay in payment of rent, usage of the property other than for the purpose for which it was allotted, or transfer or assignment of the land without prior consent of the lessor. Furthermore, certain of our leases may not be adequately stamped or registered. If these lease agreements are not renewed or are not renewed on terms and conditions that are favorable to us or any of our existing lease agreements are rendered unenforceable, we may suffer a disruption in our operations which could have an adverse effect on our business.

We may need to find suitable locations to open and operate greenfield hospitals and other healthcare facilities and a failure to do so could have a material adverse impact on the Company's results of operations and financial condition.

As part of our growth strategy, we continuously evaluate other projects and identify suitable greenfield sites for our new hospitals and other healthcare facilities. The success of our expansion strategy lies largely in identifying suitable locations, whether for lease or acquisition, at a competitive cost. We have to compete with other healthcare services providers and pharmacy retailers to find suitable greenfield sites for our hospitals and other healthcare facilities on an ongoing basis. We cannot give any assurance that we will be able to expand and grow at the rate at which we may desire to, as we may not be able to find locations that we believe will be necessary for implementing our expansion strategy or at a competitive cost. If we are unable to find locations at the time and place that we desire or at competitive rates, it may have a material adverse impact on our results of operations and financial condition.

We and our subsidiaries, joint ventures and associates are exposed to legal claims and regulatory actions arising from the provision of healthcare services that, if adversely determined against us or our subsidiaries, joint ventures or associates, could have a material adverse effect on our liquidity, financial position or results of operations.

From time to time, we may be subject to litigation alleging, among other things, medical negligence or misconduct by our doctors and other healthcare professionals and product negligence and product liability for medical devices we use or pharmaceuticals we dispense. Pharmaceuticals that we sell, or use could become subject to contamination, tampering, mislabelling or other damage, or could be counterfeit drugs. In addition, errors in any form, including in the dispensing and packaging of pharmaceuticals, or use of expired products, could lead to serious injury, illness or even death. Product liability claims may be asserted against us with respect to any of the products or pharmaceuticals we sell. A product liability judgment against us could have a material adverse effect on our business, financial condition or results of operations. Furthermore, we could also be the subject of complaints from patients who are dissatisfied with the quality and/or cost of healthcare services.

As a healthcare services provider, we are party to proceedings resulting from complaints and claims of compensation filed by patients or their kin before consumer forums, civil courts and other regulatory authorities, alleging, medical negligence, deficiency of services, erroneous diagnosis, etc. Any complaint which is filed against doctors employed at our hospitals or which is filed against our hospitals, may also, in certain cases, implead us as a defendant. There are currently various medico-legal proceedings pending before, and notices issued against us by, judicial and regulatory forums.

The results of claims and lawsuits against us cannot be predicted, and it is possible that the ultimate resolution of these legal claims and regulatory actions, individually or in the aggregate, may have a material adverse effect on our business both in the near and long term, financial position, results of operations or cash flows. Although we defend ourselves vigorously against claims and lawsuits, these matters could:

- require us to pay substantial damages or amounts in judgments or settlements, which individually or in the aggregate could exceed amounts, if any, that may be recovered under our insurance policies where coverage applies and is available;
- harm our reputation and the goodwill associated with our brand;
- cause any of our licenses to be revoked;
- cause us to incur substantial expenses and/or substantial increases in our insurance premiums;

- require significant time and attention from our management; and
- require us to incur debt to finance any damages or amounts in judgment or settlement.

Further, the existence of any such claims and complains may tarnish our professional standing and market reputation of and/or that of the doctors and medical professionals involved. Regardless of their validity, negative publicity arising from such claims may also affect the number of patients visiting our healthcare facilities and may adversely affect the revenue generated by our healthcare facilities. For instance, the Government of Tamil Nadu had constituted a commission headed by Justice Thiru A Armughaswamy ("**Commission**") for conducting an inquiry into the death of Late J. Jayalalithaa, former Chief Minister of Tamil Nadu (the "**Chief Minister**") which includes an inquiry into the correctness, adequacy/inadequacy of medical treatment to the Chief Minister. In 2019, we have filed a writ petition before the Madras High Court to restrain the Commission from investigating the appropriateness of the medical treatment to the Chief Minister on account of lack of expertise in understanding the nature of medical treatment and constitute a medical board for the same. The Madras High Court declined to restrain the Commission from conducting its investigation in this respect. Aggrieved by this, we have filed a special leave petition before the Supreme Court and the same is pending. For more details, for details, see "***Legal Proceedings***" on page 221.

If any of our future cases are not resolved in our favor, and if our insurance coverage or any applicable indemnity is insufficient to cover the damages awarded, we may be required to make substantial payments or modify or restrict our operations, which could have an adverse impact on our reputation and competitive position, as well as our business and financial results. We are subject to a number of legal claims and regulatory actions, including various claims in relation to alleged medical negligence. See the section titled "***Legal Proceedings***" on page 221. Also see section titled "—***If we are exposed to claims exceeding the scope of our insurance coverage or that are not covered by our insurance policies or if our insurance costs increase, and if our doctors are unable to obtain appropriate insurance coverage, our liquidity, financial condition and results of operations may be adversely affected.***" below.

Further, the Directorate of Enforcement ("**ED**") sought our Company to furnish certain information and documents in relation to the investment made by our Company in the joint venture, namely AMG Healthcare Destination Private Limited, along with GMR Holdings Private Limited and Mayo Clinic GBS, Mauritius. We have furnished all information required by the ED from time to time. For more details, for details, see "***Legal Proceedings***" on page 221.

In the auditor's report to the Company's audited consolidated financial statements for each of the fiscal years 2015, 2016, 2017, 2018, 2019 and 2020, the respective statutory auditors have provided a matter of emphasis relating to proceedings initiated against our subsidiary, Imperial Hospital and Research Centre Limited, by the Government of Karnataka

Our subsidiary, Imperial Hospital and Research Centre Limited ("**Imperial Hospital**") operates its hospital from a land that was originally allotted by the State Government of Karnataka, subject to compliance with certain terms and conditions. In fiscal 2015, Imperial Hospital received an order dated March 19, 2015 from the Special Deputy Commissioner of Bangalore ("**March 2015 Order**") alleging non-compliance of allotment conditions of the land on which the hospital building is constructed. Furthermore, such order sought surrender of the land and building that had been constructed, in favor of a Government run hospital. Subsequently, a notice dated April 19, 2018 ("**April 2018 Notice**") was also issued by the Directorate of Medical Education, Government of Karnataka seeking handover of the property along with operations of the hospital to a Government run hospital. On receipt of the April 2018 Notice, Imperial Hospital approached the Karnataka High Court and obtained a stay order dated April 27, 2018 against operation of the March 2015 Order and the April 2018 Notice. The proceedings have currently been stayed by an interim order of the Karnataka High Court in response to a writ petition filed by Imperial Hospital and our Company, and the matter is *sub-judice*. For details, see "***Legal Proceedings***" on page 221 and "***Financial Information***" on page 231, for the details of revenue contribution by Imperial Hospital to our Company. The respective statutory auditors of Imperial Hospital have accordingly included a matter of emphasis in their audit report since fiscal 2015.

We may be subject to liabilities arising from the risks of hospital management, including liabilities from claims of medical negligence against our doctors and other healthcare professionals, which may adversely affect our business, financial position, results of operations or cash flow.

We may incur liabilities in the ordinary course of managing our hospitals, including liabilities that arise from claims of medical negligence against our doctors and other healthcare professionals. Further, certain of our hospital management contracts require the hospitals we manage to indemnify us against certain claims and maintain specified amounts of insurance. However, our managed hospitals or other third parties may not indemnify us against losses we incur arising out of the activities or omissions of the employees of the hospitals we manage. If we are held liable for amounts exceeding the limits of insurance coverage or for claims outside the scope of that coverage or any indemnity, or if any indemnity agreement is determined to be unenforceable, then any such liability could adversely affect our business, financial position, results of operations or cash flow. Also see "***—If we are exposed to claims exceeding the scope of our insurance coverage or that are not covered by our insurance policies or if our insurance costs increase, and if our doctors are unable to obtain appropriate insurance coverage, our liquidity, financial condition and results of operations may be adversely affected.***" below.

We have in the past ceased operations at certain facilities and may do so in the future.

The operations and profitability of our facilities are impacted by economic and social factors in each of the locations. We continuously review the performance parameters of each facility and compare these with earlier projections and our expectations. This may lead to change in strategies over a period of time whereby we may fully or partially shut down operations at a given facility and/or exit certain markets. For instance, our Company ceased operations over the last year in the Sowcarpet unit, Chennai which was equipped with 17 beds, due to a lack of adequate space for expansion and for undertaking in-patient procedures and consultations, as well as due to certain administrative bottlenecks. We also recently shut down operations at the Kukatpally center, Hyderabad which was equipped with 20 beds. When we had initially commenced operations at the Kukatpally center, it was driven by a shortage of good medical facilities in the area, and with the aim of addressing any medical emergencies, stabilizing them and transferring them to our main hospital in Hyderabad city. However, a number of viable healthcare options have since materialized in and around that area with high-end diagnostics and critical care units. Given that there were spatial constraints that could not enable any expansion plan, we discontinued our operations and shut down the center. We continue to review performance of each of our facilities and redeploy our resources wherever we foresee the investment, risk and rewards misaligned. Such actions may adversely impact our revenue, which may lead to write-offs of large investments thereby impacting financial results.

If we are exposed to claims exceeding the scope of our insurance coverage or that are not covered by our insurance policies or if our insurance costs increase, and if our doctors are unable to obtain appropriate insurance coverage, our liquidity, financial condition and results of operations may be adversely affected.

We maintain professional liability and general liability insurance coverage to cover certain claims arising out of the operations of our hospitals. See the section titled "***Business—Insurance***" on page 156. Some of the claims, however, could exceed the scope of the coverage in effect or coverage of particular claims could be denied. We also provide services in respect of a facility located outside of India. Claims under the laws in such foreign countries may expose us to far greater liability than would be the case in India, and we may not have adequate insurance to cover such liability. We believe our professional and other liability insurance has been adequate in the past but there can be no assurance that our insurance coverage will be sufficient to cover all future claims. If our arrangements for insurance or indemnification are not adequate to cover claims, we may be required to make substantial payments and our financial condition and results of operations may be adversely affected. Additionally, our insurance policies may not adequately cover all losses or liabilities that may arise from our operations, including, but not limited to, when the loss suffered is not easily quantifiable. Even where we may be covered under an insurance policy that we have availed of, we may not be able to successfully assert our claim for any liability or loss under such insurance policy. If our losses significantly exceed our insurance coverage or cannot be recovered through insurance, our business, financial condition and results of operations could be materially and adversely affected.

Further, the occurrence of an event for which we are not adequately or sufficiently insured or for which insurance is not available in the market, or the successful assertion of one or more large claims against us that exceed available insurance coverage, or changes in our insurance policies, could have a material adverse effect on our business, prospects, financial condition and results of operations. We cannot assure you that any claim under the insurance policies maintained by us will be honored fully or on time.

In addition, some doctors, including those who practice at some of our hospitals, face increases in malpractice insurance premiums and limitations on availability of insurance coverage. The inability of our doctors to obtain appropriate insurance coverage could cause those doctors to limit their practice. That, in turn, could result in lower admissions to our hospitals.

All reinsurance and any excess insurance purchased by us are subject to policy aggregate limitations. Should such policy aggregates be partially or fully exhausted in the future, or if actual payments of claims materially exceed projected estimates of claims, we may be required to make substantial payments and our financial position, results of operations or cash flows could be materially adversely affected.

For certain of our hospitals, we are required to provide medical services at no cost or at a discount to certain categories of patients, including those from the economically weaker sections of the society. Such regulations/ government orders governing the provision of free services and charitable obligation are often subject to change and can be extended to other hospitals leading to impairment of profitability and financial position and thereby affecting the desired free patient ratio due to variety of reasons.

Pursuant to the indenture of lease dated December 2, 1994 executed between the Government of West Bengal and Apollo Gleneagles Hospital Limited, we are required to provide free treatment facilities to patients for up to 10% of the beds at the hospital on the recommendation of the Government of West Bengal. We are also to provide free treatment to at least 20% of the patients in OPD having certain specified annual income thresholds. Pursuant to the conditions in the order issued by the Revenue Department, Government of Andhra Pradesh allotting land for our Jubilee Hills hospital in Hyderabad, 15% of the hospital beds are required to be reserved for treating poor patients free of charges. Pursuant to the license agreement dated March 19, 2001 between our Company and South Eastern Coalfields Limited in respect of our hospital at Bilaspur, Chhattisgarh we are required to give 22.5% discount on diagnostic services and 10% discount on room rent and other professional/ consultation services to all permanent employees, their dependents, retired employees and their spouse as well as other persons referred by the Chief of Medical Services of South Eastern Coalfields Limited or authorized persons of Coal India Limited and its subsidiaries. Pursuant to the terms of our joint venture agreement in relation to the Indraprastha Apollo Hospital, New Delhi ("**Indraprastha Joint Venture Agreement**"), we are required to reserve one-third of the bed strength of 600 beds for patients as may be recommended by the Governor of the National Capital Territory of Delhi, and provide free medical, diagnostic and other facilities for not less than 40% of OPD patients. For details of litigation in such context, see "***Legal Proceedings*** " on page 221. In addition to contractual obligations, we may also be required under various public health schemes launched by the Government of India or various state governments, such as the Ayushman Bharat Pradhan Mantri Jan Arogya Yojana, to cater to the under-served population in India.

The regulations governing the provision of free services and charitable obligations are subject to change from time to time at the discretion of the relevant regulatory authority. In the event we expand our capacity of the available beds in such hospitals, which will entail higher costs towards treatment of patients from economically weaker sections, our operating margins will be adversely impacted. Additionally, in the event such hospitals are unable to maintain the ratio of free patients or provide discounts in accordance with the terms of the respective agreement, it can lead to regulatory action and claims by regulatory authorities on the grounds of unwarranted profit made by such hospitals.

If we are unable to establish and maintain an effective system of internal controls and compliances, our business and reputation may be adversely affected.

We are responsible for establishing and maintaining adequate internal measures commensurate with the size and complexity of our operations. Our internal audit functions make an evaluation of the adequacy and effectiveness of internal systems on an ongoing basis so that business units adhere to our policies, compliance requirements and internal guidelines. While we periodically test and update our internal processes and systems, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to ensure effective internal checks and balances in all circumstances. Our operations are subject to human and system errors, including in the confirmation, entry or settlement of transactions, due to the complexity and high volume of transactions. We have developed a comprehensive risk management policy to maintain procedures and systems that enable us to identify, monitor, control and respond to these risks effectively. However, if our risk management efforts are ineffective, we could suffer losses that may adversely affect our results of operations and financial condition. Any future expansion and diversification in our services will require us to continue to enhance our risk management policy.

Our management information systems and internal procedures that are designed to monitor our operations and overall compliance may not identify every instance of non-compliance or every suspicious transaction. If internal system or process weaknesses are identified, our actions may not be sufficient to correct such weaknesses. Failures or material errors in our internal systems may lead to errors in handling data, inaccurate financial reporting and failure of critical systems and infrastructure.

We operate in a highly regulated industry, and compliance with applicable safety, health, environmental and other governmental regulations and any violations of existing regulations may be costly and adversely affect our business and results of operations. We may not be able to obtain certain clearances, licenses, registrations and other approvals and renewals thereof required in the ordinary course of our business, and the failure to obtain these approvals in a timely manner or at all may materially adversely affect our operations.

The healthcare services industry is subject to laws, rules and regulations in certain states in which we currently conduct our business or in which we intend to expand our operations.

We are subject to extensive international and local regulations relating, among other things, to:

- conduct of operations;
- addition of facilities and services;
- adequacy of medical care, including required ratios of nurses to hospital beds;
- quality of medical equipment and services;
- discharge of pollutants into the air and water and handling and disposal of bio-medical, radioactive and other hazardous waste;
- qualifications of medical and support personnel;
- confidentiality, maintenance and security issues associated with health-related information and medical records; and
- the screening, stabilization and transfer of patients who have emergency medical conditions.

Safety, health and environmental laws and regulations in India are stringent and it is possible that the evolving regulatory environment in India may lead to significantly more stringent healthcare laws and regulations in the future. To comply with these requirements, we may have to incur substantial operating costs and/or capital expenditure in the future.

Further, if a determination is made that we were in violation of such laws, rules or regulations, including conditions in the permits required for our operations, we may have to pay fines, modify or discontinue our operations, incur additional operating costs or make capital expenditures and our business, financial position, results of operations or cash flows could be adversely affected. Any public interest or class action legal proceedings related to such safety, health or environmental matters could also result in the imposition of financial or other obligations on us. Any such costs could adversely affect our competitive position and results of operations. In addition, the regulatory framework is constantly changing and we are unable to predict the future course of international and local regulation. Further changes in the regulatory framework affecting healthcare services providers could have a material adverse effect on our business, financial position, results of operations or cash flows.

We are required to obtain and maintain various statutory and regulatory permits, licenses, registrations and other approvals to operate our business in relation to the above laws and regulations, which requires us to comply with certain terms and conditions to continue our operations. In particular, we are required to obtain licenses for, among others, the following activities: provision of healthcare services, provision of pharmaceutical services, sale, supply and distribution of drugs, operating establishments, license for operation of radioactive equipment and environment approvals. Although we have applied for or are applying for a number of licenses and other authorizations required for our business or are seeking to renew such licenses after they have expired, we cannot assure you that we will be able to maintain, renew or obtain any required statutory and regulatory permits and approvals in the future, in a timely manner, or that no additional requirement will be imposed in connection with such request. Any failure to abide by applicable regulatory requirements, or renew the approvals and accreditations that have expired, or to apply for and obtain the required approvals, licenses, registrations or consents, or any suspension or revocation of any of the approvals, licenses, registrations, accreditations or consents that have been or may be issued to us, may restrict the extent of operations we are authorized to conduct at our hospitals, and adversely affect our business, cash flows, results of operations and financial condition.

If we do not receive the approvals or renewals required to be obtained from time to time for conducting our operations, we may be unable to offer certain of our services or may be required to discontinue operations at one or more hospitals, and this may have a material adverse effect on our financial results.

Further, our approvals, licenses, permits and registrations are often also subject to numerous conditions, some of which are onerous and may require significant expenditure. If we fail to comply or a regulatory authority claims that we have not complied with these conditions, we may not be able to continue with our operations.

We are dependent on third party entities, such as real estate developers and contractors, as well as the receipt of certain governmental approvals and access to sufficient funding, for the construction and development of our hospital buildings.

We are from time to time involved in the expansion of existing hospitals and construction of new hospitals. These projects entail certain risks, some of which are outside our control. For example, when building a new facility, we enter into agreements with third parties such as real estate developers and contractors, to design and construct our hospital buildings in accordance with our specifications and quality standards and under the time frames provided by us. We also require the services of a number of specialised third parties to undertake work, such as architects, engineers and other suppliers of labour and materials. The timing and quality of construction of the hospital buildings we develop depends on the availability and skill of these third parties, as well as contingencies affecting them, including equipment, labour and raw material shortages and industrial actions such as strikes and lockouts. We may not be able to identify appropriately experienced third parties and cannot assure you that skilled third parties will continue to be available at reasonable rates and in the areas in which we undertake our hospital construction projects, or at all. We also may only have limited control over the timing or quality of services and sophisticated machinery, or supplies provided by such third parties.

In addition, the construction of a hospital typically requires a number of authorisations and approvals from various levels of governmental authorities. These approval processes can be lengthy, and there can be no assurance that we will receive the requisite approvals in a timely manner, or at all. Further, construction projects are capital intensive, and we may require external financing to complete our projects, which may not be available or may be available at costs higher than expected.

If our third-party counterparties are unable to perform their contracts in a time bound manner or there are any delays in completing construction work, including completing our developments within the specifications, quality standards and time frames specified by us, at the estimated cost, or at all, we may be required to incur additional cost or time to develop the hospital property to appropriate quality standards in a manner consistent with our development objective, which could result in reduced profits or, in some cases, significant penalties and losses which we may not be able to recover from the relevant contractor. Furthermore, we cannot assure you that the services rendered by any of our contractors will be satisfactory or match our requirements, that we will receive the necessary approvals to construct new hospitals, or that we will have access to the required funding to do so, any of which could have a material adverse effect on our business, financial condition and results of operations.

Our operations could be impaired by a failure of our information technology systems. Further, any inadequacy or security breach in our information technology systems may adversely impact our business, results of operations and reputation.

Our information technology systems are essential to a number of critical areas of our business operations, including:

- accounting and financial reporting;
- coding and compliance;
- clinical systems;
- medical records and document storage;
- inventory management;
- negotiating, pricing and administering healthcare delivery contracts;

- training programs;
- research services; and
- consumer-facing websites, digital applications and platforms such as "Ask Apollo" and "Apollo 24/7."

We are significantly dependent on our IT systems for our clinical, administrative and procurement needs across locations. We have automated workflow and electronic health records to capture and provide treatment to the patients, and these systems are maintained and operated by our IT team and third-party technology service providers. We are therefore dependent heavily on our IT systems to be able to undertake day-to-day operations including provision of medical care to our patients, billing, ordering and procurement. We have invested significantly in these resources, and our ability to continue to use these facilities will depend on ongoing license fees payable and capital expenditure which we may be required to incur from time to time.

Any technical failure that causes an interruption in service or availability of our systems could adversely affect operations or delay the collection of revenue or cause interruptions in our ability to provide services to our patients. Corruption of certain information could also lead to delayed or inaccurate diagnoses in the treatment of patients and could result in damage to the health of our patients.

Our ability to remain competitive depends in part on the secure processing, storage and transmission of confidential and other sensitive information in our computer systems and networks. We may be subject to liability as a result of any theft or misuse of personal information stored on our systems. Although we have implemented network security measures, our servers are vulnerable to computer viruses, hacking, break-ins and similar disruptions from unauthorized tampering. Further, since technology is fast changing, there may be new areas in our system that may be exposed to security breaches and other attacks. Deficiencies in our internal management of information systems and our data security practices can expose our patient records, test results, prescriptions, lab reports and confidential patient forms, which could cause damage to our reputation and adversely impact our business and financial results. The occurrence of any of these events could result in interruptions, delays, the loss or corruption of data, or cessations in the availability of systems, all of which could have a material adverse effect on the financial position, results of operations and harm our business reputation. While we intend to continue to implement security technology and establish operational procedures to prevent break-ins, damage and failures, there can be no assurance that these security measures will always be adequate or successful to prevent a breach of medical records. Further, as the sophistication of cyber incidents continues to evolve, we will be required to expend additional resources to continue to modify or enhance our protective measures or to investigate and remediate any vulnerability to cyber incidents.

Some of the secretarial forms filed by our Company with the Registrar of Companies are not traceable.

We are unable to trace certain secretarial forms filed by our Company with the RoC relating to issuance of equity shares made since incorporation up to March 1989. We cannot assure you that the filings were made in a timely manner or at all. Further, we cannot assure you that we will not be subject to any penalties imposed by the competent regulatory authority in connection with these corporate record or filings. While no disputes or regulatory action has arisen in connection with these filings until date, we cannot assure you that no such action will be initiated in the future. Further, the accuracy of information on build-up of our Company's share capital provided in the chapter "***Capital Structure***" on page 66, is subject to the accuracy of information gathered through other available sources.

Challenges that affect the healthcare industry and other external factors also have an effect on our operations.

We are impacted by the challenges currently facing the healthcare industry as a whole. We constantly face competition from government-owned hospitals, other private hospitals, clinics, hospitals operated by non-profit organizations. Furthermore, healthcare costs in India have increased over the past decade, and there have been and may continue to be proposals by legislators and regulators to limit the rate of increase, cap the margins, fix the price of procedures and diagnostics, or lower, healthcare costs in India. Certain proposals by the Government of India, if passed, could impose, among other things, limitations on the prices we will be able to charge for our services. We believe that the key ongoing industry-wide challenges are providing quality patient care in a competitive environment and managing costs and effects of regulatory changes.

In addition, our business and results of operations are also affected by other factors that affect the entire industry, including:

- temporary requisitioning of the healthcare facilities due to any epidemic, or pandemic such as COVID-19;
- technological and pharmaceutical improvements that increase the cost of providing, or reduce the demand for, healthcare;
- general economic conditions which adversely impact the quantum of disposable income that can be allocated for healthcare services, and business conditions, both nationally and regionally;
- regulatory changes;
- the rate of expansion of health insurance coverage in India;
- demographic changes such as the increase in the percentage of elderly patients, which could result in increased government expenditures for healthcare services, in turn resulting in proposals to limit the rate of increase of healthcare costs or introduction of price caps on various elements of healthcare services in India;
- recruitment and retention of qualified healthcare professionals including pay scale of such healthcare professionals such as nurses; and
- changes in the distribution process or other factors that increase the cost of supplies.

In particular, the patient volumes and net operating revenues at our general hospitals and related healthcare facilities are subject to economic and seasonal variations caused by a number of factors, including, but not limited to:

- unemployment levels;
- the business environment of local communities;
- the number of uninsured and underinsured patients in local communities;
- seasonal cycles of illness as a function of varying climate, weather conditions and disease outbreaks;
- climate and weather conditions;
- vacation patterns and religious observance of both patients and doctors;
- healthcare services competitors;
- physician recruitment, retention attrition; and
- other factors relating to the timing of elective procedures.

Any failure by us to effectively face these challenges could have a material adverse effect on our results of operations.

We have limited protection of our intellectual property.

We have registered the "Apollo" name and logo and "Apollo Hospitals", "The Apollo Clinic", "Apollo Pharmacy" and "Apollo Health City" names as trademarks and the "Apollo" name as a service mark, under the Trade Marks Act, 1999, as amended. We have licensed the "Apollo" name, logo and trademarks for use by the franchisees of Apollo Health and Lifestyle Limited's various health care facilities for a 10 year term effective from April 1, 2015 (with automatic renewal for another 10 year term thereafter unless notified otherwise by either party prior to the termination of the initial term) pursuant to the trademark license agreement dated March 31, 2015, and for use by our managed hospitals and franchisee hospitals in accordance with the terms of their respective agreements with us. We have licensed certain intellectual property, including the "Apollo Pharmacy" name, logo, trademarks and our online pharmacy domain name "www.apollopharmacy.in" to APL for a 10 year term from September 1, 2020 pursuant to a brand licensing agreement dated September 1, 2020, for use in its stand-alone pharmacies and for APL's undertaking and fulfilling of retail sale orders online. Unauthorized use of our brand name or logo by our franchisees, our managed hospitals or other third parties could adversely affect our reputation, which could in turn adversely affect our business, financial condition and results of operations. Intellectual property rights and our ability to enforce them may be unavailable or limited in some circumstances. In addition, trade mark registration applications may not be allowed or competitors may challenge the validity of our trademark registrations. If we fail to successfully obtain or enforce intellectual property rights, our competitive position and operating results could be adversely affected.

Actions of our Promoters and the Promoter Group, as substantial shareholders and Directors, could conflict with the interests of other shareholders.

As of December 31, 2020, the Promoters and the Promoter Group, held approximately 30.82% of our subscribed and paid-up equity share capital. For as long as the Promoters and the Promoter Group continue to hold a substantial percentage of our Equity Shares and continue to have significant influence on our Board of Directors, they may influence our material policies in a manner which could conflict with the interests of other shareholders. Further, the sale of a large number of Equity Shares by the Promoters and the Promoter Group, or the perception that such sale could occur, may also adversely affect the market price of the Equity Shares.

Certain of our subsidiaries, joint ventures and associates have been or are currently incurring losses. If the business and operations of these subsidiaries, joint ventures and associates deteriorate, our investments may be required to be written down or written off.

Certain of our subsidiaries, joint ventures and associates have been or are currently incurring losses. We have made and may continue to make significant capital investments and/or advances and other commitments to support certain of our subsidiaries, joint ventures and associates. These investments and commitments have included capital contributions to enhance the financial condition or liquidity position of such subsidiaries, joint ventures and associates. We may make capital contributions in the future, which may be financed through additional debt, including through debt of subsidiaries, joint ventures or associates. If the business and operations of these subsidiaries, joint ventures and associates deteriorate, our investments may be required to be written down or written off. For instance, in fiscal 2020, our Board of Directors decided to write down the value of our Company's investment and advances aggregating to ₹ 321 million in its Subsidiary, Apollo Lavasa Health Corporation Limited which runs a secondary care hospital in the Lavasa township, consequent to continuing constraints faced in the Lavasa township combined with further uncertainties arising out of the COVID -19 pandemic. Additionally, certain loans and advances may not be repaid or may need to be restructured or we may be required to outlay further capital under our commitments to support such subsidiaries, joint ventures and associates. This could have a material adverse effect on our business, financial condition and results of operations.

A portion of our Equity Shares held by the Promoters and the Promoter Group has been pledged in favor of lenders, who may exercise their rights under the respective pledge agreements in events of default.

As of December 31, 2020, the Promoters and the Promoter Group had pledged approximately 12.92 million Equity Shares constituting approximately 30.14% of their total equity shareholding in the Company in favor of lenders.

Under the pledge arrangements with the lenders, in the event of a failure to pay the loan amounts or a breach/ default under the terms of the loan agreements, the lenders have a right to sell, transfer, assign or otherwise dispose of all or a part of the pledged Equity Shares. In addition, under certain pledge arrangements, the pledged Equity Shares must cover a certain proportion of the credit limit and such margins are required to be maintained during the tenor of the loan. If the lenders in their discretion conclude that the margins have become inadequate, including as a result of a decline in the market value of the Equity Shares, the pledgor is under an obligation to pledge such additional Equity Shares as may be acceptable to the lenders. In the event of a failure to pledge additional Equity Shares, the lenders have a right to enforce the pledge. The pledge arrangements also provide that any accretions to the pledged Equity Shares, including through issue of bonus Equity Shares or rights entitlements or any other benefits, shall also be automatically pledged in favor of the lenders and such accretions shall form part of the pledged Equity Shares.

If the Promoters and the Promoter Group default on their obligations under the relevant financing documents, the lenders may exercise their rights under the share pledges, have the pledged Equity Shares transferred to their names and take significant control over us, which may adversely affect our overall business strategy and the market price of the Equity Shares.

Our income may decrease if our operations and management contracts and franchisee agreement are not renewed or are renewed on terms that are not favorable to us.

As of November 30, 2020, of our 71 hospitals, 66 hospitals are owned by us, our subsidiaries, associates or joint ventures and 5 hospitals are under our management through operations and management contracts, collaboration or franchisee agreement. We operate these 5 managed hospitals for a fee for our services and for use of our trademarks, which is typically a fixed amount or an identified percentage of the consultation fee or the gross revenue or earnings before interest, taxes, depreciation, and amortization of the hospital, and which in some cases may be subject to certain targets being reached or profits being achieved. Most of the contracts may be terminated with adequate notice, at the discretion of either party or, in some cases, by one party if the other materially breaches its obligations under the contract. Accordingly, these relationships may not continue for the full term of the contract or may not be renewed, and the owner of a hospital may terminate its relationship with us, including after we have made improvements at a hospital. For instance, the hospital management and operating (renewal) agreement executed with NMDC for managing and operating NMDC Apollo Central Hospital in Bacheli, Chhattisgarh for a 10 year term expired on March 31, 2020, and is currently pending renewal. Furthermore, the agreement executed with Jehangir Hospital for provision of technical support by our Company in increasing the operational efficiency of Jehangir Hospital, Pune also expired on September 30, 2020, and is currently pending renewal. The loss of any such contracts or inability to renew such contracts or the renewal of any such contract on unfavorable terms could have a material adverse impact on our results of operations.

Further, if a dispute occurs between us and the owner of a hospital, or such owner encounters financial difficulties, we may not receive fees owed to us or costs borne by us in relation to the operation and management of such hospital.

We have entered into various related party transactions.

We have entered into various transactions with related parties, including our Subsidiaries, Associates, Directors, Key Managerial Personnel, or "KMP, "including enterprises over which KMP and their relatives are able to exercise significant influence/control/joint control, and their relatives, the Promoters and the Promoter Group. We purchase medical products and medicines from an entity in which one of our promoters is a majority stakeholder, and from affiliates of such entity. All such transactions relating to purchase of medicines have been conducted on an arm's length basis, and cumulatively amounted to an aggregate of ₹ 28,902 million for fiscal 2020. For further details relating to our related party transactions, see the section titled "***Financial Information***" on page 231.

We believe that all such transactions have been conducted on an arm's length basis and have been confirmed as such by an independent reviewer, however in the event that obligations owed to us arising from such transactions are not fulfilled, either individually or in aggregate, our business and financial condition and/or results of operations may be adversely affected. We will continue to enter into related party transactions in the future, in the normal course of business. Such transactions, either individually or in the aggregate, may have an adverse effect on our business, revenues, results of operations and financial condition.

If we lose or fail to renew our accreditation from the Joint Commission International, USA ("JCI") it could adversely affect our reputation and business operations.

Eight of our hospitals have received accreditation from the JCI, a non-profit corporation which is an accreditor of healthcare organizations in the United States. The accreditation is for a period of three years, and has been extended beyond the three year term in respect of our Chennai and Navi Mumbai hospitals owing to prevailing circumstances caused by COVID-19. In respect of the accreditation of one of our hospitals, located in New Delhi, while the necessary survey has been completed, we are awaiting the JCI Hospital Certificate in respect of such re-accreditation. If we lose our accreditation or do not receive re-accreditation of our hospitals by JCI, or are refused accreditation of our hospitals, our reputation and business operations could be adversely affected.

There can be no assurance that we will not be a passive foreign investment company for U.S. federal income tax purposes, which could result in adverse U.S. federal income tax consequences to U.S. holders of the Equity Shares.

A non-U.S. corporation will be a passive foreign investment company, or a "**PFIC**", for any taxable year if either:

(a) at least 75% of its gross income is "passive income" for purposes of the PFIC rules or (b) at least 50% of the value of its assets (generally determined on the basis of a quarterly average) is attributable to assets that produce or are held for the production of passive income. Whether we are treated as a PFIC is a factual determination that is made on an annual basis after the close of each taxable year. This determination will depend on, among other things, the composition of our income and assets, as well as the value of our assets (which may fluctuate with our market capitalization), from time to time. Based on the current and anticipated composition of the income, assets and operations of the Company and the expected price of the Equity Shares in the Issue, the Company does not expect to be treated as a PFIC for the current taxable year or in the foreseeable future. However, there can be no assurance that we will not be PFIC for the current taxable year or for any future taxable year. If we are treated as a PFIC for any taxable year during which a U.S. investor held the Equity Shares, such U.S. investor could be subject to adverse U.S. federal income tax consequences. See "***Certain United States Federal Income Tax Considerations—Passive Foreign Investment Company Considerations.***" on page 211.

Failure or malfunction of our medical or other equipment could adversely affect our ability to conduct our operations.

Our operations are subject to risks inherent in the use of complex medical equipment some of which deal with radioactive substances. We may experience failures or there could be an injury caused to our employees or patients or others either because of the failure, accident, defects, faulty maintenance or repair, or improper use or lack of timely servicing of our equipment. Any significant malfunction or breakdown of our equipment including release of radiation or leakage of substances due to equipment defects, accident, improper maintenance or inadequate operations could subject us to significant liability claims. Furthermore, some of our hospitals are located in parts of India that are affected by severe heat in the summers, and we rely on cooling systems to keep our staff and patients comfortable and safe. If these cooling systems failed for extended periods, the health of our patients and employees could be negatively affected. Any inability to effectively respond to failures or malfunctions of our medical or other equipment in a timely manner or at an acceptable cost could result in harm to our employees and patients, the inability to provide services, or damage to our reputation, any of which could have a material adverse effect on our business, financial condition and results of operations.

We experience delays in receiving payment of outstanding dues from third parties, and any extended delays may affect our financial condition and results of operations.

Our patients pay for their medical expenses typically either by themselves or through third-party payers, which include central and state governments, private and public insurers and corporate entities. The revenue received through such third-party payers constitutes a key component of the total revenue from operations of our Company. In the ordinary course of our business, we experience certain delays in receiving payment from third-party payers, particularly large public insurers. In the event these delays become excessive, this may have a negative effect on our cash flow. Furthermore, any revision in the prices set under the Central Government Health Scheme ("**CGHS**"), Ex-Servicemen Contributory Health Scheme ("**ECHS**"**)**, State Government Schemes or by the third-party administrators may affect the ability of our patients to pay the outstanding dues. Any delay by such third-party payers of outstanding dues could materially and adversely affect our financial condition and results of operations.

We have high fixed costs, which can adversely impact our profitability.

We operate in an industry with high fixed costs, and our fixed costs have had, and will continue to have, an adverse impact on our results of operations. Our fixed costs typically include employee benefits expenses, administrative expenses, marketing expenses, rent, insurance, rates and taxes, facility maintenance expenses, interest and depreciation, among others. These fixed costs do not significantly vary depending on our revenue generated, and we cannot assure you that the levels of our fixed costs will decrease in the future. Furthermore, if we experience an in increase fixed costs, or if we are not able to grow our revenue in line with our fixed costs, our profitability would be severely impacted, particularly during a period of economic decline or in the event of a reduction in our revenues, which could have a material adverse effect on our business, financial condition and results of operations.

Our hospitals are susceptible to risks arising on account of fire, incidents of vandalism, riots and strikes.

We store, handle and use certain chemicals, such as alcohol, sanitizers, gases, fuel and other inflammable materials at some of our hospitals. Furthermore, any short circuit of power supply for our equipment and machines including air conditioning plants, power supplies, could result in accidents and fires that could result in injury or death to our employees, our patients, and other persons present at our hospitals.

As of the date of this Preliminary Placement Document, our operations have not suffered any significant incident of fire or acts of vandalism, but we cannot assure you that these incidents will not occur in the future. However, there have been instances of fire that have occurred at other hospitals in India, although not at our facilities, that claimed several lives and led to damage of property, such as the unfortunate incident of the fire outbreak in a hospital in Mumbai in December 2018. Our safeguards for prevention, detection and control of fire, as well as our insurance against damage may not adequately covers all losses or liabilities that may arise from our operations, including, but not limited to, when the loss suffered is not easily quantifiable. Accordingly, a fire outbreak, acts of vandalism, riots and strikes or any other accident of a similar nature at any of our hospitals could have a material adverse effect on our business, financial condition, cash flows and results of operations.

Because of the risks typically associated with the operation of medical care facilities, patients may contract serious communicable infections or diseases at our facilities.

Our operations involve the treatment of patients with a variety of infectious diseases. Previously healthy or uninfected people may contract serious communicable diseases in connection with their stay or visit at our facilities. This could result in significant claims for damages against us and, as a result of reports and press coverage, to loss of reputation. Furthermore, these germs or infections could also infect employees and thus significantly reduce the treatment and care capacity at our medical facilities in the short-, medium- and long-term. In addition to claims for damages, any of these events may lead directly to limitations on the activities of our hospitals as a result of quarantines, closing of parts of the hospitals at times for sterilisation, regulatory restrictions on, or the withdrawal of, permits and authorisations, and it may indirectly result, through a loss of reputation, in reduced utilisation of our hospitals. Any of these factors could have a material adverse effect on our reputation and business.

We have commissioned an industry report from CRISIL Research, a division of CRISIL Limited, which has been used for industry related data in this Preliminary Placement Document and such data has not been independently verified by us. Accordingly, prospective investors are advised not to place undue reliance on such information.

We have commissioned CRISIL Research, a division of CRISIL Limited, to prepare the report titled "Assessment of the healthcare delivery market in India" dated January 2021 (the "**CRISIL Report**"), which has been used for industry related data that has been disclosed in this Preliminary Placement Document. Neither we, nor any of the BRLMs, nor any other person connected with the Issue has verified the information in the CRISIL Report or the other industry sources. Furthermore, the CRISIL Report is prepared based on information as of specific dates, which may no longer be current or reflect current trends. There are no standard data gathering methodologies in the industries in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. The CRISIL Report may also base its opinion on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should read the industry related disclosure in this Preliminary Placement Document in this context. While industry sources aim to take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data. We cannot assure that CRISIL Report assumptions are correct or will not change and, accordingly, our position in the market may differ from that presented in this Preliminary Placement Document. Furthermore, the commissioned report is not a recommendation to invest or disinvest in our Company and shall not be construed as an expert advice or investment advice. Prospective investors are advised not to unduly rely on the CRISIL Report or extracts thereof as included in this Preliminary Placement Document, when making their investment decisions.

We are dependent on third-party suppliers and sub-contractors.

We source the majority of our medical supplies, pharmaceuticals and equipment for our operations from multiple third-party suppliers and sub-contractors. We also outsource various activities, such as cleaning and maintenance services, to sub-contractors. The use of third-party suppliers and sub-contractors exposes us to supplier bottlenecks, quality problems and other potential liabilities that may arise in cases where such third-party suppliers and sub-contractors fail to meet their commitments. To the extent that we are unable to rely on these third-party suppliers and sub-contractors, either due to an adverse change in relationships with them, increases in the cost of their goods and services that we are unable to pass through to our patients or their insurers, or a supplier's or subcontractor's inability to provide us with the requisite quantity and quality of supplies or services in a timely manner, our business, financial condition and results of operations could be materially adversely affected.

We may be subject to labour unrest, slowdowns and increased wage costs.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal, and legislation that imposes certain financial obligations on employers upon retrenchment. Our employees are not unionised, and in the event that employees at our healthcare facilities seek to unionise, it may become difficult for us to maintain flexible labour policies, and may increase our costs and adversely affect our business. For instance, in June 2017 nurses went on strike across private hospitals in Kerala, demanding a salary increase. A potential increase in the salary scale of nurses and the disruption in services due to any potential strikes, may impact business operations of private hospitals. Occurrence of such strikes and work-stoppages in the future will adversely affect our reputation, business, financial condition and results of operations. In 2017, there were strikes at our hospitals in Bhubaneshwar and Gandhinagar.

External Risks

A slowdown in economic growth in India or political instability or changes in the Government in India could adversely affect our business could cause our businesses to suffer.

We currently operate primarily in the domestic Indian market, and our performance is intertwined with the overall economy, the gross domestic product growth rate and the economic cycle in India. A substantial portion of our assets and employees are located in India, and we intend to continue to develop and expand our facilities in India. Our performance and the growth of our business is dependent on the performance of the Indian economy and the economies of the regional markets we currently serve. In the recent past, Indian economy has been affected by global economic uncertainties and liquidity crisis, domestic policy and political environment, volatility in interest rates, currency exchange rates, commodity and electricity prices, adverse conditions affecting agriculture, rising inflation rates and various other factors. Risk management initiatives by banks and lenders in such circumstances could affect the availability of funds in the future or the withdrawal of our existing credit facilities. The Indian economy is undergoing many changes and it is difficult to predict the impact of certain fundamental economic changes on our business. Conditions outside India, such as a slowdown or recession in the economic growth of other major countries, have an impact on the growth of the Indian economy. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. Further, the economies we provide services in could be adversely affected by various factors, such as political and regulatory changes including adverse changes in liberalization policies, social disturbances, religious or communal tensions, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. Changing demand patterns and economic volatility and uncertainty could have a significant negative impact on our results of operations. Any slowdown in these economies could adversely affect the ability of our patients to afford our services, which in turn would adversely impact our business and financial performance and the price of the Equity Shares.

Our ability to raise foreign capital may be constrained by Indian law.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. The limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions), if they comply with the valuation and reporting requirements specified by the RBI. If a transfer of shares is not in compliance with such requirements and fall under any of the exceptions specified by the RBI, then the RBI's prior approval is required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms, or at all.

In terms of Press Note 3 of 2020, dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, the foreign direct investment policy has been amended to state that all investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Government of India. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made similar amendment to the FEMA Rules. While the term "beneficial owner" is defined under the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 and the General Financial Rules, 2017, neither the foreign direct investment policy nor the FEMA Rules provide a definition of the term "beneficial owner". The interpretation of "beneficial owner" and enforcement of this regulatory change involves certain uncertainties, which may have an adverse effect on our ability to raise foreign capital. Further, there is uncertainty regarding the timeline within which the said approval from the Government of India may be obtained, if at all.

Our business and activities may be affected by competition laws in India.

The Competition Act, 2002, as amended, (the "**Competition Act**") regulates practices having an adverse effect on competition in the relevant market in India under the auspices of the Competition Commission of India (the "**CCI**"). Under the Competition Act, any arrangement, understanding or action whether or not formal or informal which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties. Any agreement among competitors which directly or indirectly involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of customers in the relevant market is presumed to have an appreciable adverse effect on competition in the relevant market in India and shall be void. Further, the Competition Act prohibits abuse of dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be deemed guilty of the contravention and liable to be punished.

On March 4, 2011, the Government of India notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. The combination regulation provisions require that acquisition of shares, voting rights, assets or control or mergers or amalgamations which cross the prescribed asset and turnover based thresholds shall be mandatorily notified to and pre-approved by the CCI. In addition, on May 11, 2011, the CCI issued the final Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 which sets out the mechanism for implementation of the combination regulation provisions under the Competition Act. The manner in which the Competition Act and the CCI affect the business environment in India may adversely affect our business, financial condition and results of operations.

If we are adversely impacted, directly or indirectly, by any provision of the Competition Act, or its application or interpretation, generally or specifically in relation to any merger, amalgamation or acquisition proposed by us, or any enforcement proceedings initiated by the CCI, either *suo moto* or pursuant to any complaint, for alleged violation of any provisions of the Competition Act it may have a material adverse effect on our business, financial condition and results of operations.

Changing regulations in India, including in relation to finance and taxation laws, could lead to new compliance requirements that are uncertain.

The regulatory environment in which we operate is evolving and is subject to change. The Government of India may implement new laws or other regulations that could affect our businesses, which could lead to new compliance requirements. New compliance requirements could increase our costs or otherwise adversely affect our business, financial condition and results of operations. Further, the manner in which new requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations. For example, as of July 1, 2017, a national goods and service tax ("**GST**") in India replaced taxes levied by central and state governments with a unified tax regime in respect of the supply of goods and services for all of India. However, given the recent introduction of GST in India, the practice regarding the implementation of, and compliance with, GST is still evolving. Our business and financial performance could be adversely affected by any unexpected or onerous requirements or regulations resulting from the introduction of GST or any changes in laws or interpretation of existing laws, or the promulgation of new laws, rules and regulations relating to GST, as it is implemented. Any changes to the GST rate or rules and regulations surrounding GST and the related uncertainties with respect to the implementation of GST may have a material adverse effect on our business, financial condition and results of operations. Further, as GST is implemented, there can be no assurance that we will not be required to comply with additional procedures or obtain additional approvals and licenses from the government and other regulatory bodies or that they will not impose onerous requirements and conditions on our operations. Any such failure to achieve compliance may result in increased cost and may adversely affect our business and results of operations.

Force majeure events, particularly those affecting the states where our hospitals are located, could adversely affect our business.

Our facilities include hospitals and other healthcare facilitates across India. It is possible that earthquakes, cyclones, floods, fires, explosions, pandemic diseases or other natural or man-made disasters in India or these countries, particularly those that directly affect the areas in which our facilities and other operations are located, could result in substantial damage to our facilities and other assets and adversely affect our operations and financial results. In addition, increased international political instability, evidenced by the threat or occurrence of terrorist attacks, enhanced national security measures, conflicts in several regions in which we operate, strained international relations arising from these conflicts and the related decline in consumer confidence may hinder our ability to do business. Any escalation in these events or similar future events may disrupt our operations or those of our customers and suppliers and could affect the availability and means of transport of the medical consumables or other pharmaceutical products needed in our businesses. These events have had and may continue to have an adverse impact on the world economy and customer confidence and spending in particular, which could, in turn, adversely affect our business, financial condition or results of operations.

Natural disasters could have a negative impact on the Indian economy and harm our business.

India has experienced natural calamities such as earthquakes, a tsunami, floods and drought in the past few years. The extent and severity of these natural disasters determines their impact on the Indian economy. The erratic progress of a monsoon would also adversely affect sowing operations for certain crops. Further prolonged spells of below normal rainfall or other natural calamities in the future could have a negative impact on the Indian economy, adversely affecting our business and the price of the Equity Shares.

Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business.

India's sovereign rating decreased from Baa2 with a "negative" outlook to Baa3 with a "negative" outlook by Moody's and from BBB with a "stable" outlook to BBB with a "negative" outlook (Fitch) in June 2020; and from BBB "stable" to BBB "negative" by DBRS in May 2020. India's sovereign ratings from S&P is BBB- with a "stable" outlook. Any further adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. A downgrading of India's credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our control. This could have an adverse effect on our financial performance, cash flows, results of operations and future financial performance and our ability to obtain financing to fund our growth on favorable terms or at all, as well as the trading price of the Equity Shares.

If inflation were to rise in India, we might not be able to increase the prices of our services at a proportional rate in order to pass costs on to our customers and our profits might decline.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. Increasing inflation in India could cause a rise in the price of transportation, wages, raw material, equipment and other expenses, and we may be unable to reduce our costs or pass increased costs on to our consumers by increasing the price we charge for our services, and our results of operations, cash flows and financial condition may therefore be adversely affected.

Our profitability will decrease if the Indian Government reduces or withdraws tax benefits and other incentives that it currently provides.

Any change in Indian tax laws could have an effect on our operations. For instance, the Taxation Laws

(Amendment) Ordinance, 2019, a new tax ordinance issued by India's Ministry of Finance on September 20, 2019, prescribes certain changes to the income tax rate applicable to companies in India. According to this new ordinance, companies can henceforth voluntarily opt in favor of a concessional tax regime (subject to no other special benefits/exemptions being claimed), which would ultimately reduce the effective tax rate for Indian companies from 34.94% to approximately 25.17%. We cannot provide assurance that the corporate income tax rate or the surcharge will not be increased further in the future. With effect from fiscal 2020, we will benefit from the tax deduction given in respect of capital expenditure incurred on setting up new hospital projects consisting of at least 100 beds, subject to compliance with certain conditions provided in the Income Tax Act, 1961, which can be set off against the profits earned by our other business operations. As a result, our operations had been subject to relatively lower cash outflows on account of reduced tax liabilities in the initial year in which new hospital projects have been commissioned. However, these benefits are expected to reverse over a period of time because depreciation charges relating to such hospital projects will be disallowed for corporate tax purposes and tax liabilities will therefore increase in the future.

Our profitability is linked to changes in Governmental regulations impacting the healthcare sector.

While traditionally, regulations have focused on licensing and approvals, the Government of India has also begun regulating prices of stents, implants, drugs and consumables. Further, there is a possibility that private healthcare providers may be directed to participate in healthcare schemes announced by the Central and State Governments mandating medical care to be provided to targeted beneficiaries at less than remunerative tariffs which could impact the overall topline and operating margin profile. The Goods and Service Tax ("**GST**") implementation has had an adverse impact on healthcare service delivery costs and operating margins since hospitals were unable to utilize input GST credit on output services as hospitals are under the exempt category. The possibility of further regulatory interventions by Government agencies in the future is an existing challenge for healthcare service providers in India.

Significant differences exist between Ind AS and other accounting principles, such as US GAAP and IFRS, which may be material to investors' assessments of our financial condition.

Our financial statements, including the financial statements provided in this Preliminary Placement Document are prepared in accordance with Ind AS. We have not attempted to quantify the impact of US GAAP or IFRS on the financial data included in this Preliminary Placement Document, nor do we provide a reconciliation of our financial statements to those of US GAAP or IFRS. Each of US GAAP and IFRS differs in significant respects from Ind AS. Accordingly, the degree to which the Ind AS financial statements included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited.

Risks Relating to the Equity Shares

Fluctuations in operating results and other factors may cause the market prices of the Equity Shares to decline.

The stock markets have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the trading prices of the Equity Shares. There may be significant volatility in the market prices of the Equity Shares. If we are unable to operate our hospitals or other healthcare services as profitably as we have in the past, investors could sell the Equity Shares when it becomes apparent that the expectations of the market may not be realized, resulting in a decline in the market prices of the Equity Shares.

In addition to our operating results, the operating results of other hospital companies, changes in financial estimates or recommendations by analysts, changes in government healthcare programs, governmental investigations and litigation, speculation in the press or investment community, the possible effects of war, terrorist and other hostilities, adverse weather conditions, the level of seasonal illnesses, changes in general conditions in the economy or the financial markets, or other developments affecting the healthcare industry, could cause the market prices of the Equity Shares to fluctuate substantially or decline.

Any future issuance of equity securities may dilute your shareholding.

Any future equity issuances by us, including through the proposed preferential issue of securities by our Company, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences for us including difficulty in raising capital through offering of the Equity Shares or incurring additional debt.

You may be restricted in your ability to transfer the Equity Shares.

The Equity Shares are subject to restrictions on transfers. Pursuant to the SEBI ICDR Regulations, for a period of one year from the date of the allotment of the Equity Shares, QIBs subscribing to the Equity Shares in the Issue may only sell their Equity Shares on the Stock Exchanges and may not enter into any off market trading in respect of these Equity Shares. We cannot be certain that these restrictions will not have an impact on the price and liquidity of the Equity Shares.

We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares.

Whether we will pay dividends in the future and the amount of any such dividends, if declared, will depend on a number of factors, including our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and other factors considered relevant by our Board of Directors and shareholders. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. Our ability to pay dividends may also be restricted under certain financing arrangements that we have and may enter into. There can be no assurance that we will, or have the ability to, declare and pay any dividends on the Equity Shares at any point in the future.

Additionally, under the Finance Act, 2020 ("**Finance Act**"), dividend distribution tax ("**DDT**") is not payable in respect of dividends declared, distributed or paid by an Indian company after March 31, 2020, and accordingly, any dividend payments to our resident and non-resident shareholders would not be tax exempt in their hands.

Investors may not be able to enforce a judgment of a foreign court against us.

We are a public company incorporated with limited liability under the laws of India. It may not be possible for investors in the Equity Shares to effect service of process outside of India on us or our Directors and executive officers and experts named in the Preliminary Placement Document who are residents of India, or to enforce judgments obtained against us or these persons in foreign courts predicated upon the liability provisions of foreign countries. Moreover, a court in India may not award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with the public policy or Indian practice. See the section titled "***Enforcement of Civil Liabilities***" on page 18.

Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.

Our Articles of Association and Indian law govern our corporate affairs. Legal principles relating to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. The shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. You may have more difficulty in asserting your rights as a shareholder of an Indian company than as a shareholder of a corporation in another jurisdiction.

We cannot guarantee that the Equity Shares will be listed on the Stock Exchanges in a timely manner or at all, and any trading closure at the BSE or the NSE may adversely affect the trading price of the Equity Shares.

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued in this Issue will not be granted until after the Equity Shares have been issued and Allotted. Approval for listing and trading will require all relevant documents authorizing the issuing of the Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares issued in this Issue on the Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

The regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in Europe and the United States. A closure of, or trading stoppage on, the BSE or the NSE could adversely affect the trading price of the Equity Shares. Historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future.

There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a holder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.

We are subject to a daily circuit breaker imposed by all stock exchanges in India, which will not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The maximum movement allowed in the price of the Equity Shares before the circuit breaker is triggered is determined by the Stock Exchanges based on the historical volatility in the price and trading volume of the Equity Shares.

The Stock Exchanges do not inform us of the triggering point of the circuit breaker in effect from time to time, and may change it without our knowledge. This circuit breaker limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

Investors may be subject to Indian taxes arising out of income arising on the sale of the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares held as investments in an Indian company are generally taxable in India. Any capital gain realised on the sale of listed equity shares on a Stock Exchange held for more than 12 months immediately preceding the date of transfer will be subject to long term capital gains in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the Stock Exchanges, the quantum of gains and any available treaty relief. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to payment of Securities Transaction Tax ("**STT**"), on the sale of any Equity Shares held for more than 12 months immediately preceding the date of transfer. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any capital gains realised on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India.

Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident and the seller is entitled to avail benefits thereunder. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

Similarly, any business income realised from the transfer of Equity Shares held as trading assets is taxable at the applicable tax rates subject to any treaty relief, if applicable, to a non-resident seller. Additionally, in terms of the Finance Act, 2018, which has been notified on March 29, 2018 with effect from April 1, 2018, the tax payable by an assessee on the capital gains arising from transfer of long term capital asset (introduced as section 112A of the Income-Tax Act, 1961) shall be calculated on such long-term capital gains at the rate of 10%, where the long-term capital gains exceed ₹ 100,000, subject to certain exceptions in case of a resident individuals and HUF.

Further, the Finance Act, 2019 has made various amendments in the taxation laws and has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non -delivery basis is specified at 0.003% of the consideration amount. These amendments were notified on December 10, 2019 and have come into effect from July 1, 2020.

The Finance Act, 2020 has also provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that DDT will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident. We would be required to deduct tax at source from dividend credited, paid or distributed to its shareholders.

We may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends.

Transfer restrictions for Shareholders in the United States may make it difficult to resell the Equity Shares or may have an adverse impact on the market price of the Equity Shares.

The Equity Shares have not been registered in the United States under the U.S. Securities Act or under any other applicable securities laws and are subject to certain transfer restrictions including restrictions on the resale of the Equity Shares by Shareholders who are in the United States and on the resale of Equity Shares by any Shareholders to any person who is in the United States. These restrictions may make it more difficult to resell the Equity Shares in many instances and this could have an adverse impact on the market value of Equity Shares. There can be no assurance that shareholders in the United States will be able to locate acceptable purchasers or obtain the required certifications to effect a sale. See "***Selling Restrictions***" and "***Transfer Restrictions***" on page 190 and 198, respectively.

Government regulation of foreign ownership of Indian securities may have an adverse effect on the price of the Equity Shares.

Foreign ownership of Indian securities is subject to Government regulation. In accordance with foreign exchange regulations currently in effect in India, under certain circumstances the RBI must approve the sale of the Equity Shares from a non-resident of India to a resident of India or vice-versa if the sale does not meet certain requirements specified by the RBI. Additionally, any person who seeks to convert the Rupee proceeds from any such sale into foreign currency and repatriate that foreign currency from India is required to obtain a no-objection or a tax clearance certificate from the Indian income tax authorities. As provided in the foreign exchange controls currently in effect in India, the RBI has provided that the price at which the Equity Shares are transferred be calculated in accordance with internationally accepted pricing methodology for the valuation of shares at an arm's length basis, and a higher (or lower, as applicable) price per share may not be permitted. We cannot assure investors that any required approval from the RBI or any other government agency can be obtained on terms favorable to a non-resident investor in a timely manner or at all. Because of possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realizing gains during periods of price increase or limiting losses during periods of price decline.

Further, as on the date of this Prospectus, our Company is a foreign owned or controlled company and we are required to comply with certain conditions specified under the FEMA Regulations and the foreign direct investment policy with respect to downstream investments by Indian companies that are not owned and/or controlled by resident entities. These conditions include restrictions on valuations, sources of funding for such investments and certain reporting requirements. Such restrictions may adversely affect our ability to make downstream investments. There can be no assurance that we will be able to comply with such restrictions or obtain any required approvals for future acquisitions or investments in India, or that we will be able to obtain such approvals on satisfactory terms, which may adversely affect our results of operations, financial condition, financial performance and the price of our Equity Shares.

We may not pay cash dividends on our Equity Shares. Consequently, you may not receive any return on investment unless you sell your Equity Shares for a price greater than that which you paid for it.

Dividends that we have paid in the past may not be reflective of the dividends that we may pay in a future period. Whether we will pay dividends in the future and the amount of any such dividends, if declared, will depend on a number of factors, including our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and other factors considered relevant by our Directors and shareholders. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. Our ability to pay dividends may also be restricted under certain financing arrangements that we have and may enter into. There can be no assurance that we will, or have the ability to, declare and pay any dividends on the Equity Shares at any point in the future. For further details of our dividend policy, see "***Dividends***" on page 69.

Volatile conditions in the Indian securities market may affect the price or liquidity of the Equity Shares.

The Indian securities markets have experienced significant volatility from time to time. The regulation and monitoring of the Indian securities market and the activities of investors, brokers and other participants differ, in some cases significantly, from those in the United States, Europe and certain economies in Asia. Instability in the global financial markets has negatively affected the Indian economy in the past and may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy, financial sector and business in the future. For instance, in 2020, global capital markets have experienced significant volatility as a result of the COVID-19 pandemic and associated responses; see "***We expect the COVID-19 pandemic to continue to materially affect our financial performance in fiscal 2021, and, potentially, in future periods, and such pandemic may otherwise have material adverse effects on our results of operations, financial condition, and/or our cash flows***", beginning on page 32. Furthermore, ongoing concerns relating to the United States and China trade tensions have led to increased volatility in the global capital markets. In addition, China is one of India's major trading partners, and there are rising geopolitical tensions between the countries. Furthermore, on June 23, 2016, the United Kingdom held a referendum on its membership of the European Union and voted to leave the European Union ("**Brexit**"). The United Kingdom left the European Union on January 31, 2020 and, pursuant to a negotiated withdrawal agreement, there will be an eleven-month transition period, ending on December 31, 2020, during which EU rules will continue to apply in the United Kingdom. The terms of any withdrawal are subject to complex and ongoing negotiations and have created significant political and economic uncertainty about the future trading relationship between the United Kingdom and the European Union and any consequential impact on global financial markets.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect our business, prospects, financial condition and results of operations. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to improve the stability of the global financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts is uncertain, and they may not have had the intended stabilizing effects. Adverse economic developments overseas in countries where we have operations or other significant financial disruptions could have a material adverse effect on our business, future financial performance and the trading price of the Equity Shares.

MARKET PRICE INFORMATION

As on the date of this Preliminary Placement Document, our issued share capital is ₹ 698,290,885 divided into 139,658,177 Equity Shares of ₹ 5 each, and our subscribed and paid-up equity share capital is ₹ 695,625,795 divided into 139,125,159 Equity Shares of ₹ 5 each. The face value of our equity shares is ₹ 5 per equity share. The Equity Shares are listed and traded on the BSE and NSE.

On January 15, 2021, the closing price of the Equity Shares on the BSE and NSE was ₹ 2,591.55 and ₹ 2,588.00, respectively. The tables below set out, for the periods indicated, the high, low and average closing prices and the trading turnover on the NSE and the BSE for our Equity Shares.

A. The following tables set out the reported high, low and average of the closing prices of our Equity Shares on the NSE and the BSE and number of Equity Shares traded on the days on which such high and low prices were recorded and the total trading turnover for the Fiscals 2020, 2019 and 2018.

NSE

Fiscal	High (₹)	Date of High	No. of Equity Shares traded on date of high	Total Turnover of Equity Shares traded on date of high (₹ in million)	Low (₹)	Date of Low	No. of Equity Shares traded on date of low	Total Turnover of Equity Shares traded on date of low (₹ in million)	Average price for the year (₹)	Total Volume of Equity Shares traded in the Fiscals (in number)	Total Turnover of Equity Shares traded in the Fiscals (₹ in million)
Fiscal 2020	1,800.70	February 20, 2020	799,535	1,438.80	1,098.25	March 30, 2020	1,207,572	1,342.04	1,417.22	186,354,782	265,413.30
Fiscal 2019	1,366.30	January 18, 2019	702,678	952.93	927.10	June 1, 2018	911,000	850.25	1,122.63	177,746,167	202,050.94
Fiscal 2018	1,352.50	June 9, 2017	509,041	684.24	985.95	November 14, 2017	1,080,449	1,064.20	1,162.01	108,440,452	125,685.87

(Source: www.nseindia.com)

1. High, low and average prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
3. In case of two days with the same high or low price, the date with the higher volume has been chosen.

BSE

Fiscal	High (₹)	Date of High	No. of Equity Shares traded on date of high	Total Turnover of Equity Shares traded on date of high (₹ in million)	Low (₹)	Date of Low	No. of Equity Shares traded on date of low	Total Turnover of Equity Shares traded on date of low (₹ in million)	Average price for the year (₹)	Total Volume of Equity Shares traded in the Fiscals (in number)	Total Turnover of Equity Shares traded in the Fiscals (₹ in million)
Fiscal 2020	1,800.15	February 20, 2020	56,761	102.28	1,096.90	March 30, 2020	73,933	82.30	1,417.13	12,724,066	17,864.28
Fiscal 2019	1,359.85	January 18, 2019	16,338	22.12	928.10	June 1, 2018	41,609	38.77	1,122.45	12,880,506	14,452.87
Fiscal 2018	1,351.95	June 9, 2017	25,651	34.57	985.45	November 14, 2017	44,989	44.18	1,161.56	5,840,477	6,659.08

(Source: www.bseindia.com)

1. High, low and average prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
3. In case of two days with the same high or low price, the date with the higher volume has been chosen.

B. The following tables set out the reported high and low closing prices of our Equity Shares recorded on the NSE and the BSE and the number of Equity Shares traded on the days on which such high and low prices were recorded and the volume of Equity Shares traded in each of the last six months.

NSE

Month	High (₹)	Date of High	No. of Equity Shares traded on date of high	Total Turnover of Equity Shares traded on date of high (₹ in million)	Low (₹)	Date of Low	No. of Equity Shares traded on date of low	Total Turnover of Equity Shares traded on date of low (₹ in million)	Average price for the month (₹)	Equity Shares traded in the month	
										volume	Turnover (₹ in million)
December 2020	2,463.00	December 1, 2020	2,001,392	4,813.59	2,335.45	December 21, 2020	1,241,568	2,968.19	2,402.93	25,178,516	60,566.19
November 2020	2,375.35	November 23, 2020	1,693,126	4,021.87	2,033.40	November 10, 2020	2,804,380	5,647.06	2,214.70	43,107,262	96,809.22
October 2020	2,277.10	October 9, 2020	2,181,213	4,978.38	2,052.30	October 26, 2020	1,236,009	2,556.59	2,161.72	28,414,135	61,844.74
September 2020	2,148.05	September 30, 2020	2,025,635	4,300.04	1,606.45	September 9, 2020	1,000,784	1,637.42	1,779.29	39,470,624	72,543.42
August 2020	1,785.15	August 10, 2020	1,082,244	1,929.26	1,574.35	August 3, 2020	2,067,454	3,343.55	1,686.98	20,236,693	34,224.61
July 2020	1,716.15	July 30, 2020	2,000,510	3,391.54	1,319.65	July 1, 2020	1,066,672	1,410.96	1,478.92	22,970,183	34,361.22

(Source: www.nseindia.com)

1. High, low and average prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each month presented.
3. In case of two days with the same high or low price, the date with the higher volume has been chosen.

BSE

Month	High (₹)	Date of High	No. of Equity Shares traded on date of high	Total Turnover of Equity Shares traded on date of high (₹ in million)	Low (₹)	Date of Low	No. of Equity Shares traded on date of low	Total Turnover of Equity Shares traded on date of low (₹ in million)	Average price for the month (₹)	Equity Shares traded in the month	
										volume	Turnover (₹ in million)
December 2020	2,460.75	December 1, 2020	43,403	104.81	2,333.50	December 21, 2020	67,864	162.02	2,400.99	817,735	1,967.86
November 2020	2,373.40	November 23, 2020	37,724	89.52	2,032.05	November 10, 2020	40,777	82.16	2,213.87	1,110,466	2,495.83
October 2020	2,277.25	October 9, 2020	46,333	105.70	2,049.55	October 26, 2020	32,061	66.22	2,161.72	761,385	1,659.39
September 2020	2,149.50	September 30, 2020	50,314	106.89	1,606.05	September 9, 2020	46,717	76.74	1,779.49	1,395,422	2,534.35
August 2020	1,785.40	August 10, 2020	46,108	82.19	1,574.00	August 3, 2020	2,739,550	4,388.10	1,687.34	3,623,022	5,894.30
July 2020	1,716.35	July 30, 2020	66,738	113.11	1,319.25	July 1, 2020	35,508	46.98	1,479.03	1,182,090	1,765.44

(Source: www.bseindia.com)

1. High, low and average prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each month presented.
3. In case of two days with the same high or low price, the date with the higher volume has been chosen.

C. The following table sets forth the market price of our Equity Shares on NSE and BSE on November 12, 2020, the first working day following the approval of the Board of Directors for the Issue.

NSE						BSE					
Open (₹)	High (₹)	Low (₹)	Close (₹)	Number of Equity Shares traded	Turnover (₹ in million)	Open (₹)	High (₹)	Low (₹)	Close (₹)	Number of Equity Shares traded	Turnover (₹ in million)
2,155.00	2,205.20	2,094.00	2,110.45	2,435,538	5,167.10	2,170.00	2,204.00	2,095.00	2,110.90	49,188	104.52

(Source: www.nseindia.com and www.bseindia.com)

USE OF PROCEEDS

The gross proceeds of the Issue shall be approximately ₹ [●] million. Subject to compliance with applicable laws, the net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue of approximately ₹ [●] million, shall be approximately ₹ [●] million ("**Net Proceeds**").

Purpose of the Issue

Our Company proposes to utilize the Net Proceeds for:

- financing, in part, acquisition of the 50% equity stake held by Gleneagles Development Pte. Ltd. ("**GDPL**") in Apollo Gleneagles Hospital Limited ("**AGHL**"), pursuant to the share purchase agreement dated November 11, 2020 executed among our Company, GDPL and AGHL for an aggregate purchase consideration of ₹ 4,100 million. Consequent to such acquisition, AGHL which is currently a Joint Venture, will become a wholly owned subsidiary of our Company;
- funding inorganic growth opportunities;
- investing in technological and digital initiatives, including enabling the development of our digital platform "Apollo 24/7" into a comprehensive, integrated healthcare system and/or strengthening our other digital platforms for an amount not exceeding ₹ 1,500 million. For further details on "Apollo 24/7", see "***Business – Our Services – Healthcare services – Apollo 24/7***" on page 145; and
- pre-payment and/or repayment of outstanding borrowings, general corporate purposes and other business exigencies, as permissible under applicable law and approved by the Board of Directors or a duly constituted committee thereof.

The Net Proceeds are proposed to be deployed towards the purpose set out above and are not proposed to be utilized towards any specific project. Accordingly, the requirement to disclose (i) the break-up of cost of the project, (ii) means of financing such project, and (iii) proposed deployment status of the proceeds at each stage of the project, is not applicable.

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with the RoC and final listing and trading approvals are received from each of the Stock Exchanges.

As permissible under applicable laws, our Company's management will have flexibility in deploying the Net Proceeds. The amounts and timing of any expenditure will depend on, among other factors, the amount of cash generated by our operations, competitive and market developments and the availability of acquisition or investment opportunities on terms acceptable to us. Pending utilisation of the Net Proceeds, our Company intends to temporarily invest the funds in creditworthy instruments, including money market, mutual funds, and deposits with banks. Such investments will be in accordance with the investment policies as approved by the Board and/ or a duly authorized committee of the Board, from time to time, and in accordance with applicable laws. In accordance with the SEBI Listing Regulations, our Company shall disclose the utilization of funds raised through this Issue in its annual report every year until such funds are fully utilized.

Neither our Promoters nor our Directors are making any contribution either as a part of the Issue or separately in furtherance of the use of the Net Proceeds.

CAPITALIZATION STATEMENT

The following table sets forth our capitalization on a consolidated basis as of September 30, 2020 which is based on the Interim Consolidated Financial Statements and adjusted to give effect to the receipt of the gross proceeds of the Issue. This table should be read in conjunction with "***Selected Financial Information***", "***Risk Factors***", "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" and other financial information contained in the "***Financial Information***" on pages 27, 32, 70 and 231, respectively.

(in ₹ million)

Particulars	Pre-Issue (as at September 30, 2020) (on a consolidated basis)	Amount after considering the Issue (i.e. Post Issue)*# (on a consolidated basis)
Non-current borrowings	31,372	[●]
Current borrowings	1,332	[●]
Current maturities of long-term debt	2,013	[●]
Unpaid matured deposits and interest accrued thereon	1	[●]
Total borrowings (a)	**34,718**	[●]
Equity		
Equity share capital	696	[●]
Other equity	30,661	[●]
Equity attributable to owners of the Company	31,357	[●]
Non-controlling interest	1,249	[●]
Total equity (b)	**32,606**	[●]
Total capitalization (a+b)	**65,324**	[●]

** Will be finalized upon determination of the Issue Price.*

 # Without consideration of share issue expenses and for any other transactions or movements in such financial statement line items post September 30, 2020.

CAPITAL STRUCTURE

The share capital of our Company as at the date of this Preliminary Placement Document is set out below:

(In ₹, except share data)

	Particulars	Aggregate value at face value (except for securities premium account)
A	**AUTHORIZED SHARE CAPITAL**	1,100,000,000
	200,000,000 equity shares of face value of ₹ 5 each	1,000,000,000
	1,000,000 preference shares of face value of ₹ 100 each	100,000,000
B	**ISSUED SHARE CAPITAL BEFORE THE ISSUE**	
	139,658,177 equity shares of face value of ₹ 5 each(1)	698,290,885
C	**SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE**	
	139,125,159 equity shares of face value of ₹ 5 each(1)	695,625,795
D	**PRESENT ISSUE IN TERMS OF THIS PRELIMINARY PLACEMENT DOCUMENT**	
	Up to [●] Equity Shares aggregating up to ₹ [●](2)(3)	[●]
E	**PAID-UP SHARE CAPITAL AFTER THE ISSUE**	
	[●] Equity Shares(3)	[●]
F	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue*	17,139,000,000
	After the Issue(3)(4)	[●]

** As of January 18, 2021.*
(1) This includes 132,967 equity shares of face value ₹ 5 each, represented by 132,967 GDRs.
(2) The Issue has been authorized by the Board of Directors on November 11, 2020 and the Shareholders pursuant to their resolution dated January 9, 2021 by way of postal ballot.
(3) To be determined upon finalization of the Issue Price.
(4) The securities premium account after the Issue is calculated on the basis of Net Proceeds.

Equity Share Capital History of our Company

The history of the equity share capital of our Company is provided in the following table:

Date of allotment	No. of equity shares allotted	Face value of the equity shares	Issue price per equity share (₹)(1)	Consideration
December 5, 1979	10,500	10	10	Cash
May 31, 1982	339,400	10	10	Cash
February 16, 1983	2,650,100	10	10	Cash
June 28, 1985	1,249,533	10	10	Cash
August 31, 1985	250,000	10	10	Cash
June 28, 1986	160,176	10	10	Cash
July 9, 1986	59,091	10	10	Cash
November 12, 1986	4,321	10	10	Cash
December 2, 1986	16,277	10	10	Cash
March 31, 1987	21,962	10	10	Cash
June 28, 1987	155,121	10	10	Cash
July 10, 1987	59,091	10	10	Cash
November 12, 1987	4,321	10	10	Cash
December 2, 1987	16,277	10	10	Cash
March 31, 1988	21,661	10	10	Cash
June 28, 1988	227,340	10	10	Cash
July 9, 1988	100,368	10	10	Cash
November 12, 1988	7,340	10	10	Cash
December 2, 1988	27,648	10	10	Cash
March 31, 1989	37,304	10	10	Cash
July 26, 1993	5,422,681	10	20	Cash

Date of allotment	No. of equity shares allotted	Face value of the equity shares	Issue price per equity share (₹)(1)	Consideration
May 18, 1994	4,000,000	10	42	Cash
March 25, 1996	1,070,400	10	42	Cash
April 7, 2000	795,545	10	152.50	Cash
April 7, 2000	2,000,000	10	365	Cash
May 24, 2000	20,812,224	10	-	Consideration other than cash(2)
April 27, 2002	7	10	-	Consideration other than cash(3)
September 24, 2004	2,079,930	10	246	Cash
July 12, 2005(4)	8,350,000	10	340	Cash
July 25, 2005(5)	650,000	10	340	Cash
November 22, 2006	1,039,965	10	334.15	Cash
October 26, 2007	7,047,119	10	605.07	Cash
August 22, 2008	1,550,000	10	442.55	Cash
April 18, 2009	1,549,157	10	497.69	Cash
Pursuant to an ordinary resolution passed by the Board of Directors on May 28, 2010 and a special resolution passed by the shareholders on July 26, 2010, the Company sub-divided the face value of its equity shares from ₹ 10 each to ₹ 5 each				
December 9, 2010	1,140,992	5	302.50	Cash
July 20, 2011	6,666,666	5	495	Cash
December 10, 2011	3,089,242	5	385.88	Cash
June 7, 2012	1,381,619	5	302.50	Cash
July 25, 2012	3,276,922	5	472.46	Cash

(1) *The regulatory filings corresponding to certain allotments of equity shares of our Company since May 1982 up to March 31, 1989 are not traceable. For details, see "**Risk Factors - Some of the secretarial forms filed by our Company with the Registrar of Companies are not traceable**" on page 48.*

(2) *Issuance of 3,628,954 equity shares of face value ₹ 10 each pursuant to the scheme of amalgamation among Deccan Hospital Corporation Limited and our Company, 15,883,270 equity shares of face value ₹ 10 each pursuant to the scheme of amalgamation among Indian Hospitals Corporation Limited and our Company, and 1,300,000 equity shares of face value ₹ 10 each pursuant to the scheme of amalgamation among Om Sindoori Hotels Limited, Sindhoori Software Solution Limited and our Company*

(3) *Issuance of 7 equity shares of face value ₹ 10 each pursuant to the scheme of arrangement (demerger) among Apollo Mumbai Hospital Limited and our Company.*

(4) *Issuance of 8,350,000 GDRs, representing 8,350,000 equity shares of face value ₹ 10 each.*

(5) *Issuance of 650,000 GDRs, representing 650,000 equity shares of face value ₹ 10 each.*

Our Company has not made any allotment of Equity Shares in the one year immediately preceding the date of filing of this Preliminary Placement Document.

Employee Stock Option Schemes

As on the date of this Preliminary Placement Document, our Company does not have any employee stock options scheme.

Proposed Allottees in the Issue

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the Book Running Lead Managers, to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, and the percentage of post-Issue share capital that may be held by them is set forth in "***Details of Proposed Allottees***" on page 233.

Pre-Issue and post-Issue shareholding pattern

The pre-Issue and post-Issue shareholding pattern of our Company, is set forth below.

Sr. No.	Category	Pre-Issue (As of January 15, 2021)		Post-Issue (for institutional investors)* (As of [●], 2021 for all other categories)	
		No. of Equity Shares held	**% of shareholding**	**No. of Equity Shares held**	**% of share holding**
A.	**Promoters' holding****				
1.	Indian				
	Individual	15,578,974	11.20	[●]	[●]
	Bodies corporate	27,296,028	19.62	[●]	[●]
	Sub-total	**42,875,002**	**30.82**	[●]	[●]
2.	Foreign promoters	0	0.00	[●]	[●]
	Sub-total (A)	**42,875,002**	**30.82**	[●]	[●]
B.	**Non – Promoters' holding**				
1.	Institutional Investors				
	Equity Shares	87,960,437	63.22	[●]	[●]
	GDRs	132,967	0.10	[●]	[●]
2.	Non-Institutional Investors				
	Private Corporate Bodies	1,036,935	0.75	[●]	[●]
	Directors and relatives (other than promoters)	1,000	0.00	[●]	[●]
	Indian public	5,995,036	4.31	[●]	[●]
	Others (including Non-resident Indians (NRIs))	1,123,782	0.81	[●]	[●]
	Sub-total (B)	**96,250,157**	**69.18**	[●]	[●]
	Grand Total (A+B)	**139,125,159**	**100.00**	[●]	[●]

* *Note*: *The post-Issue shareholding pattern will be filled-in before filing of the Placement Document with the Stock Exchanges*.
** *This includes shareholding of the members of the Promoter Group.*

DIVIDENDS

The declaration and payment of dividends, if any, by our Company is governed by applicable provisions of the Companies Act and our Articles of Association. Our Board may also, from time to time, declare interim dividends. For further information, see "***Description of the Equity Shares***" on page 204.

Our Board has approved and adopted a formal dividend distribution policy on May 30, 2017 in terms of Regulation 43A of the SEBI Listing Regulations. In terms of this policy, the declaration of dividend is dependent on a number of internal and external factors, including, but not limited to, financial performance, cash balance and cash flow, current and future capital requirements, fund requirement for contingencies and unforeseen events with financial implications, macroeconomic conditions, financing costs, government regulations, taxation and such other factors that the Board may deem relevant in its discretion.

The following table details the dividend proposed and paid by our Company on the Equity Shares in respect of Fiscals 2018, 2019 and 2020 and Fiscal 2021 till the date of this Preliminary Placement Document:

Particulars	Fiscal 2021	Fiscal 2020[(1)]	Fiscal 2019[(2)]	Fiscal 2018[(3)]
Face value per Equity Share (in ₹)	-	5.00	5.00	5.00
Dividend rate (%)[*]	-	120%	120%	100%
Dividend (interim) per Equity Share (in ₹)	-	3.25	-	-
Dividend (final) per Equity Share (in ₹)	-	2.75	6.00	5.00
Total dividend (in ₹ million) (exclusive of dividend distribution tax)	383[#]	1,287[@]	696[#]	835[#]
Dividend distribution tax (in ₹ million)[**]	N.A.	264[^]	142[^]	170[^]

(1) Based on the Fiscal 2020 Audited Standalone Financial Statements
(2) Based on the Fiscal 2019 Audited Standalone Financial Statements
(3) Based on the Fiscal 2018 Audited Standalone Financial Statements
** Dividend rate = Dividend per Equity Share / face value per Equity Share x 100*
 # Pertaining to final dividend in respect of the previous fiscal year, paid in the current fiscal year
@ Includes final dividend in respect of Fiscal 2019 paid in Fiscal 2020 and interim dividend in respect of Fiscal 2020
^ Pertaining to dividend distribution tax paid on dividend paid in the respective fiscal year

The amounts paid as dividends in the past are not necessarily indicative of the dividend distribution policy of our Company or dividend amounts, if any, in the future. Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in the future.

The Equity Shares to be issued in connection with this Issue shall qualify for any dividend, including interim dividend, if any, that is declared in respect of the Fiscal in which they have been allotted.

Also see "***Risk Factors – We may not pay cash dividends on our Equity Shares. Consequently, you may not receive any return on investment unless you sell your Equity Shares for a price greater than that which you paid for it***" on page 60.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion and analysis of our financial condition is based on our consolidated financial statements as of and for fiscal 2018, fiscal 2019 and fiscal 2020 (the "**Audited Consolidated Financial Statements**") and unaudited consolidated financial statements as of and for the six months ended September 30, 2020 (the "**Interim Consolidated Financial Statements**," together with the Audited Consolidated Financial Statements, the "**Consolidated Financial Statements**").*

*This discussion should be read in conjunction with the section titled "**Selected Financial Information**", and the Consolidated Financial Statements included elsewhere in this Preliminary Placement Document.*

For the discussion regarding our Consolidated Financial Statements, investor should note until August 31, 2020, our Pharmacy Platform was represented by the retail pharmacy business in AHEL and from September 1, 2020, the Pharmacy Platform has been represented by the back-end pharmacy business in AHEL. As a result of the reorganization described below, our Pharmacy Platform now also includes our 25.5% equity interest in Apollo Medicals Private Limited which holds 100% in Apollo Pharmacies Limited.

*We prepared our Consolidated Financial Statements in accordance with the Indian Accounting Standards prescribed under section 133 of the Company Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("**Ind AS**"). Ind AS differs in some material respects from US GAAP and IFRS and other accounting principles with which prospective investors may be familiar.*

Our fiscal year ends on March 31 of each year. Accordingly, unless otherwise stated, all references to a particular fiscal year are to the 12-month period ended March 31 of that year.

*This discussion contains forward-looking statements, that involve risks and uncertainties and reflects our current views with respect to future events and financial performance. We caution investors that our business and financial performance is subject to substantive risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth under the sections titled "**Forward-Looking Statements**" and "**Risk Factors**" on pages 17 and 32, respectively, and elsewhere in this Preliminary Placement Document.*

*In this section, unless the context otherwise requires, "we", "us" and "our", includes our subsidiaries, joint ventures and associates. See section titled "**Business—Corporate Structure**" on page 143.*

Overview

We are the largest private healthcare services provider in India based on numbers of hospitals and available hospital beds as of March 31, 2020, according to the CRISIL Report. Our lines of business include (i) healthcare services through multi-specialty hospitals, (ii) a pharmacy platform which includes a 25.5% equity interest in Apollo Pharmacies Limited ("**APL**"), which operates a network of stand-alone pharmacies, and our own pharmacy distribution business (together, the "**Pharmacy Platform**"), and (iii) other healthcare services through our retail healthcare network in Apollo Health and Lifestyle Limited ("**Apollo Health and Lifestyle**"), our Subsidiary, which includes diagnostics, primary care and specialty care facilities. In February 2020, we launched a digital platform, "**Apollo 24/7**," which leverages our broad network and capabilities to provide patients with virtual consultation with doctors and integrates with medical records and online pharmacies. To enhance our service offerings to our customers and complement our business, we also provide the following services: project and consultancy services to other healthcare providers in India and overseas, management services via public-private partnerships in healthcare facilities, remote tele-health services, education and training programs and research services.

The Company was founded by Dr. Prathap C. Reddy in 1979 and became a public listed company on the BSE in 1983 and was listed on the NSE in 1996. We are headquartered in Chennai and as of the date of this Preliminary Placement Document, we operate our business through the Company, and its 18 direct subsidiaries, 10 step-down subsidiaries, three joint ventures and four associates.

We have continuously invested in bed capacity creation and have increased the bed capacity under our management to 10,209 beds in 71 hospitals located in India and overseas as of November 30, 2020. As of November 30, 2020, of the 10,209 beds, 8,816 beds were in 44 hospitals owned by us, our subsidiaries, joint ventures or associates, 270 beds were in 11 day surgery centers and 272 beds were in 11 cradle centers owned by Apollo Health and Lifestyle, and 851 beds were in 5 hospitals under our management through operations and management contracts and franchise agreements. As of November 30, 2020, our pharmacy platform is spread across a network of 3,975 stand-alone pharmacies through a 25.5% equity interest in APL, and we are the exclusive supplier to APL for its back-end pharmacy distribution needs. See "***Business—Our Services—Pharmacy Platform***" on page 146. As of November 30, 2020, Apollo Health and Lifestyle had 1,078 retail touchpoints in India providing diagnostics and clinics services. Our Apollo 24/7 app had approximately 5 million registered users as of November 30, 2020.

We had a total employee strength of 61,709 (including employees of our subsidiaries, joint ventures and associates only), including 2,613 doctors, 12,331 nurses, and 46,765 paramedical personnel, support staff, administrative staff, executives and other staff, as of September 30, 2020. We also have 9,434 "fee for service" doctors working in our hospitals as of September 30, 2020. During fiscal 2020 and the six months ended September 30, 2020, hospitals owned by us provided care to over 4.8 million and 1.7 million patients, respectively.

We constantly seek to be at the forefront of the healthcare services delivery model by providing cutting edge services, focusing on specialties including cardiac sciences, oncology, neuro sciences, orthopedics, transplants and emergency care, also known as our "**Centers of Excellence**." Eight of our hospitals have received accreditations from the Joint Commission International, USA ("**JCI**") for meeting international healthcare quality standards for patient care and organization management, and 30 of our hospitals have received accreditations from the National Accreditation Board for Hospitals & Healthcare Providers ("**NABH**"). Our healthcare facilities provide treatment for acute and chronic diseases across primary, secondary, and tertiary care sectors. Our tertiary care hospitals provide advanced levels of care in over 50 specialties, including cardiac sciences, oncology, radiology and imaging, gastroenterology, neurosciences, orthopedics and critical care services. In addition, we have continuously embraced innovative and cutting-edge medical technology such as minimally invasive surgery and robot-assisted surgeries.

We reported total revenues from operation of ₹ 82,435 million, ₹ 96,174 million, ₹ 112,468 million, ₹ 54,126 million and ₹ 49,322 million in fiscal 2018, fiscal 2019 and fiscal 2020 and the six months ended September 30, 2019 and 2020, respectively. Our healthcare services segment contributed 54.8%, 53.5%, 50.9%, 52.5% and 41.1% of our total revenues from operations in fiscal 2018, fiscal 2019, fiscal 2020 and the six months ended September 30, 2019 and 2020, respectively.

In March 2020, the World Health Organization declared the novel corona virus ("**COVID-19**") outbreak a pandemic and on March 14, 2020, India declared COVID-19 as a "notified disaster" and imposed a nationwide lockdown beginning March 24, 2020. There were restrictions on elective surgical procedures, quarantines, stay-at-home and shelter-in-place orders, the promotion of social distancing, travel related restrictions including curbs on international travel as well as general concerns related to the risk of contracting COVID-19 from interacting with the healthcare system. In response to the COVID-19 pandemic, we have launched an initiative called "**Project Kavach (shield)**." Project Kavach is an integrated response plan which covers a wide spectrum of services including the dissemination of information and preventive measures, online-self-assessment for COVID-19 risk, testing, quarantine rooms, treatment, hospital beds and ICU facilities for critically ill patients. As of November 30, 2020, there were more than 31,500 patient admissions related to COVID-19 since the beginning of the pandemic. We have dedicated over 1,900 beds for COVID-19 patients and have performed over 253,000 COVID-19 tests. We have also partnered with several hotel chains and other organizations to set up quarantine facilities under "**Project Stay I**," which provided more than 77,000 rooms nights across our network as of November 30, 2020. Furthermore, we have also established the "**Apollo Institute of Infectious Diseases**," a special Center of Excellence with a comprehensive service offering focusing on infectious diseases. See also "***Risk Factors—We expect the COVID-19 pandemic to continue to materially affect our financial performance in fiscal 2021, and, potentially, in future periods, and such pandemic may otherwise have material adverse effects on our results of operations, financial condition, and/or our cash flows***." on page 32.

As part of the reorganization completed in August 2020, we divested our interest in the front-end stores of our Pharmacy Platform business to APL and we retain the back-end pharmacy distribution business. We have a 25.5% equity interest in APL while the remaining interest is held by three other investors. We are also the exclusive supplier for APL under a long term supply agreement and we have also entered into a brand licensing agreement with APL to license (i) our "**Apollo Pharmacy**" brand to APL for use in its front-end stores and (ii) our online pharmacy domain name "www.apollopharmacy.in" to APL for its undertaking and fulfilling of online retail sale orders. Each agreement is valid for a term of 10 years from September 1, 2020. Historically, the Pharmacy Platform business segment was represented by the retail pharmacy business segment in AHEL until August 31, 2020, and it included both front-end retail pharmacy business and the back-end pharmacy distribution under one segment. After the reorganization from September 1, 2020 onward, we reported revenues from pharmacy distribution as a new segment. We believe the reorganization will enhance our Pharmacy Platform business as we continue to strengthen the business and its sustainability as we leverage our strong distribution supply chain, expand our private label products and build an integrated customer loyalty platform. See "***Business—Our Services—Pharmacy Platform.***" on page 146.

Factors Affecting Results of Operations

Our results of operations have been, and will continue to be, affected by a number of events and actions, some of which are beyond our control. Below are the principal factors that we believe have, or could have, an impact on our financial results.

Patient volumes

Patient volumes are driven by, among other things, the hospital image and brand reputation, the type of services offered, the economic and social conditions of local communities, seasonal illness cycles, climate and weather conditions, the clinical reputation of our doctors, doctor retention and attrition, the patient-to-doctor ratio, healthcare services competitors, negotiations or terminations of corporate contracts in respect of employee healthcare needs, spending ability and unfavorable publicity, which impacts relationships with doctors and patients. The number of in-patients admitted to our hospitals exceeded 400,000 for fiscal 2018, 450,000 for fiscal 2019, 478,000 for fiscal 2020, 242,000 for the six months ended September 30, 2019 and 145,000 for the six months ended September 30, 2020, and the number of out-patients at our hospitals exceeded 3.5 million for fiscal 2018, 4.1 million for fiscal 2019, 4.3 million for fiscal 2020 and 1.6 million for the six months ended September 30, 2020.

Utilization rate of our facilities

The utilization rate of our facilities depends on our bed occupancy and patient volume, and utilization of our major medical equipment. Both of these rates are critical to optimizing profitability at our facilities, especially given the substantial fixed costs and personnel costs associated with our business, and form an integral part of our management information system. We monitor utilization rates closely: under-utilization serves as an input for our marketing strategy and over-utilization serves as an indicator of a need to increase existing capacity.

We focus in particular on intensive critical care unit ("**ICCU**") utilization and operating theatre utilization to optimize profitability. We believe that we have one of the largest ICCU bed capacities in the private healthcare sector in India and the utilization rate at our ICCU facilities is usually higher than our general occupancy rate. Operating theatre utilization rate is a combination of space occupancy and equipment utilization.

The occupancy of a hospital is a function of conversions of out-patients to in-patients and of direct admissions. Average occupancy rates in hospitals owned by us were 66% in fiscal 2018, 68% in fiscal 2019, 67% in fiscal 2020, 68% in the six months ended September 30, 2019 and 47% in the six months ended September 30, 2020, while the number of operating beds owned by us were 7,111, 7,246, 7,491, 7,450 and 7,364 at the end of fiscals 2018, 2019, 2020, the six months ended September 30, 2019 and the six months ended September 30, 2020, respectively. The average occupancy rate was at 51% in the eight months ended November 30, 2020. As a significant portion of in-patient revenues are derived from medical services provided in the initial two to three days of a patient's stay in hospital, while the remaining patient stay generates primarily occupancy income, we aim to reduce the average length of stay ("**ALOS**"), which would lead to an increase in patient turnover and result in higher operating efficiency. Through the adoption of improved medical technology and advancements in medical treatments, we have managed to reduce the ALOS of patients in the hospitals owned and managed by us to an ALOS per patient of 3.86 days in fiscal 2020 as compared to an ALOS per patient of 3.99 days in fiscal 2019 and fiscal 2018. The ALOS of patients in hospitals was 4.33 days in the six months ended September 30, 2020 because of negative impact from COVID-19.

To reduce ALOS, we plan to improve our clinical practices and use of technology. Day-care surgeries, which are outpatient surgery that does not require overnight hospital stay, form a significant portion of our overall surgical work and we have also achieved reduced surgical trauma and patient recovery time through our extensive adoption of minimally invasive surgeries and robot assisted surgeries. Our ongoing efforts to reduce ALOS will improve patient turnover rate and revenue per occupied bed per day.

We believe that the important factors influencing the overall utilization of a hospital include the quality and market position of the hospital and the number, quality and specialties of the facility's doctors. We believe that the ability of a hospital to meet the healthcare needs of its community is determined by its breadth of services, level of technology, emphasis on quality of care and convenience for patients and doctors. Other factors which impact utilization include the growth in local population and local economic conditions. Improved treatment protocols as a result of advancement in medical technology and pharmacology also had an effect on utilization rates across the healthcare services industry.

As of November 30, 2020, we had a capacity of 10,209 beds in 71 hospitals located in India and overseas. Of these 71 hospitals, 66 are hospitals owned by us and 5 are managed hospitals. The following table sets forth certain statistics for the hospitals owned by us for each of the past three fiscal years.

	Eight months ended November 30,	**Six months ended September 30,**	**Year ended March 31,**		
	2020	2020	2020	2019	2018
Number of owned hospitals at end of period	66	65	66	65	66
Number of owned beds at end of period	9,358	9,346	9,352	9,233	8,910
Number of operating beds at end of period[(1)]	7,336	7,364	7,491	7,246	7,111
In-patient admission[(1) (2)]	209,788	145,258	478,032	451,894	427,661
Adjusted discharges[(1) (3)]	287,298	199,787	687,462	647,120	605,605
Average length of stay (days) [(1) (4)]	4.36	4.33	3.86	3.99	3.99
Average daily census[(1) (5)]	3,744	3,437	5,045	4,938	4,670
Bed occupancy rate[(1) (6)] (%)	51	47	67	68	66
Average revenue per occupied bed per day [(7)] (₹)	38,698	38,412	37,397	34,226	31,967

Notes:
(1) Excluding Apollo Health and Lifestyle Limited.
(2) Represents the total number of patients admitted.
(3) Adjusted discharges are used by management and certain investors as a general measure of combined in-patient and out-patient volume.
(4) Represents the average number of days admitted patients stay in our hospitals.
(5) Represents the average number of beds occupied by patients in our hospitals each day.
(6) Represents the percentage of available hospital beds occupied by patients. This is calculated by dividing the average daily census by total number of operating beds.
(7) This is calculated by dividing total hospital revenues by patient days. Patient days are calculated by multiplying average daily census by the number of days. Average revenue per occupied bed per day is calculated net of doctor fees.

Strategic acquisitions and expansion

We have continuously invested in bed capacity creation and have increased the bed capacity we owned or managed to 10,209 beds as of November 30, 2020. As of November 30, 2020, of the 10,209 beds, 8,816 beds were in 44 hospitals owned by us, our subsidiaries, joint ventures or associates, 270 beds were in 11 day surgery centers and 272 beds were in 11 cradle centers owned by Apollo Health and Lifestyle, and 851 beds were in 5 hospitals under our management through operations and management contracts.

We grow by identifying acquisition opportunities, undertaking new hospital projects and expanding or upgrading existing facilities. For example, we acquired a 50% interest in Medics International Lifesciences Limited ("**Medics Lifesciences**"), which operates the Apollo Medics Superspeciality Hospital in Lucknow, in 2018, and a further 1% interest in January 2021, pursuant to which Medics Lifesciences became our subsidiary. When evaluating the viability of a new opportunity, we examine the demographics and revenue potential of the local population, the competitive landscape, location, pricing structure and cost, and for existing facilities, the skills, specialty and reputation of doctors and other medical and non-medical staff, the work culture of the institution and the quality of the infrastructure.

Currently, we have hospitals located in all of India's six key metropolitan cities, namely Chennai, New Delhi, Kolkata, Mumbai, Hyderabad and Bangalore. Over the past few years, we have also invested in these cities by adding healthcare facilities and bed capacity to deepen our presence and we expect to reap the benefit from these investments in the coming years. We are also continuing to expand in Tier II cities and other large urban centers in India. We have already established Apollo hospitals in Tier II cities including Ahmedabad, Lucknow, Bhubaneshwar, Bilaspur, Guwahati, Indore, Madurai, Nashik, Nellore, Trichy, Visakhapatnam and others. In addition, we plan to expand the capacity of our existing hospitals in Kolkata. We currently own 50.0% interest in Apollo Gleneagles Hospitals, Kolkata and we are in the process of acquiring the remaining 50.0% equity held by Gleneagles Development PTE Ltd, Singapore.

The projects we undertake require substantial funding, including costs of constructing the hospital buildings (in the case of new hospital projects), acquiring and upgrading equipment and financing hospital operations.

In addition to the costs relating to the development or acquisition of the facility, we typically take a number of steps, such as increasing our marketing efforts at the initial stages, when we add a hospital to our network. These efforts often result in additional costs relating to the offered services, facilities and medical staff. Most of the infrastructure of a new facility must be put in place when the facility commences operations and a lot of operating expenses, including medical consultancy charges and rents are required to be incurred regardless of patient intake at the beginning of commencement of operation. Our new hospitals, due to the long gestation period before a hospital matures (particularly with respect to occupancy rates), may operate at a loss for a period of 12 to 36 months before patient volumes reached targeted levels and thereby achieving profitability. Consequently, the financial performance of a newly added hospital may adversely affect our overall operating margins.

Geographic concentration

As of September 30, 2020, the largest concentrations of our hospital beds were in Chennai and Hyderabad, where 21% and 11%, respectively, of our owned hospital beds were located. Our Chennai and Hyderabad clusters contributed 25% and 13% respectively, to our overall healthcare services revenue for the six months ended September 30, 2020. Such concentrations increase the risk that, should adverse economic, regulatory or other developments occur within Chennai and Hyderabad, our business, financial position, results of operations or cash flows could be adversely affected.

Equipment and medical consumables

The multi-specialty, quaternary care hospitals of our kind requires us to invest in technologically sophisticated and expensive equipment. Our hospitals have the 3.0 magnetic resonance imaging ("**MRI**") system, one prism 640 slice dynamic multi-detector computed tomography ("**CT**") scanners, robotic surgical systems, proton beam therapy system, MRI machines, neuro-navigation systems and scopes used in minimally invasive surgeries and robot-assisted surgeries that aid in superior diagnosis and clinical outcomes.

Medical equipment forms a major component of our annual capital expenditure budget. We also incurred depreciation expenses from the normal depreciation and replacement of these equipment. The healthcare services industry is characterized by frequent product improvements and evolving technology, which could, at times, lead to earlier than planned redundancy of our medical equipment and result in asset impairment charges. The purchase and replacement of some of these equipment may involve significant costs, and may expose us to currency fluctuation risk, as most of the equipment are imported. We generally obtain technical upgrades and warranties for our equipment.

Our profitability is also affected by the regulatory controls on prices of drugs and medical consumables like stents, implants and other surgical materials. We optimize procurement costs by leveraging on the Apollo centralized procurement processes.

Employee benefits expenses and professional fees to doctors

Total employee benefits expenses represented 17.0%, 16.6%, 16.4%, 16.6% and 17.4% of our total revenues from operations in fiscal 2018, 2019 and 2020, and the six months ended September 30, 2019 and 2020. Our employee costs are influenced by the market trends in the country. Our employees are remunerated at market rates which we have historically increased in line with inflation. We also pay retainer fees to doctors as other expenses. When we set up a new facility or expand an existing healthcare facility, we strive to provide the full range of services and maintain the necessary doctors and medical staff to operate the facility in anticipation of increased patient volumes. We recruit specialist consultants to our Centers of Excellence, especially at new hospitals, to ensure an optimal superior specialization mix. Our doctors and medical personnel cost will constitute a higher proportion of expenditure and total revenues in respect of such newly set up or expanded facilities prior to maturity. Such proportion is expected to decline as operations are ramped up and patient volumes and manpower utilization rates increase.

COVID-19 pandemic and related travel restrictions

COVID-19 spreads to a majority of countries across the world, including India, in the first half of the calendar year 2020. The pandemic has had, and may continue to have, significant repercussions across local, national and global economies and financial markets. A number of governments and organizations have revised GDP growth forecasts for calendar year 2020 downward in response to the economic slowdown caused by the spread of COVID-19, and it is possible that the COVID-19 pandemic will cause a prolonged global economic crisis or recession. On March 14, 2020, India declared COVID-19 as a "notified disaster" and imposed a nationwide lockdown beginning on March 25, 2020. The lockdown remains in force in certain regions, with limited and progressive relaxations being granted and cautious re-opening of businesses and offices. However, lockdowns may be re-introduced or extended in the future.

Beginning in March 2020, we experienced a substantial reduction in the number of elective surgeries, physician visits and emergency volumes at our hospitals and healthcare facilities. This was due to restrictions on elective procedures, quarantines, stay-at-home and shelter-in-place orders, the promotion of social distancing, travel related restrictions including curbs on international travel as well as general concerns related to the risk of contracting COVID-19 from interacting with the healthcare system. Since May 2020 some of the lockdown measures have been lifted and partial travel has been permitted. While there have been progressive relaxations and calibrated easing of lockdown measures by the Government, we cannot predict if lockdowns will not be re-introduced or extended in the future. Also, while our patient volumes have recovered to some degree in comparison to levels experienced in the first quarter of fiscal 2021, in the immediate aftermath of the pandemic, our patient volumes have not completely recovered to the pre-COVID-19 levels as the result of the factors noted above. The average occupancy rate in hospitals owned by us were 66% in fiscal 2018, 68% in fiscal 2019, 67% in fiscal 2020, 68% in the six months ended September 30, 2019 and 47% in the six months ended September 30, 2020. Although our occupancy rate experienced significant decline in the six months ended September 30, 2020 due to lockdown in the country caused by COVID-19 pandemic, our occupancy rate was at 51% in the eight months ended November 30, 2020 primarily due to relaxation in travel restrictions and the return of normalcy from the COVID-19 pandemic.

Government regulations and policies applicable to the healthcare sector

Since we operate in a highly regulated industry and we are subject to extensive regulations, our results of operations and continued growth depend on government policies and regulations. Furthermore, any cap on treatment costs in private hospitals imposed by the government, concessional or free medical treatment required to be provided by our facilities impacts our revenue from operations, which is dependent on the fees we are able to charge for the services we provided and the volume of services rendered. Regulations related to price control on specified services and procedures will affect the operational mix and volume of services that we provide, which will further impact our revenue and results of operations.

As of July 1, 2017, a national goods and service tax ("**GST**") in India replaced taxes levied by central and state governments with a unified tax regime in respect of the supply of goods and services for all of India. The GST implementation has had an adverse impact on healthcare service costs and operating margins since hospitals were unable to utilize input GST credit on output services as hospitals have been classified under the exempt category. The possibility of further regulatory interventions by Government in future is an existing challenge for healthcare service providers in India. Any failure or non-compliance to adequately monitor compliance may subject us to penalties, fines, or suspension of any of our hospitals' license. See "***Risk Factors—Our profitability is linked to changes in Governmental regulations impacting the healthcare sector***" on page 57.

Critical Accounting Policies

This discussion and analysis of our financial condition and results of operations is based upon the Consolidated Financial Statements, which have been prepared in accordance with Ind AS. The notes to the Consolidated Financial Statements contain a summary of our significant accounting policies.

The preparation of consolidated financial statements in conformity with Ind AS requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the balance sheet dates and the reported amounts of revenues and expenses during the reporting periods. Significant estimates and assumptions reflected in the our financial statements include, but are not limited to, expected credit loss, impairment of goodwill, useful lives of property, plant and equipment and leases, realization of deferred tax assets, unrecognized tax benefits, incremental borrowing rate of right-of-use assets and related lease obligation, the valuation of the Group's acquired equity investments. Actual results could materially differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

We have described below certain of our critical accounting policies under Ind AS. The following is not intended to be a comprehensive list or description of all our significant accounting policies. Our significant accounting policies are more fully described in the notes to our Consolidated Financial Statements.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Control is achieved when we:

- have power over the investee;
- are exposed, or have rights, to variable returns from its involvement with the investee; and
- have the ability to use its power to affect its returns.

We reassess whether or not we control an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When we have less than a majority of the voting rights of an investee, we have power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. We consider all relevant facts and circumstances in assessing whether or not our voting rights in an investee are sufficient to give it power, including:

- the size of our holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by us, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that we have, or do not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when we obtain control over the subsidiary and ceases when we lose control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date we gain control until the date when the we cease to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with our accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated. Profits and losses on items of property, plant and equipment and inventory acquired from other group entities are also eliminated.

The following subsidiaries were consolidated as at September 30, 2020:

Name of the Subsidiary/Step-down Subsidiary[(1)]	Country of Incorporation	Percentage of holding as of September 30, 2020
Apollo Home Healthcare (India) Limited	India	100.00%
Apollo Home Healthcare Limited	India	89.42%
AB Medical Centers Limited	India	100.00%

Name of the Subsidiary/Step-down Subsidiary[(1)]	Country of Incorporation	Percentage of holding as of September 30, 2020
Apollo Health and Lifestyle Limited	India	70.25%
Samudra Healthcare Enterprise Limited	India	100.00%
Imperial Hospital & Research Centre Limited	India	90.00%
Apollo Hospital (UK) Limited	United Kingdom	100.00%
Apollo Nellore Hospitals Limited	India	80.87%
Apollo Rajshree Hospitals Private Limited	India	54.63%
Apollo Lavasa Health Corporation Limited	India	51.00%
Western Hospitals Corporation Private Limited	India	100.00%
Apollo Hospitals Singapore Pte Ltd	Singapore	100.00%
Sapien Biosciences Private Limited	India	70.00%
Total Health	India	100.00%
Assam Hospitals Limited	India	65.52%
Apollo Hospitals International Limited	India	50.00%
Future Parking Private Limited	India	49.00%
Step down subsidiaries: [(2)]		
Apollo CVHF Limited	India	66.67%
Apollo Dialysis Private Limited	India	69.00%[(3)]
Alliance Dental Care Limited	India	69.09%
Apollo Sugar Clinics Limited	India	80.00%
Apollo Specialty Hospitals Private Limited	India	100.00%
Apollo Bangalore Cradle Limited	India	100.00%
Kshema Healthcare Private Limited	India	100.00%
AHLL Diagnostics Limited	India	99.99%
AHLL Risk Management Private Limited	India	99.99%

Notes:

(1) With effect from January 7, 2021, we have 51% interest in Medics International Lifesciences Limited, pursuant to which Medics International Lifesciences Limited became our subsidiary.

(2) With effect from November 3, 2020, Apollo Health and Lifestyle Limited acquired a 99.99% interest in Surya Fertility Centre Private Limited ("Surya"), pursuant to which Surya became our step down subsidiary with effect from the same date.

(3) The percentage of holding in Apollo Dialysis Private Limited was 69.00% as of September 30, 2020, which also included 14.32% held by Alliance Dental Care Limited.

Investments in associates and joint ventures

An associate is an entity over which we have significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but does not denote control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results, assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associate or a joint venture is initially recognized in the consolidated balance sheet at cost and adjusted thereafter to recognize our share of profit and loss and other comprehensive income of the associate or joint venture. Distributions received from an associate or a joint venture reduce the carrying amount of the investment. When our share of losses of an associate or a joint venture exceeds our interest in that associate or joint venture, we discontinue recognizing our share of further losses. Additional losses are recognized only to the extent that we have incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over our share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of our share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized directly in equity as capital reserve in the period in which the investment is acquired.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no revaluation to fair value upon such changes in ownership interests.

Particulars	Country of Incorporation	Percentage of holding as of September 30, 2020
Indraprastha Medical Corporation Limited	India	22.03%
StemCyte India Therapeutics Private Limited	India	24.50%
Apollo Medicals Private Limited	India	25.50%
Family Health Plan Insurance TPA Limited	India	49.00%

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use is determined using a discounted cash flow approach based upon the cash flow expected to be generated by the cash generating unit. In case that the value in use of the cash generating unit is less than its carrying amount, the difference is at first recorded as an impairment of the carrying amount of the goodwill.

Impairment of Financial Assets

The impairment provisions for trade receivables is based on assumptions about risk of default and expected loss rates. We use judgements in making certain assumptions and selecting inputs to determine impairment of these trade receivables, based on reasonable and supportable information including historic loss rates, present developments such as liquidity issues and information about future economic conditions, to ensure foreseeable changes in the customer-specific or macroeconomic environment are considered.

Fair value measurements and valuation processes

Some of our assets and liabilities are measured at fair value for financial reporting purposes. The business acquisitions made by us are also accounted at fair values.

In estimating the fair value of an asset or a liability, we use market-observable data to the extent it is available. Where Level 1 inputs are not available, we engage third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Employee Benefits - Defined benefit obligations

The cost of the defined benefit plans are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Litigations

The amount recognized as a provision shall be the best estimate of the expenditure required to settle the present obligation arising during the reporting period.

Revenue Recognition

Our contracts with customers could include promises to render multiple services to a customer. We assesses the services promised in a contract and identify distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is applied in the assessment of principal versus agent considerations with respect to contracts with customers and doctors which is determined based on the substance of the arrangement.

Judgement is also applied to determine the transaction price of the contract. The transaction price shall include a fixed amount of customer consideration and components of variable consideration, which constitutes amounts payable to customer, discounts, disallowances and redemption patterns of loyalty customers. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and is reassessed at the end of each reporting period.

Useful lives of property, plant and equipment

We depreciate property, plant and equipment on a straight-line basis over estimated useful lives of the assets. The charge in respect of periodic depreciation is derived based on an estimate of an asset's expected useful life and the expected residual value at the end of its life. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The estimated useful life is reviewed at least annually.

Point of Capitalization

Management has set in parameters in respect of its medical equipment specific to the stability and reaching the contractual availability goals. The property, plant and equipment shall be capitalized upon reaching these parameters at which stage the asset is brought to the location and condition necessary for it to be capable of operating in the manner intended by management.

Impairment of Non - Financial Assets

Determining whether the asset is impaired requires to assess the recoverable amount of the asset or cash generating unit which is compared to the carrying amount of the asset or cash generating unit, as applicable. Recoverable amount is the higher of fair value less costs of disposal and value in use. Where the carrying amount of an asset or cash generating unit exceeds the recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Income Taxes

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. We review at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcomes which could lead to significant adjustment to the amounts reported in the financial statements.

Leases

Ind AS 116 defines a lease term as the non-cancellable period for which the lessee has the Right-to- use an underlying asset including optional periods, when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. We consider all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term. The option to extend the lease term is included in the lease term, if it is reasonably certain that the lessee would exercise the option. We reassess the option when significant events or changes in circumstances occur that are within the control of the lessee.

Uncertainty relating to the global health pandemic on COVID-19

In assessing the recoverability of receivables including contract assets, goodwill, intangible assets, and certain investments, we have considered internal and external information up to the date of approval of these standalone financial statements including credit reports and economic forecasts. We have performed sensitivity analysis on the assumptions used herein. Based on the current indicators of future economic conditions, we expect to recover the carrying amount of these assets.

The impact of COVID-19 remains uncertain and may be different from what we have estimated as of the date of approval of these consolidated financial statements and we will continue to closely monitor any material changes to future economic conditions.

Results of Operations

The following table sets forth certain profit and loss data in rupees for fiscal 2018, 2019 and 2020 and the six months ended September 30, 2019 and 2020:

(in ₹ million)

Particulars	Six months ended September 30		Year ended March 31		
	2020	2019	2020	2019	2018
	(unaudited)		*(audited)*		
Income					
Revenue from Operations......................................	49,322	54,126	112,468	96,174	82,435
Other Income...	190	134	269	314	322
Total Income	49,512	54,260	112,737	96,488	82,757
Expenses					
Cost of materials consumed...................................	7,094	8,997	18,092	16,449	14,610
Purchases of Stock-in-trade...................................	21,312	17,701	37,967	30,876	26,499
Changes in inventory of stock-in-trade..................	(1,180)	(592)	(1,070)	(716)	(782)
Employee benefits expense	8,602	9,021	18,529	15,982	14,044
Finance costs	2,497	2,601	5,328	3,270	2,951
Depreciation and amortization expense.................	3,096	2,985	6,197	3,955	3,590
Other expenses	10,141	11,227	23,077	22,947	20,132
Total expenses...	51,562	51,940	108,120	92,763	81,044
Profit/ (Loss) before share of profit in associates / joint ventures, exceptional items and Tax	(2,050)	2,320	4,617	3,725	1,713
Exceptional Items..	354	-	1,983	–	–
Profit/ (loss) before tax [(1)]......................................	(1,696)	2,320	6,600	3,725	1,713
Tax expense					
(1) Current tax (including tax expense of prior year)	(92)	1,222	1,309	1,259	884
(2) Deferred tax	(249)	(264)	943	475	235
Total tax expenses	(341)	958	2,252	1,734	1,119
Profit/ (loss) after tax [(2)]...	(1,355)	1,362	4,348	1,991	594
Share of profit/ (loss) of associates / joint ventures	(319)	(39)	(31)	10	2
Profit/ (loss) for the year / period	(1,674)	1,323	4,317	2,001	596
Total Other Comprehensive Income......................	(51)	(41)	(6)	(291)	(172)
Total comprehensive income for the year / period .	(1,725)	1,282	4,311	1,710	424
Profit/ (loss) for the year / period attributable to Non-controlling interest...	(193)	(112)	(231)	(359)	(579)
Profit/ (loss) for the year / period attributable to Owners of the Company..	(1,479)	1,434	4,548	2,360	1,174

Notes:

(1) *Profit before tax reconciliation with the reported numbers as below:*

Particulars	Six months ended September 30, 2020	Six months ended September 30, 2019	Year ended March 31, 2019	Year ended March 31, 2018
	Unaudited	Unaudited	Audited	Audited
Profit before tax as reported in Annual report / SEBI results	(2,014)	2,281	3,735	1,715
Less: Share of profit / (loss) of associates/ joint ventures	(319)	(39)	10	2

Profit before tax as reported above	(1,696)	2,320	3,725	1,713

(2) Profit After Tax reported is before Share of profit/losses from joint ventures and associates.
(3) Effective Tax rate = Total Tax expenses / Profit before tax, as tabulated below

Effective Tax Rate	Six months ended September 30		Year ended March 31		
	2020	2019	2020	2019	2018
Profit/ (loss) before tax	-1,696	2,320	6,600	3,725	1,713
Total tax expenses	-341	958	2,252	1,734	1,119
Effective Tax Rate	20.1%	41.3%	34.1%	46.5%	65.4%

Principal Components of our Statement of Profit and Loss

The following descriptions sets forth information with respect to the key components of our Consolidated Statement of Profit and Loss.

Revenues from Operations

The following table sets forth our total revenues from operations for each of our business segments and as a percentage of total revenue from operations for the periods indicated:

	Six months ended September 30, 2020		Six months ended September 30, 2019		2020		2019		2018	
	(in ₹ millions)	(%)	(in ₹ millions)	(%)	(in ₹ millions)	(%)	(in ₹ millions)	(%)	(in ₹ millions)	(%)
		(unaudited)				*(audited)*				
Healthcare services[(1)]	20,272	41.1	28,394	52.5	57,298	50.9	51,426	53.5	45,157	54.8
Retail Pharmacy[(2)]	22,698	46.0	22,295	41.2	48,206	42.9	38,860	40.4	32,689	39.7
Clinics[(3)]..............	2,740	5.6	3,437	6.3	6,964	6.2	5,887	6.1	4,589	5.6
Pharmacy Distribution[(4)].......	3,612	7.3	-	-	-	-	-	-	-	-
Total	49,322	100.0	54,126	100.0	112,468	100.0	96,174	100.0	82,435	100.0

Notes:
(1) Consists of revenues from hospitals, hospital-based pharmacies and projects and consultancy services and includes revenues from all of our consolidated subsidiaries. It is including others and net of intersegmental revenue.
(2) Consists of revenues from stand-alone pharmacies in respect of sale of pharmaceutical products, FMCG and private label products in fiscal 2018, 2019 and 2020 and the five months ended August 31, 2020 in the six months ended September 30, 2020.
(3) Consists of services provided in connection with clinical, diagnostics services, spectra and dental etc. through our subsidiary Apollo Health and Lifestyle Limited.
(4) Consists of revenue from the pharmacy distribution business from our Pharmacy Platform.

Our revenues are primarily derived from the delivery of healthcare services, consisting of hospitals, hospital-based pharmacies and projects and consultancy services. In our healthcare services segment, we generate revenues primarily from in-patient and out-patient healthcare services. Hospital revenues are recorded during the period the healthcare services are provided, net of fees to doctors under "fee for service" arrangements, if applicable, and adjusted, if applicable, for discounts on our regular rates and charges. In our projects and consultancy services, revenues are recognized under the percentage of completion method of accounting according to contractually agreed milestones in a project. Our post-commissioning consultancy services fees are based on a percentage of gross operational revenues, profit before tax, agreed EBITDA formulations or a combination of these three measures and are payable on a periodic basis, primarily annually. We recognize revenues by providing post-commissioning consultancy services at the end of each such period.

In our retail pharmacy business, we generate revenues from retail pharmacy sales, which we recognize at the point of sale, less any discounts, and we adjust for sales returns during the period in which sales returns occur, and from the procurement and distribution of pharmaceuticals. With effect from September 1, 2020, we have divested our interest in the front-end stand-alone pharmacies to Apollo Pharmacies Limited ("**APL**"), which we have a 25.5% equity interest and the remaining interest is held by three other investors. We retain the back-end pharmacy distribution business. In fiscal 2018, 2019 and 2020, we recorded revenues from the Pharmacy Platform under "retail pharmacy" segment. In the six months ended September 30, 2020, we reported "pharmacy distribution" as a new segment for the period beginning September 1, 2020 and we reported retail pharmacy as a separate segment.

We generate revenues in the clinics segment from clinical and diagnostics services through our subsidiary Apollo Health and Lifestyle Limited ("**Apollo Health and Lifestyle**"). Revenues from the clinics segment, which are represented by retail healthcare clinics owned by Apollo Health and Lifestyle, are recorded during the period for the clinical and diagnostics services provided, net of fees to doctors under "fee for service" arrangements.

Our earnings before interest, tax, depreciation and amortization ("**EBITDA**") is calculated pre Ind AS 116 (which was effective as of April 1, 2019) as profit/ loss before share of profit in associates / joint venture and exceptional items, adjusted by adding depreciation and amortization expenses and finance costs and subtracting other income. EBITDA margin is calculated as EBITDA divided by operating revenue. Our consolidated EBITDA (pre Ind AS 116) was ₹ 7,932 million, ₹ 10,637 million, ₹ 12,880 million, ₹ 6,308 million and ₹ 1,907 million for fiscals 2018, 2019, 2020 and the six months ended September 30, 2019 and 2020, respectively, with consolidated EBITDA margins of 9.6%, 11.1%, 11.5%, 11.7% and 3.9% for the respective periods. Our EBITDA in the healthcare segment was ₹ 7,902.18 million, ₹ 9,204 million, ₹ 9,970 million, ₹ 5,035 million and ₹ 379 million for fiscals 2018, 2019, 2020 and the six months ended September 30, 2019 and 2020, respectively, with EBITDA margins of 17.8%, 17.9%, 17.4%, 17.7% and 1.9% for the respective periods. Our EBITDA in Pharmacy Platform was ₹ 1,480 million, ₹ 2,031 million, ₹ 2,893 million, ₹ 1,295 million and ₹ 1,669 million for fiscals 2018, 2019, 2020 and the six months ended September 30, 2019 and 2020, respectively, with EBITDA margins of 4.5%, 5.2%, 6.0%, 5.8% and 6.3% for the respective periods.

The following table sets forth a reconciliation of profit or loss before share of profit in associates or joint ventures and exceptional items as reported in respective financial statement to EBITDA as considered above for the periods indicated:

Particulars	Six months ended September 30		Year ended March 31		
	2020	2019	2020	2019	2018
	(unaudited)		*(audited)*		
Profit / (Loss) before share of profit in associates / joint venture and exceptional items	(2,050)	2,319	4,617	3,726	1,712
Less: Other income..	(190)	(134)	(269)	(314)	(322)
Add: Depreciation and amortization expense.........	3,096	2,985	6,197	3,955	3,590
Add: Finance costs	2,497	2,601	5,328	3,270	2,951
EBITDA (post Ind AS 116)...................................	3,353	7,772	15,873	10,637	7,932
Less: Rent reversal per Ind As 116.........................	1,446	1,464	2,992	-	-
EBITDA (pre Ind AS 116)	1,907	6,308	12,880	10,637	7,932
Revenue from Operation	49,322	54,126	1,12,468	96,174	82,435
EBITDA %	3.9%	11.7%	11.5%	11.1%	9.6%

Other Income

Our other income primarily consists of interest income from bank deposits and other financial assets, dividend income on equity investments, other non-operating income, other gains and losses relating to disposal of our property, plant and equipment and financial assets, and other gains and losses relating to fair valuation of investments.

Expenses

Our expenses primarily consist of operative expenses which include cost of materials consumed, purchase of stock-in-trade (medical consumables and drugs) and changes in inventory of stock-in-trade (medical consumables and drugs), employee benefits expenses, finance costs, depreciation and amortization expenses and other expenses.

Cost of materials consumed consists of materials consumed (including customs duty and freight charges), utility charges and housekeeping expenses. Employee benefits expenses consist primarily of salaries and wages, staff welfare expenses, contributions to the statutory provident fund, gratuities, bonus payments, provision for retirement obligation, employee state insurance and staff education and training. Finance costs consist of cost and interest expenses from our financing activities. Depreciation and amortization expenses consist of the depreciation of our property, plant and equipment and the amortization on our intangible assets such as underlying medical technology and patents. Other expenses consist of administrative and other expenses such as retainer fees to doctors, repair expenses for machinery, maintenance expenses, advertising, publicity and marketing, rent, power and fuel costs, travelling charges, and legal and professional fees.

Tax Expenses

Our tax expenses consist of (i) current tax, which is the income tax paid on the revenues and other income we generated during a financial year or period, and (ii) deferred tax, which is recognized in respect of the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Other Comprehensive Income

Other comprehensive income consists of items of income and expenses that are not recognized in profit or loss, including items relating to the remeasurement of employee benefit plans and change in fair value of financial instruments measured at fair value through other comprehensive income.

Share of Profit / Loss in Associates and Joint Ventures

Share of profit or loss in associates and joint ventures consists of the profit or loss we received from our investment in associates and joint ventures.

Exceptional Item

An exceptional item of a profit of ₹ 354 million was recorded in the first six months ended September 30, 2020 with respect to net gain from the reorganization in connection with Apollo Medicals Private Limited. An exceptional item of a profit of ₹ 1,983 million was recorded in fiscal 2020 in respect to our divestment of Apollo Munich Health Company Limited to Housing Development Finance Corporation Limited in the last quarter of fiscal 2020, representing the gains on the divestment deducted by transaction costs and other indemnity related deductions.

Six Months Ended September 30, 2020 Compared to Six Months Ended September 30, 2019

Income. Total revenues from operations decreased 8.9% to ₹ 49,322 million in the six months ended September 30, 2020 from ₹ 54,126 million in the six months ended September 30, 2019. During the six months ended September 30, 2020, revenues from healthcare services decreased by ₹ 8,122 million, or 28.6%, revenues from retail pharmacy segment grew by ₹ 403 million, or 1.8%, revenues from clinics segment, which included revenues from clinics and others, decreased by ₹ 697 million, or 20.3% as compared to the six months ended September 30, 2019. Revenues from pharmacy distribution segment was ₹ 3,612 million in the six months ended September 30, 2020 as a new segment.

Revenues from healthcare services decreased 28.6% to ₹ 20,272 million in the six months ended September 30, 2020 from ₹ 28,394 million in the six months ended September 30, 2019. The decrease was primarily due to the negative impact from COVID-19.

Revenues from our retail pharmacy segment increased 1.8% to ₹ 22,698 million in the six months ended September 30, 2020 from ₹ 22,295 million in the six months ended September 30, 2019. This increase was due to growth in sales volumes by existing stand-alone pharmacies and an increase in the number of stand-alone pharmacies by 243 new stores to 3,850 stores as of September 30, 2020 from 3,607 stores as of September 30, 2019. Revenues from pharmacy distribution segment was ₹ 3,612 million in the six months ended September 30, 2020 as a new segment.

Revenues from clinics segment, which included revenues from clinics and others, decreased 20.3% to ₹ 2,740 million in the six months ended September 30, 2020 from ₹ 3,437 million in the six months ended September 30, 2019 due to the negative impact from COVID-19.

Other income. Other income increased by 41.8% to ₹ 190 million in the six months ended September 30, 2020 from ₹ 134 million in the six months ended September 30, 2019 primarily due to license fee received from APL and a provision written back in our subsidiary, Samudra Healthcare Enterprises Limited.

Expenses. Total expenses decreased by 0.7% to ₹ 51,562 million in the six months ended September 30, 2020 from ₹ 51,940 million in the six months ended September 30, 2019. The primary reasons for the decrease were (i) a ₹ 419 million, or 4.6% decrease in employee benefits expenses as we had fewer employees and there was a voluntary salary reduction during the period; (ii) a ₹ 104 million, or 4.0% decrease in finance costs due to a reduction in debt exposure; and (iii) a ₹ 1,086 million, or 9.7% decrease in other expenses. These increases were mostly offset by (i) a ₹ 1,120 million net increase in cost of materials consumed, purchase of stock-in-trade (medical consumables and drugs) and changes in inventory of stock-in-trade in response to an expected increase in medical consumables due to COVID-19, and (ii) a ₹ 111 million increase in depreciation and amortization expense. Total expenses as a percentage of total income increased to 104.1% in the six months ended September 30, 2020 from 95.7% in the six months ended September 30, 2019.

Profit / Loss before share of profit in associates / joint ventures and exceptional items. There was a loss before share of profit in associates / joint ventures and exceptional items of ₹ 2,050 million in the six months ended September 30, 2020 compared to a profit before share of profit in associates / joint ventures and exceptional items of ₹ 2,320 million in the six months ended September 30, 2019 primarily due to the negative impact from COVID-19 in the six months ended September 30, 2020.

Exceptional Item. An exceptional item of ₹ 354 million was recorded in the six months ended September 30, 2020 with respect to a net gain from the reorganization in connection with Apollo Medical Private Limited and Apollo Pharmacy Limited.

Profit / Loss before tax. We recorded a loss before tax of ₹ 1,696 million in the six months ended September 30, 2020 compared to a profit before tax of ₹ 2,320 million in the six months ended September 30, 2019.

Tax Expense / Income. Tax reversal on account of reorganisation of front end pharmacy was ₹ 341 million in the six months ended September 30, 2020 compared to tax expense of ₹ 958 million in the six months ended September 30, 2019.

Share of profit / loss of associates / joint ventures. Share of loss of associates / joint ventures was ₹ 319 million in the six months ended September 30, 2020 compared to ₹ 39 million in the six months ended September 30, 2019.

Profit / Loss for the period. As a result of the foregoing, we recorded a loss for the period of ₹ 1,674 million in the six months ended September 30, 2020 compared to a profit for the period of ₹ 1,323 million in the six months ended September 30, 2019.

Fiscal Year Ended March 31, 2020 Compared to Fiscal Year Ended March 31, 2019

Income. Total revenues from operations increased 16.9% to ₹ 112,468 million in fiscal 2020 from ₹ 96,174 million in fiscal 2019. During fiscal 2020, revenues from healthcare services grew by ₹ 5,871 million, or 11.4%, revenues from retail pharmacy segment grew by ₹ 9,346 million, or 24.1%, revenues from clinics segment, which included revenues from clinics and others, grew by ₹ 1,076 million, or 18.3% and other income decreased by ₹ 45 million, or 14.3%, as compared to fiscal 2019.

Revenues from healthcare services increased 11.4% to ₹ 57,298 million in fiscal 2020 from ₹ 51,426 million in fiscal 2019. This increase was primarily due to an increase in volume in existing facilities and the addition of new hospital units at Chennai. In-patient discharges also increased to 478,032 in fiscal 2020 from 451,894 in fiscal 2019.

Revenues from retail pharmacy segment increased 24.1% to ₹ 48,206 million in fiscal 2020 from ₹ 38,860 million in fiscal 2019. This increase was due to growth in sales volumes by existing stand-alone pharmacies and an increase in the number of stand-alone pharmacies by 338 new stores to 3,766 stores as of March 31, 2020 from 3,428 stores as of March 31, 2019.

Revenues from clinics segment, which included revenues from clinics and others, increased 18.3% to ₹ 6,964 million in fiscal 2020 from ₹ 5,887 million in fiscal 2019 primarily due to increase in revenues from Apollo Health and Lifestyle.

Other income. Other income decreased by 14.3% to ₹ 269 million in fiscal 2020 from ₹ 314 million in fiscal 2019 primarily due to a decrease in other gains and losses due to a foreign exchange loss of ₹ 51 million in fiscal 2020 compared to a foreign exchange loss of ₹ 9 million in fiscal 2019. The decrease was partially offset by an increase in interest income with respect to other financial assets to ₹ 115 million in fiscal 2020 from ₹ 81 million in fiscal 2019.

Expenses. Total expenses increased by 16.6% to ₹ 108,120 million in fiscal 2020 from ₹ 92,763 million in fiscal 2019. The primary reasons for the increase were (i) a ₹ 8,380 million, or 18.0% net increase in cost of materials consumed, purchase of stock-in-trade (medical consumables and drugs) and changes in inventory of stock-in-trade due to an increase in material costs in line with the growth in our revenues from operation; (ii) a ₹ 2,547 million, or 15.9% increase in employee benefits expense attributable to an increase in number of physicians within the hospitals and pharmacies to support our growing business and salary increases in the ordinary course; (iii) a ₹ 2,242 million, or 56.7% increase in depreciation and amortization expense for the capital projects that were completed in fiscal 2020 and the normal replacement costs of facilities and equipment, which included Depreciation on right of use asset of ₹ 2,005 million in accordance with Ind AS 116; and (iv) a ₹ 2,058 million, or 62.9% increase in finance costs from interest payment on funds used in commissioning new hospital projects and construction in progress at other facilities, which included interest on lease liability of ₹ 1,704 million in accordance with Ind AS 116. Total expenses as a percentage of total income decreased marginally to 95.9% in fiscal 2020 from 96.1% in fiscal 2019.

Profit before share of profit in associates / joint ventures and exceptional items. Profit before share of profit in associates / joint ventures and exceptional items increased 23.9% to ₹ 4,617 million in fiscal 2020 from ₹ 3,726 million in fiscal 2019. Profit before share of profit in associates / joint ventures and exceptional items as a percentage of total income increased to 4.1% in fiscal 2020 from 3.9% in fiscal 2019 primarily due to the growth in total revenue from operations.

Exceptional Item. An exceptional item of a profit of ₹ 1,983 million was recorded in fiscal 2020 in respect to the divestment of an associate, Apollo Munich Health Company Limited to Housing Development Finance Corporation Limited in the last quarter of fiscal 2020, representing the gains on the divestment deducted by transaction costs and other indemnity related deductions.

Profit before tax. Profit before tax increased 77.1% to ₹ 6,600 million in fiscal 2020 from ₹ 3,726 million in fiscal 2019. Profit before tax as a percentage of total revenues increased to 5.9% in fiscal 2020 from 3.9% in fiscal 2019 primarily due to the recognition of an exceptional item. Profit before interest and tax from healthcare services increased 13.7% to ₹ 6,993 million in fiscal 2020 from ₹ 6,149 million in fiscal 2019. This increase was primarily due to an increase in revenues and profits of our hospitals. Profit before interest and tax from retail pharmacy increased by 72.5% to ₹ 2,902 million in fiscal 2020 from ₹ 1,682 million in fiscal 2019. This decrease in losses was primarily due to the improved profitability of our existing Pharmacy Platform as a result of (i) introducing generic and in-house brand (private labels) products and (ii) increasing sales through bulk distribution of medical supplies and consumables to hospitals and other healthcare providers, and closure of loss-making pharmacies.

Tax Expense. Tax expense totaled ₹ 2,252 million, or a 34.1% effective tax rate*, in fiscal 2020 compared to ₹ 1,734 million, or a 46.5% effective tax rate, in fiscal 2019.
**Effective Tax rate means Total Tax Expenses /Profit Before Tax (tabulated in page 81)*

Profit after tax. As a result of the foregoing, profit after tax increased by 118.3% to ₹ 4,349 million in fiscal 2020 from ₹ 1,992 million in fiscal 2019.

Share of net profit / loss of investments accounted for using the equity method. Share of net loss of investments accounted for using the equity method was ₹ 31 million in fiscal 2020 and the share of net profit of investments accounted for using the equity method was ₹ 10 million in fiscal 2019.

Profit for the year. As a result of the foregoing, profit for the year increased 115.6% to ₹ 4,317 million in fiscal 2020 from ₹ 2,002 million in fiscal 2019.

Fiscal Year Ended March 31, 2019 Compared to Fiscal Year Ended March 31, 2018

Income. Total revenues from operations increased 16.7% to ₹ 96,174 million in fiscal 2019 from ₹ 82,435 million in fiscal 2018. During fiscal 2019, revenues from healthcare services grew by ₹ 6,270 million, or 13.9%, revenues from retail pharmacy segment grew by ₹ 6,171 million, or 18.9%, revenues from clinics segment, which included revenues from clinics and others, grew by ₹ 1,298 million, or 28.3% and other income decreased by ₹ 7 million, or 2.2%, as compared to fiscal 2018.

Revenues from healthcare services increased 13.9% to ₹ 51,427 million in fiscal 2019 from ₹ 45,157 million in fiscal 2018. This increase was primarily due to an increase in volume in existing facilities.

Revenues from retail pharmacy segment increased 18.9% to ₹ 38,860 million in fiscal 2019 from ₹ 32,689 million in fiscal 2018. This increase was due to the growth in sales volumes by existing stand-alone pharmacies and an increase in the number of stand-alone pharmacies by 407 new stores to 3,428 stores as of March 31, 2019 from 3,021 stores as of March 31, 2018.

Revenues from clinics segment, which included revenues from clinics and others, increased 28.3% to ₹ 5,887 million in fiscal 2019 primarily due to revenues from Apollo Health and Lifestyle.

Other income. Other income decreased by 2.5% to ₹ 314 million in fiscal 2019 from ₹ 322 million in fiscal 2018 primarily due to (i) a decrease in interest income from bank deposits to ₹ 64 million in fiscal 2019 from ₹ 133 million in fiscal 2018; (ii) a decrease in provision for liabilities written back to ₹ 35 million in fiscal 2019 from ₹ 50 million in fiscal 2018; and (iii) a decrease in dividends on investments to ₹ 4 million in fiscal 2019 from ₹ 10 million in fiscal 2018. These decreases were partially offset by an increase in gain on disposal of property, plant and equipment to ₹ 46 million in fiscal 2019 from ₹ 0.4 million in fiscal 2018.

Expenses. Total expenses increased by 14.5% to ₹ 92,763 million in fiscal 2019 from ₹ 81,044 million in fiscal 2018. The primary reasons for the increase were (i) a ₹ 6,282 million, or 15.6% net increase in cost of materials consumed and purchase of stock-in-trade (medical consumables and drugs) due to an overall growth in our business; (ii) a ₹ 2,814 million, 14.0% increase in other expenses relating to administration and other expenses; (iii) a ₹ 1,938 million, or 13.8% increase in employee benefits expenses attributable to an increasing number of physicians within the hospitals and pharmacies to support our growing business and salary increments in the ordinary course; (iv) a ₹ 365 million, or 10.2% increase in depreciation and amortization expense for the capital improvement projects that were completed in fiscal 2019 and the normal replacement costs of facilities and equipment; and (v) a ₹ 320 million, or 10.8% increase in finance costs from interest payment on funds used in commissioning new hospital projects and construction in progress at other facilities. Expenditure as a percentage of income decreased marginally to 96.1% in fiscal 2019 from 97.9% in fiscal 2018.

Profit before share of profit in associates / joint ventures and exceptional items. Profit before share of profit in associates / joint ventures and exceptional items increased 117.6% to ₹ 3,726 million in fiscal 2019 from ₹ 1,712 million in fiscal 2018. Profit before share of profit in associates / joint ventures and exceptional items as a percentage of total revenues increased to 3.9% in fiscal 2019 from 2.1% in fiscal 2018 primarily due to the improved profitability of healthcare services.

Profit before tax. Profit before tax increased 117.6% to ₹ 3,726 million in fiscal 2019 from ₹ 1,712 million in fiscal 2018. Profit before tax as a percentage of total revenues increased to 3.9% in fiscal 2019 from 2.1% in fiscal 2018 primarily due to the growth in total revenues. Profit before interest and tax from healthcare services increased 20.7% to ₹ 6,149 million in fiscal 2019 from ₹ 5,093 million in fiscal 2018. This increase was primarily due to an increase in revenues and profits of our joint venture hospitals. Profit before interest and tax from retail pharmacy increased by 43.3% to ₹ 1,682 million in fiscal 2019 from ₹ 1,174 million in fiscal 2018.

Tax Expense. Tax expense totaled ₹ 1,734 million, or a 46.5% effective tax rate, in fiscal 2019 compared to ₹ 1,119 million, or a 65.4% effective tax rate, in fiscal 2018.

Profit after tax. As a result of the foregoing, profit after tax increased by 235.9% to ₹ 1,992 million in fiscal 2019 from ₹ 593 million in fiscal 2018.

Share of net profit / loss of investments accounted for using the equity method. Share of net profit of investments accounted for using the equity method was ₹ 10 million in fiscal 2019 and the share of net profit of investments accounted for using the equity method was ₹ 2 million in fiscal 2018.

Profit for the year. As a result of the foregoing, profit for the year increased 235.9% to ₹ 2,002 million in fiscal 2019 from ₹ 596 million in fiscal 2018.

Liquidity and Capital Resources

Cash Flow

Our primary liquidity needs have historically been to finance our operations and working capital needs and investments in our subsidiaries, joint ventures and associates. Working capital is required principally to finance accounts receivable, salaries and inventory. Capital expenditures consist primarily of investments in medical equipment and surgical instruments, buildings and electrical installations and generators. Capital expenditure will vary from year to year depending upon a number of factors, including the need to replace medical equipment and the timing of certain projects, such as investment in new technologies and acquisition opportunities.

The table below summarizes our cash flow from operating, investing and financing activities, for fiscal 2018, 2019 and 2020, and for the six months ended September 30, 2020.

	September 30,	**As of March 31,**		
	2020	**2020**	**2019**	**2018**
	(₹ in millions)			
	(unaudited)	*(audited)*		
Cash Flow from Operating Activities	2,645	12,928	9,050	5,370
Cash Flow from Investing Activities	3,519	(2,888)	(7,106)	(4,049)
Cash Flow from Financing Activities	(4,440)	(9,095)	(2,145)	(1,085)
Net Increase in cash and cash equivalents	1,724	945	(201)	236
Cash and cash equivalents at the beginning of the year	3,807	2,862	3,063	2,828
Less: Transfer on account of de-merger............................	(165)	-	-	-
Cash and cash equivalents at the end of the year	5,366	3,807	2,862	3,063

Cash Flow from Operating Activities

Net cash from operating activities was ₹ 2,645 million in the six months ended September 30, 2020, ₹ 12,928 million in fiscal 2020, ₹ 9,050 million in fiscal 2019 and ₹ 5,370 million in fiscal 2018.

In the six months ended September 30, 2020, non-cash adjustments to reconcile the loss for the period of ₹ 1,724 million to net cash from operating activities consisted primarily of (i) depreciation and amortization expense of ₹ 3,096 million; (ii) finance costs of ₹ 2,497 million; and (iii) income tax expense of ₹ 910 million. Working capital changes were primarily due to (i) an increase in inventories of ₹ 1,038 million; (ii) an increase in trade payables of ₹ 1,113 million; and (iii) an increase in trade receivables of ₹ 3,235 million.

In fiscal 2020, non-cash adjustments to reconcile the profit for the year of ₹ 4,317 million to net cash from operating activities consisted primarily of (i) depreciation and amortization expense of ₹ 6,197 million; (ii) finance costs of ₹ 5,328 million; (iii) income tax expense of ₹ 2,252 million; and (iv) net profit on sale of investments of ₹ 1,988 million. Working capital changes were primarily due to (i) an increase in inventories of ₹ 1,531 million; (ii) an increase in trade payables of ₹ 1,905 million; and (iii) an increase in trade receivables of ₹ 845 million.

In fiscal 2019, non-cash adjustments to reconcile the profit for the year of ₹ 2,001 million to net cash from operating activities consisted primarily of (i) depreciation and amortization expense of ₹ 3,955 million; (ii) finance costs of ₹ 3,270 million; and (iii) income tax expense of ₹ 1,734 million. Working capital changes were primarily due to (i) an increase in trade receivables of ₹ 2,642 million; and (ii) an increase in trade payables of ₹ 1,073 million.

In fiscal 2018, non-cash adjustments to reconcile the profit for the year of ₹ 596 million to net cash from operating activities consisted primarily of (i) depreciation and amortization expense of ₹ 3,590 million; (ii) finance costs of ₹ 2,951 million; and (iii) income tax expenses of ₹ 1,119 million. Working capital changes were primarily due to (i) an increase in trade receivables of ₹ 2,367 million; (ii) an increase in trade payables of ₹ 1,086 million; and (iii) an increase in inventory of ₹ 990 million.

Cash Flow from Investing Activities

In the six months ended September 30, 2020, net cash generated used in investing activities was ₹ 3,519 million and consisted of purchase of property, plant and equipment of ₹ 1,573 million, sale of investments of ₹ 385 million and proceeds from reorganization in connection with APL of ₹ 5,278 million.

In fiscal 2020, net cash used in investing activities was ₹ 2,888 million and consisted of purchase of property, plant and equipment of ₹ 5,130 million and purchase of investments of ₹ 1,199 million. The net cash used in investing activities was partially offset by proceeds from sale of investment in associate of ₹ 2,826 million.

In fiscal 2019, net cash used in investing activities was ₹ 7,106 million and consisted of purchase of property, plant and equipment of ₹ 6,789 million and purchase of investments in joint venture of ₹ 910 million.

In fiscal 2018, net cash used in investing activities was ₹ 4,049 million and consisted of purchase of property, plant and equipment of ₹ 6,214 million and purchase of investments of ₹ 467 million. The net cash used in investing activities was partially offset by investment in bank deposits of ₹ 1,309 million and proceeds from sale of investments of ₹ 1,104 million.

Property, plant and equipment comprised mainly of medical equipment and surgical instruments, buildings and electrical installations and generators.

Cash Flow from Financing Activities

Cash used in financing activities totaled ₹ 4,440 million in the six months ended September 30, 2020, ₹ 9,095 million in fiscal 2020 as compared to ₹ 2,145 million in fiscal 2019 and ₹ 1,085 million in fiscal 2018.

Cash used in financing activities in the six months ended September 30, 2020 resulted primarily from (i) repayment of borrowings of ₹ 5,270 million; (ii) finance costs including the interest on lease liability of ₹ 2,246 million; (iii) dividend paid on equity shares, including dividend distribution tax of ₹ 383 million; and (iv) payment towards lease liability of ₹ 640 million. These outflows were partially offset by proceeds from borrowings of ₹ 4,099 million.

Cash used in financing activities in fiscal 2020 resulted primarily from (i) repayment of borrowings of ₹ 8,089 million; (ii) finance costs including the interest on lease liability of ₹ 5,645 million; (iii) dividend paid on equity shares, including dividend distribution tax, of ₹ 1,551 million; and (iv) payment towards lease liability of ₹ 1,289 million. These outflows were partially offset by proceeds from borrowings of ₹ 7,518 million.

Cash used in financing activities in fiscal 2019 resulted primarily from (i) repayment of borrowings of ₹ 3,276 million; (ii) finance costs including the interest on lease liability of ₹ 3,620 million; and (iii) dividend paid on equity shares, including dividend distribution tax, of ₹ 837 million. These outflows were partially offset by proceeds from borrowings of ₹ 5,624 million.

Cash used in financing activities in fiscal 2018 resulted primarily from (i) repayment of borrowings of ₹ 2,699 million; (ii) finance costs of ₹ 3,178 million; and (iii) dividend paid on equity shares, including dividend distribution tax, of ₹ 1,008 million. These outflows were partially offset by proceeds from borrowings of ₹ 5,717 million.

The refinancing of certain indebtedness with borrowings at lower interest rates has helped to improve our profitability.

Capital Expenditures

We have made investments in new hospital facilities, clinics, cradles and dental centers. We have also made investments at our hospitals to add new technologies, modernize facilities and expand our services. We believe that these investments will help us to attract and retain physicians and to attract more patient footfalls at our facilities.

The following table reflects our capital expenditures for the periods indicated:

	September 30,	**As of March 31,**		
	2020	**2020**	**2019**	**2018**
	(₹ in millions)			
Capital work in progress (accordance to Balance Sheet)	2,111	2,091	8,218	7,122

Capital expenditure[(1)] including technical upgrading (addition)......	1,373	12,744	6,128	5,518

Note: (1) Capital Expenditure are the additions made to property, plant and equipment and intangible assets.

We expect to finance our capital expenditure primarily from debt and equity offerings, including the proceeds of this Issue and operating cash flows. Our capital expenditure will primarily relate to our expansion activities. The amount and purpose of these expenditures may change in accordance with our business requirements.

Financial indebtedness

As of September 30, 2020, we had an aggregate consolidated outstanding indebtedness of ₹ 34,718 million. The terms of our existing debt obligations contain numerous financial and other restrictive covenants which, among other things, require us to maintain certain financial ratios and comply with certain reporting requirements and restrict any changes in controlling interest or restrict our ability to make capital expenditures and investments, raise additional capital by way of equity or debt offerings, declare dividends, merge with other entities, incur further indebtedness and incur, or dispose of, liens on our assets, sell assets, undertake new projects and/or any expansion, modernization, or diversification programmes, change our management and Board of Directors, materially amend or terminate any material contract or document and modify our capital structure. In addition, certain of these borrowings contain financial covenants, which require us to maintain, among other matters, debt service cover ratio and maintenance of security coverage. Certain of our long-term debt is secured by a charge over our fixed assets, land and buildings, and all of our short-term debt (excluding the current portion of long-term debt) is secured by a charge on our current assets, including, but not limited to, our inventory and receivables. As of the date of this Preliminary Placement Document, we believe that we are in full compliance with all the covenants and undertakings as described above.

	As of September 30, 2020 *(in ₹ million)*	**As of March 30, 2020**	**As of March 31, 2019**	**As of March 31, 2018**
Non Current Borrowings	31,372	28,520	29,521	29,238
Current Borrowings	1,332	4,975	4,982	3,792
Current maturities of long-term debt [(1)]	2,013	2,461	2,210	1,221
Unpaid matured deposits and interest accrued thereon	1	2	13	96
Total indebtedness [(2)]	**34,718**	**35,958**	**36,726**	**34,347**

Notes:
(1) Current maturities on Long Term debts means installments of non current borrowings falling due within next 12 months.
(2) Indebtedness here means Current and Non Current borrowings plus current maturities of Long term debts plus unpaid deposits.

We finance our short-term working capital requirement through cash flow from operations and short-term loans and overdraft facilities from banks and financial institutions.

Management believes that cash flows from operations and financing activities and our anticipated access to debt and equity markets will be sufficient to meet expected liquidity needs during the next 12 to 24 months.

Interest Coverage Ratio

Our interest coverage ratio was 2.8 times, 3.3 times, 3.4 times, 3 times and 1.6 times for fiscal 2018, 2019 and 2020, and the six months ended September 30, 2019 and 2020, respectively.

Interest coverage ratio means profit before depreciation, finance cost and tax including exceptional item / finance cost.

Interest coverage ratio is calculated as shown below:

	Six months ended September 30, 2020	**Six months ended September 30, 2019**	**Year ended March 31, 2020**	**Year ended March 31, 2019**	**Year ended March 31, 2018**
					(₹ in millions)

1. EBITDA (post Ind AS 116)	3,353	7,771	15,873	10,637	7,931
2. Other Income	190	134	269	314	322
3. Exceptional item	354	-	1,983	-	-
Total	**3,897**	**7,905**	**18,125**	**10,951**	**8,253**
Finance Cost	2,497	2,601	5,328	3,270	2,951
Interest Coverage Ratio	1.6	3.0	3.4	3.3	2.8

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements.

Contractual Obligations and Commitments

The following table shows our total future contractual debt obligations as of March 31, 2020:

	Payments due by period (₹ in millions)			
Contractual Obligations	Total	Less than 1 Year	1-5 Years	More than 5 Years
Debt obligations(1)	35,958	8,106	10,358	17,494

Note: (1) Interest coverage ratio-Profit before depreciation, finance cost and tax including exceptional item / finance cost

Contingent Liabilities

The following table sets forth our contingent liabilities and commitments (to the extent not provided for). See the notes to the Consolidated Financial Statements in the section titled "**Financial Information**" beginning on page 231, for full details on our contingent liabilities.

	As of September 30, 2020	**As of March 30, 2020**	**As of March 31, 2019**	**As of March 31, 2018**
	(in ₹ million)			
Claims against the Company not acknowledged as debt	4,024	3,483	2,409	2,464
Letters of Comfort	-	-	-	4,073
Letter of Credit, Bank Guarantee, Corporate Guarantee	34	34	6,585	2,019
Other money for which the Company is contingently liability				
Customs Duty	344	310	100	100
Service Tax	62	62	814	85
Provident Fund	22	22	-	-
Value Added Tax	1	1	1	0.0
Income Tax	277	317	323	522
Other Matters	331	325	59	27
Total Contingent Liabilities	5,095	4,554	10,291	9,289
Contingent Assets				
Consideration receivable as part of disposal of investment in associate	81	81	-	-

Note:

(1) Debt Obligations are as per consolidated financial statements incl. current and non –current borrowings, current maturities of Long Term debts and unpaid deposits

Application of new and revised Ind AS

The Company has applied all the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (the "**Ind AS**").

"Amendment to Ind AS 116:

The Ministry of Corporate Affairs ("**MCA**") has issued an amendment to Ind AS 116- Leases, vide notification in the official Gazette 24th July 2020. The amendment has provided a relief to lessees in accounting for the rental concessions agreed with the lessors. The amendment is in the form of an exemption and it is not mandatory to be applied. AHEL has elected to adopt this exemption. This amendment is effective from 1st April 2020.

In the current period, AHEL does not have any lease rent deferrals due to COVID -19 and have only received the benefit of lease rental waiver from the landlords. There will not be any change in the Right-to-use Asset or Lease liability. The benefit of the waiver has been recognised within rental expenses in the Statement of Profit and Loss."

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risk primarily related to changes in currency risk, interest rate risk and other price risk.

Our exposure to credit risk is primarily from trade receivables which are in the ordinary course of business influenced mainly by the individual characteristic of each customer.

Our exposure to currency risk is on account of borrowings and other credit facilities denominated in currency other than Indian Rupees. We seek to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by our policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. We do not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Our corporate treasury function reports quarterly to our risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

Market Risk

Our activities expose us to the financial risks of changes in foreign currency exchange rates and interest rates. We enter into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk using currency cum interest swaps.

Foreign currency risk management

We undertake transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilizing forward foreign exchange contracts.

The carrying amounts of our foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	**Liabilities as at**	**Assets as at**
	March 31, 2020	March 31, 2020
		(₹ in millions)
Foreign currency borrowings (in USD)	8	-
Foreign currency borrowings (in INR)	601	-
Trade Receivables (in USD)	-	1
Trade Receivables (in INR)	-	49
Trade Payables (in EURO)	7	-
Trade Payables (in INR)	568	-

The borrowings in USD are completely hedged against foreign currency fluctuation using forward contracts and Interest rate swaps. Therefore the exposure of foreign exchange risk is limited to unhedged borrowings and trade payables, trade receivables denominated in foreign currency for which below sensitivity is provided.

The following table details our sensitivity to a 10% increase and decrease in the ₹ against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the ₹ strengthens 10% against the relevant currency. For a 10% weakening of the ₹ against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

Particulars	**Impact of Foreign Currency Assets as at**	
	March 31, 2020	March 31, 2020 (₹ in millions)
	+10%	+10%
Impact on Profit or Loss of the year	(52)	52
Impact on Equity for the year	(52)	52

Interest rate risk management

We are exposed to interest rate risk because we borrow funds at both fixed and floating interest rates. The risk is managed by us by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts and forward rate contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, our profit for the year ended March 31, 2020 would decrease/increase by ₹ 149 million (Previous year: decrease/ increase by ₹ 136 million). This is mainly attributable to our exposure to interest rates on its variable rate borrowings.

Under interest rate swap contracts, we agree to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable us to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures on the issued variable rate debt. The average interest rate is based on the outstanding balances at the end of the reporting period. The cross currency interest rate swaps on external currency borrowings hedges the interest rate risk on the USD borrowing.

We had the following outstanding contract as of March 31, 2020 and we had no outstanding contract as of September 30, 2020.

Outstanding Contracts as of March 31, 2020	**Spot Rate**	**Foreign Currency**	**Nominal Amount**	**Fixed Interest Rate**	**Fair Value**
Contract 1	66.41	USD 8,000,000	531,280,000	9.20%	67.32

Credit risk management

Credit risk is a risk of financial loss to us arising from counterparty failure to repay according to contractual terms or obligations. Majority of our transactions are earned in cash or cash equivalents. The trade receivables comprise mainly of receivables from insurance companies, corporate customers, public sector undertakings, and state/central governments. The insurance companies are required to maintain minimum reserve levels and the corporate customers are enterprises with high credit ratings. Accordingly, our exposure to credit risk in relation to trade receivables is considered low. Before accepting any new credit customer, we use an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed annually. The outstanding with the debtors is reviewed periodically.

Refer to the notes to our Audited Consolidated Financial Statements and Interim Consolidated Financial Statements for the credit risk exposure, ageing of trade receivable and impairment methodology for financial assets.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by credit-rating agencies.

Equity price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/lower, profit for the year ended March 31, 2020 would increase/decrease by ₹ 35 as a result of the changes in fair value of equity investments. As at March 31, 2020, our Company has quoted investments only in Indraprastha Medical Corporation Limited.

Changes in accounting policies

Our Company has adopted accounting standards in accordance with applicable law, including adoption of Ind-AS 116 from April 1, 2019 and used modified retrospective approach, which has an impact on our reported consolidated assets, liabilities, income statement and cash flow statement. In addition, effective April 1, 2018, our Company has adopted Ind-AS 115 "Revenue from Contracts with Customers" using the modified retrospective approach, applied to contracts that were not completed as of April 1, 2018. In accordance with modified retrospective approach, the comparatives have not been retrospectively adjusted.

Significant developments after September 30, 2020

Except as disclosed in this Preliminary Placement Document, to our knowledge, no circumstances have arisen since the date of the last financial statements disclosed in this Preliminary Placement Document, which materially and adversely affect or are likely to affect, the trading, operations and profitability of our Company, or the value of our assets or our ability to pay material liabilities within the next 12 months.

Issuance of dividend

Pursuant to a resolution adopted by our Shareholders at the annual general meeting of our Company held on September 25, 2020, a final dividend of ₹ 2.75 per Equity Share was declared for Fiscal 2020 and was paid as recommended by our Board of Directors, out of the profits of our Company for Fiscal 2020. Such final dividend payout was made to our Shareholders after September 30, 2020.

INDUSTRY OVERVIEW

*The information contained in this section is taken from the report "Assessment of the healthcare delivery market in India" dated January, 2021 prepared and issued by CRISIL Research, a division of CRISIL Limited (the "**CRISIL Report**"). Neither we, nor any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.*

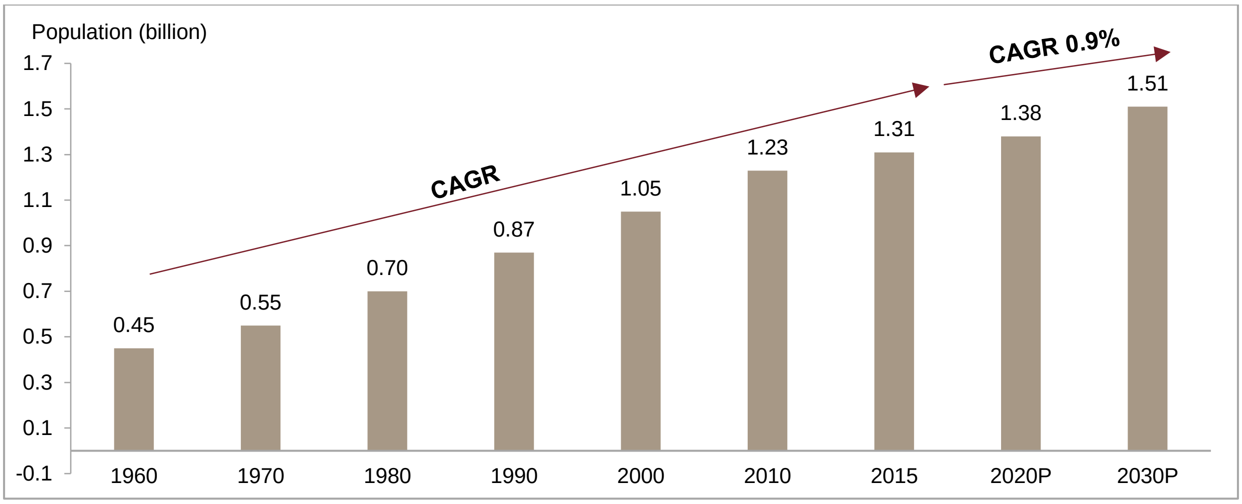
Fundamental growth drivers of GDP

By 2030, India's population is projected to touch 1.5 billion

India's population clocked 1.8% CAGR from 2001 to 2011 to reach ~1.2 billion and comprised nearly 246 million households, as per Census 2011.

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 India's population to 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 by 2030).

India's population growth



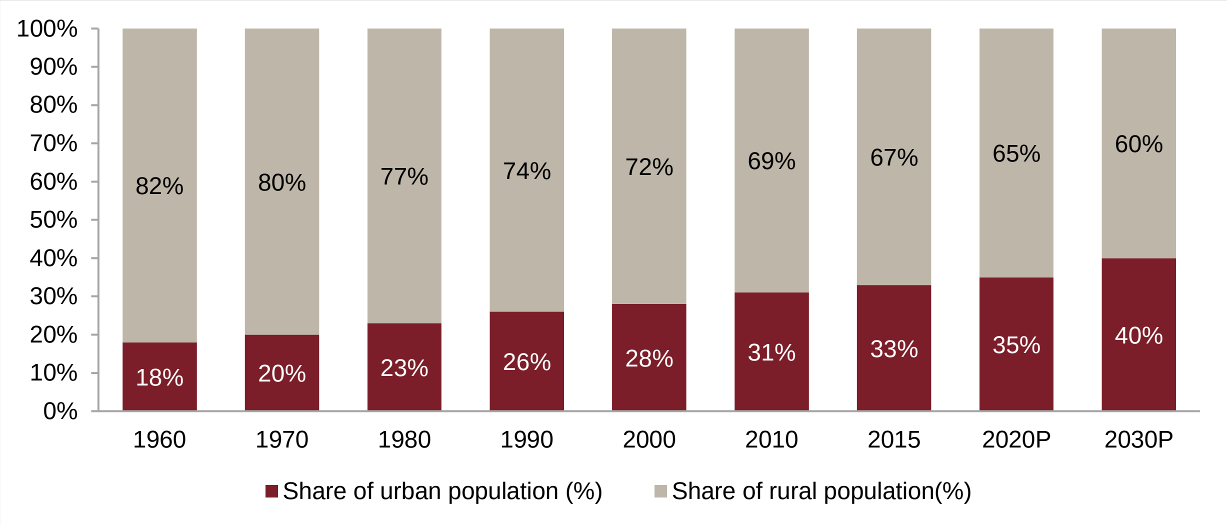
P: Projected

Source: World Urbanization Prospects: The 2018 Revision, United Nations, CRISIL Research

Urbanisation likely to reach 40% by 2030

According to the "World Urbanization Prospects: The 2018 Revision" by the United Nations, in 2018, China had the largest urban population, with 837 million urban dwellers, accounting for 20 per cent of the global total. China was followed by India, with 461 million urban dwellers, and the United States, with 269 million urban dwellers. The share of India's urban population, in relation to its total population, has been rising over the years and printed ~ 31% in 2010. This trend will continue, with the United Nations report projecting nearly 40% of the country's population will live in urban areas by 2030.

India's urban versus rural population



P: Projected

Source: World Urbanization Prospects: The 2018 Revision, United Nations, CRISIL Research

People from rural areas move to cities for better job opportunities, education and quality of life. The entire family or only a few individuals (generally an earning member or students) may migrate, while the rest of the family continues to live in the native, rural house.

Per capita income recorded 5% CAGR between fiscals 2012 and 2020

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

Per capita net national income at constant prices

	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20PE
Per capita net national income (₹)	63,462	65,538	68,572	72,805	77,659	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

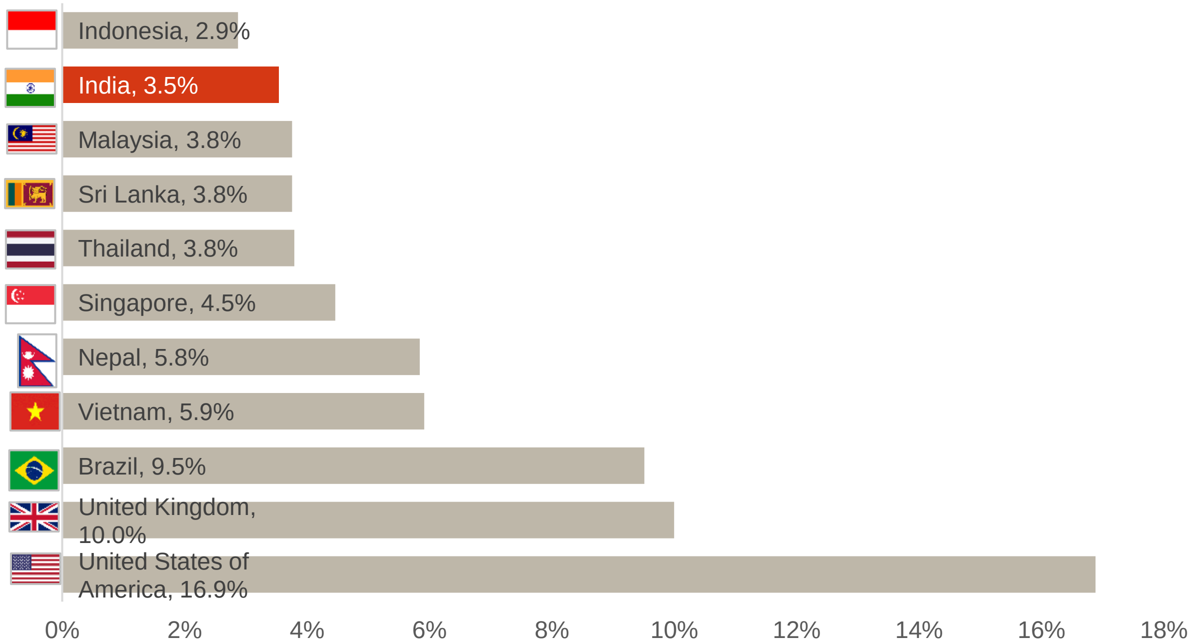
Source: Provisional Estimates of Annual National Income, 2019-20, Central Statistics Office (CSO), Ministry of Statistics and Programme Implementation (MoSPI), CRISIL Research

Social and healthcare related parameters

Along with the structural demand existing in the country and the potential opportunity it provides for growth, provision of healthcare in India is still riddled with many challenges. Key challenges among them are inadequate health infrastructure, unequal quality of services provided based on affordability and healthcare financing.

India lags peers in healthcare expenditure

– Total healthcare expenditure as % of GDP (2018)

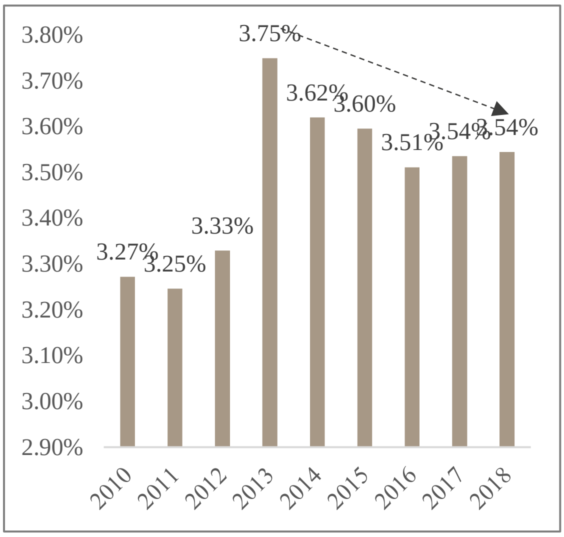


Source: Global Health Expenditure Database- World Health Organisation, CRISIL Research

According to the Global Health Expenditure Database compiled by the World Health Organisation ("**WHO**"), India's expenditure on healthcare was 3.5% of gross domestic product ("**GDP**") in 2018. India's real GDP in fiscal 2019 was ₹ 139.8 trillion (constant fiscal 2012 prices). Accordingly, the current healthcare expenditure in India during fiscal 2019 is estimated at ~₹ 4.9 trillion. India trails behind not just developed countries, such as the United States (US) and the United Kingdom (UK), but also developing countries, such as Brazil, Nepal, Vietnam, Singapore, Sri Lanka, Malaysia, and Thailand in healthcare spending as a percentage of GDP as of calendar year 2018.

India spends too little on its healthcare

Current healthcare expenditure as % of GDP in India (2010-2018)



Per capita current expenditure on health in USD (2018)

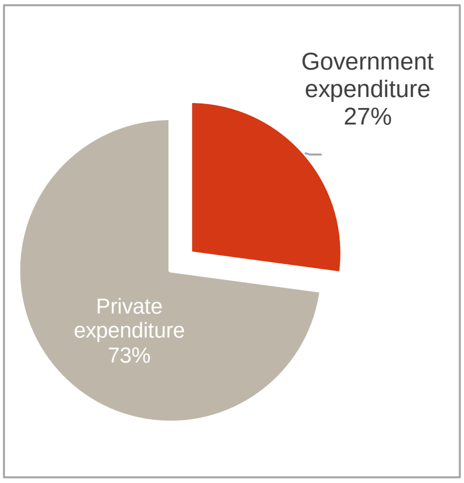
Source: Global Health Expenditure Database- World Health Organisation, CRISIL Research

India's current healthcare expenditure has decreased from calendar year 2013 to 2018. The skew, however, is more towards private expenditure as compared with public expenditure. Low healthcare expenditure in India is primarily due to the under-penetration of healthcare services and lower consumer spending on healthcare.

Further, the share of public spending on healthcare services remains much lower than global peers. For example, India's per-capita total expenditure on healthcare (at an international dollar rate, adjusted for purchasing-power parity) was only $73 in 2018 versus $10,624 for the US, $4,315 for the UK and $2,824 for Singapore.

Public healthcare expenditure is low, with private sector accounting for bulk

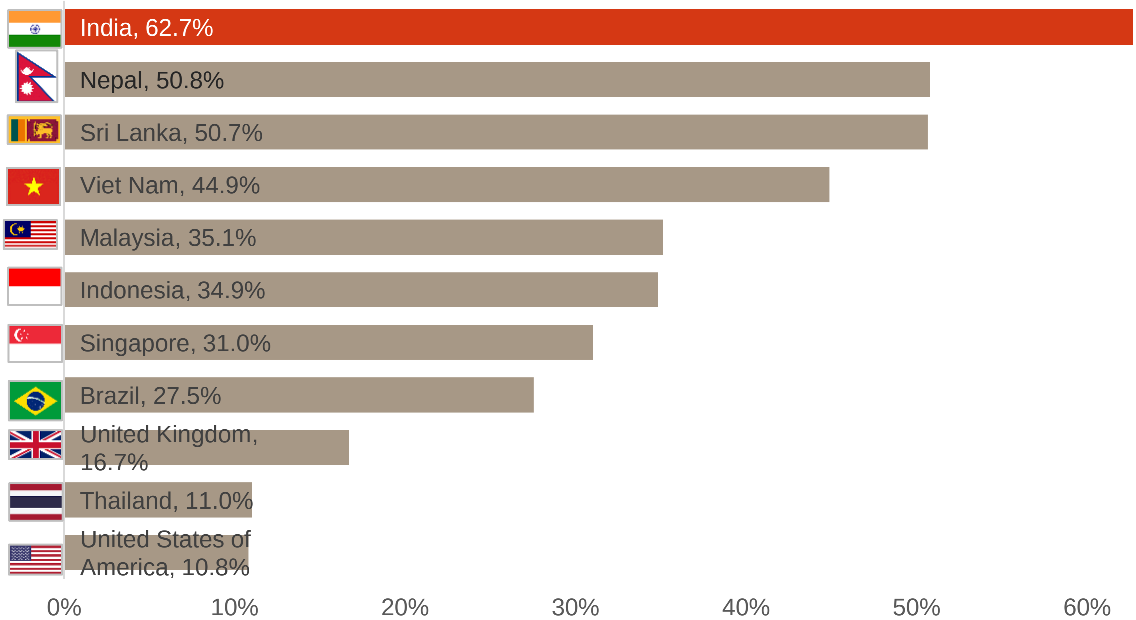
General expenditure on health as % of Current healthcare expenditure (2018)



- India's current healthcare expenditure is skewed more towards private expenditure as compared with public expenditure. Government expenditure on healthcare has remained range-bound at 20-30% of the current healthcare expenditure from calendar year 2010 to 2018. The rest of the expenditure is private in nature (expenditure from resources with no government control, such as voluntary health insurance, and the direct payments for health by corporations (profit, non-for-profit and non-government organisations) and households). However, the government aims to increase public healthcare expenditure to 2.5% of GDP from the current 1.2%, according to the National Health Policy - 2017.

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

Out-of-pocket as % of Current healthcare expenditure (2018)



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

In India, the OOP expenditure on health is nearly 63% of total health expenditure as of 2018 (highest among all the other countries compared above). In India, insurance cover does not cover out-patient treatments (only recently an insurance company has started covering out-patient department ("**OPD**") treatments under its health insurance), which makes OOP due to out-patient greater in comparison to in-patient treatments.

Nearly 25% of the rural population and 18% of the urban population are dependent on borrowings for funding their healthcare expenditure. And 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. An estimated 60 to 80 million people fall into poverty annually due to healthcare-related expenditure. However, with Pradhan Mantri Jan Arogya Yojana ("**PMJAY**"), the affordability aspect of healthcare expenditure is expected to be taken care of to some degree, especially for the deprived population.

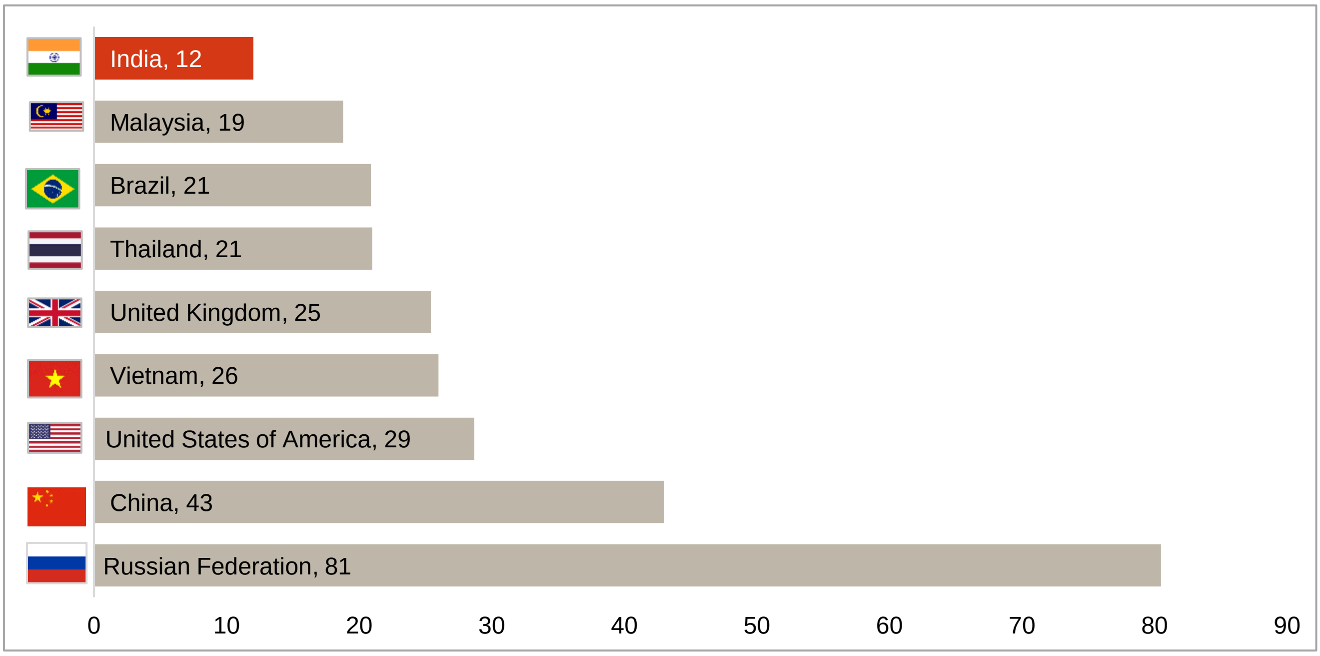
Though it represents a pain point in healthcare financing, it also means that there exists a substantial potential for those involved in provision of auxiliary healthcare services.

The quality of healthcare in a country can be gauged through the adequacy of healthcare infrastructure and personnel in that country which, in turn, can be assessed from bed density (bed count per 10,000 population) and the availability of physicians and nurses (per 10,000 population).

Health infrastructure of India in dire need of improvement

The adequacy of a country's healthcare infrastructure and personnel is a barometer of its quality of healthcare. For India, that's where the concern begins. The country comprises nearly a fifth of the world's population, but has an overall bed density of merely 12, with the situation being far worse in rural than urban areas. India's bed density not only falls far behind the global median of 29 beds, it also lags that of other developing nations, such as Brazil (21 beds), Malaysia (19 beds), and Vietnam (26 beds).

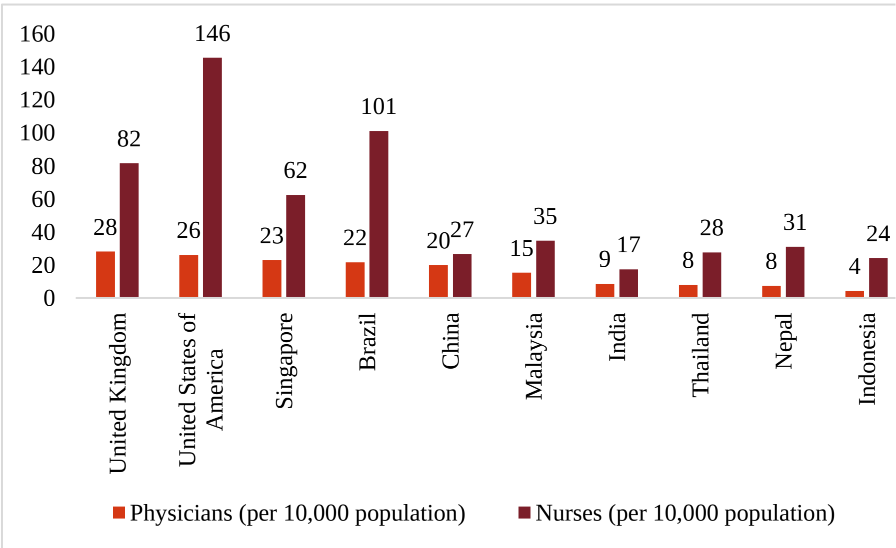
Bed densities across countries - hospital beds (per 10,000 population)

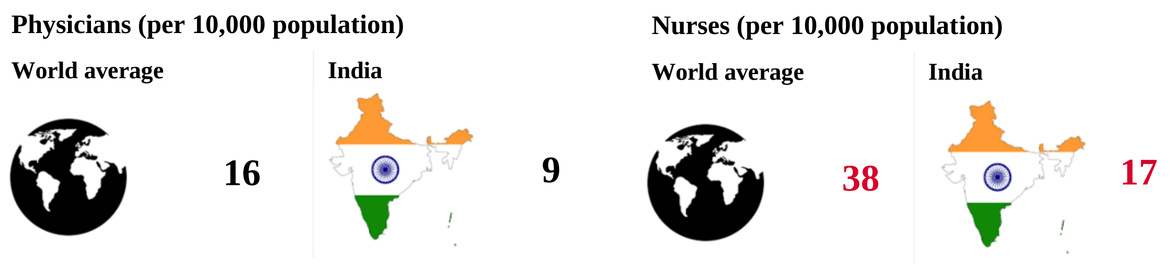


Note: India bed density is estimated by CRISIL Research

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

Healthcare personnel: India vs other countries





Source: WHO World Health Statistics 2020

The paucity of healthcare personnel compounds the problem. At nine physicians and 17 nursing personnel per 10,000 population, India trails the global median of 16 physicians and 38 nursing personnel. India lags behind Brazil (22 physicians, 101 nurses), Malaysia (15 physicians, 35 nurses) and other South East Asian countries on this parameter as well.

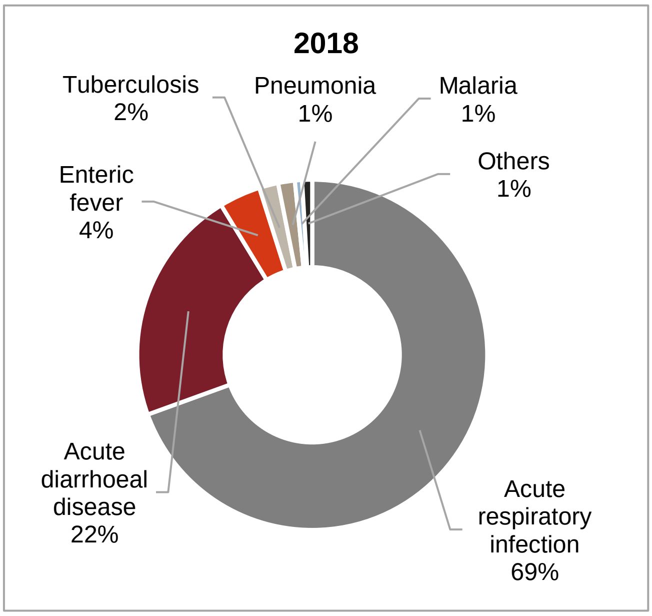
Disease profile in India

A review of communicable diseases in India

Overall, communicable diseases have been decreasing in India especially with a considerable fall in cases and deaths due to malaria, dengue, chikangunya, chicken pox, encephalitis, and viral meningitis.

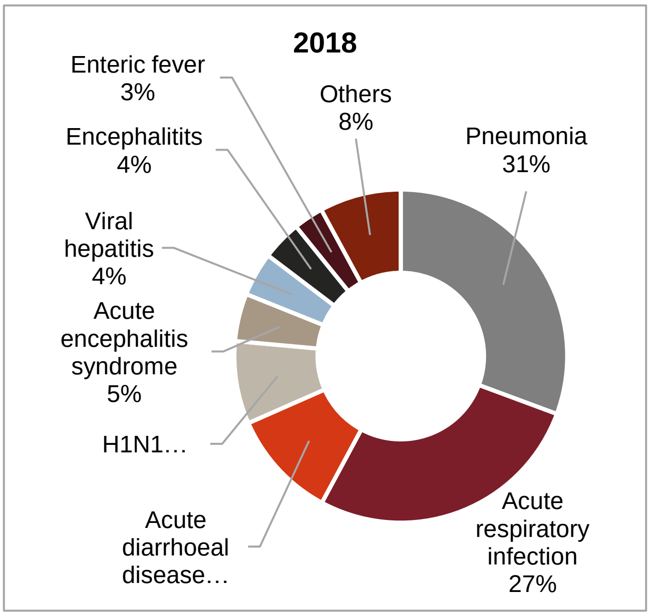
Morbidity reported on major communicable disease

Among the various communicable diseases reported by the States/union territories (UTs) during 2018, the following communicable diseases accounted for the maximum percentage of cases reported:-



Mortality reported on major communicable disease

Among the various communicable diseases reported by the states/UTs during 2018, the following communicable diseases accounted for the maximum percentage of deaths reported:-

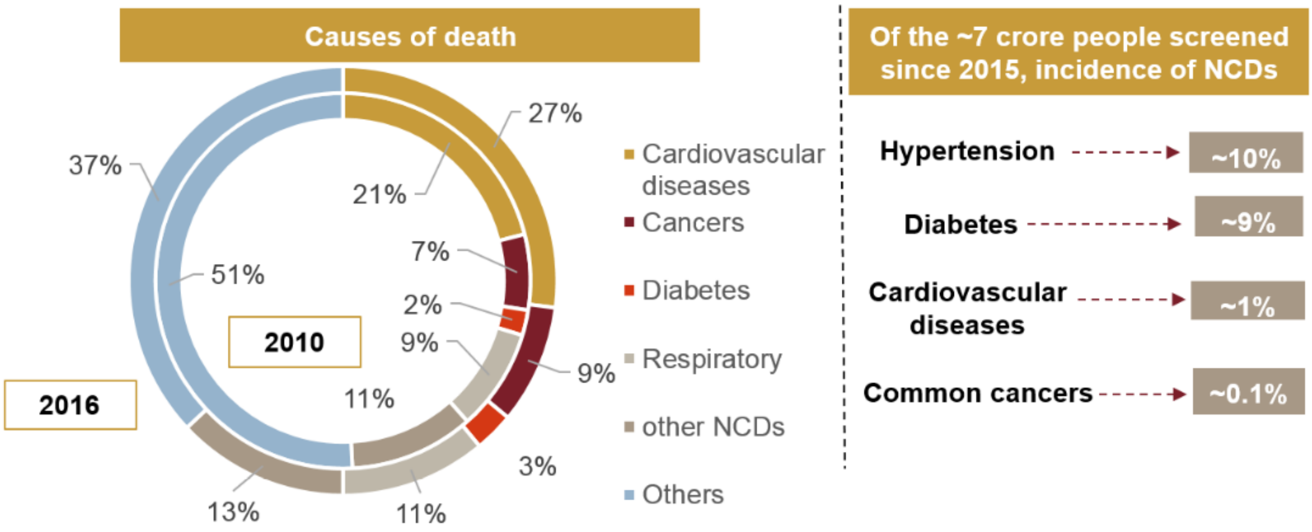


Source: National Health Profile-2019, CRISIL Research

Pneumonia deaths were the highest in 2018. During the year, acute respiratory infection was one of the most prevalent diseases in India both in terms of morbidity as well as reason for deaths; it was followed by acute diarrhoeal disease. Taken together, pneumonia, acute respiratory infection and acute diarrhoeal disease accounted for 68% of deaths during 2018. Communicable diseases such as enteric fever, tuberculosis, pneumonia, malaria and others formed a smaller share of the total morbidity reported during 2018.

A review of non-communicable diseases in India

Disease epidemiology shifting towards lifestyle diseases



Source: WHO global burden of disease, National Health Profile-2019, CRISIL Research

As opposed to the decreasing rate in communicable diseases, lifestyle-related illnesses or non-communicable diseases (NCDs) have been increasing rapidly in India over the past few years. The contribution of NCDs to the disease profile has risen from 30% in 1990 to 55% in 2016. Statistics show these illnesses accounted for nearly 62% of all deaths in India in 2016.

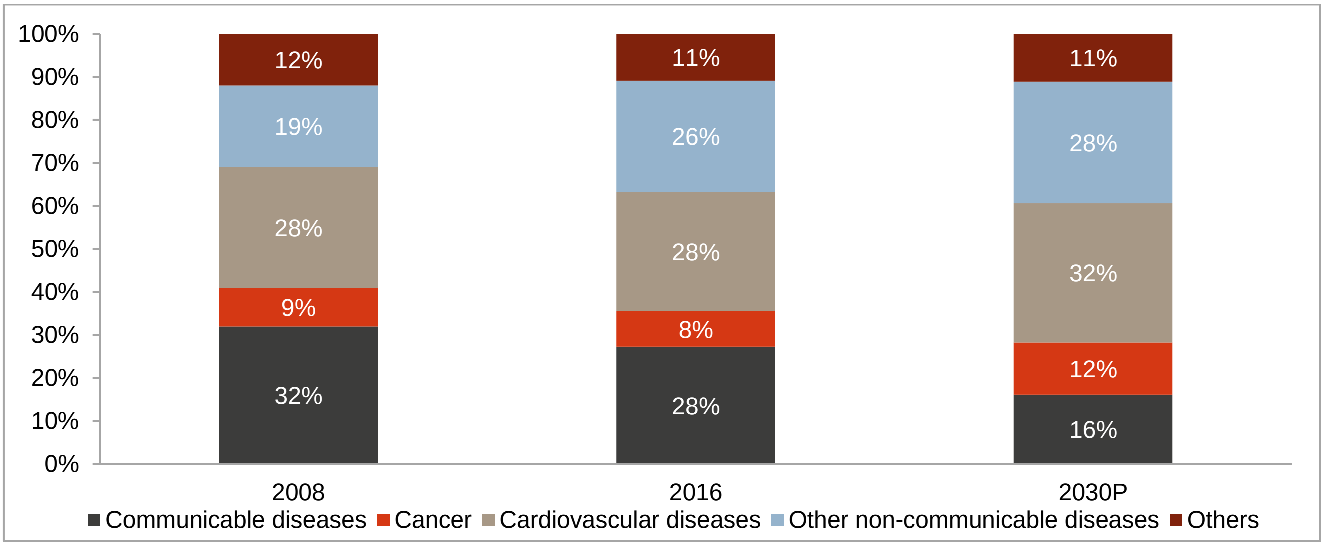
As per the World Economic Forum, the world will lose nearly $30 trillion by 2030 for treatment of NCDs and India's burden from this will be $5.4 trillion.

In 2016, of the total disease burden, the contribution of the group of risks (unhealthy diet, high blood pressure, high blood sugar, high cholesterol, and overweight) which mainly cause ischemic heart disease, stroke and diabetes has risen to nearly a quarter. The combination of these risks was highest for Punjab, Tamil Nadu, Kerala, Andhra Pradesh, and Maharashtra, but has increased in all other states as well. There were 380 lakh cases of cardiovascular diseases in 2005 which rose to nearly 641 lakh cases in 2015.

Non-communicable diseases: A silent killer

CRISIL Research believes NCDs exhibit a tendency to increase in tandem with rising income levels. WHO projects an increasing trend in NCDs by 2030, following which CRISIL forecasts demand for healthcare services associated with lifestyle-related diseases such as cardiac ailments, cancer and diabetes, to rise. Another emerging market in the country is orthopaedics, which currently comprises a very small proportion compared with NCDs, but has a potential market in the country. The orthopaedics market can be classified into four different segments, viz., knee, hip, trauma, and spine, of which the knee replacement market holds the biggest share, followed by trauma and spine. Hip replacement in India is still a very small segment compared with knee replacement, whereas it is opposite around the world.

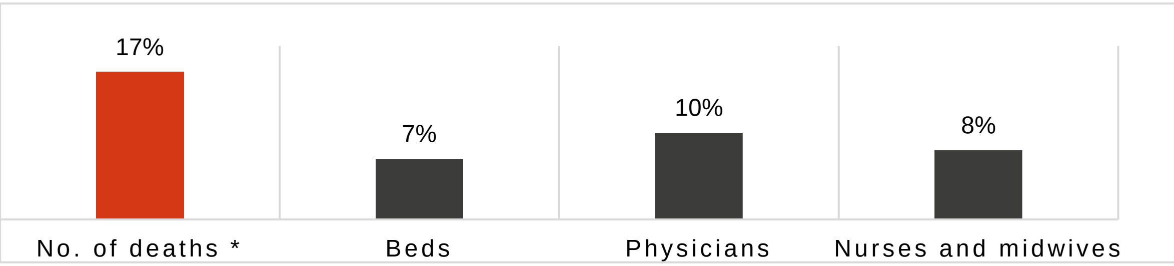
Causes of death in India



Source: WHO global burden of disease, India: Health of the Nation's States, CRISIL Research

India's share in deaths due to disease high compared to the world total but low in terms of infrastructure

India's share in deaths due to diseases as a percentage to world is 17%, while its share of healthcare infrastructure is much lower with only 7% of global hospital beds, 10% physicians and 8% nursing staff.

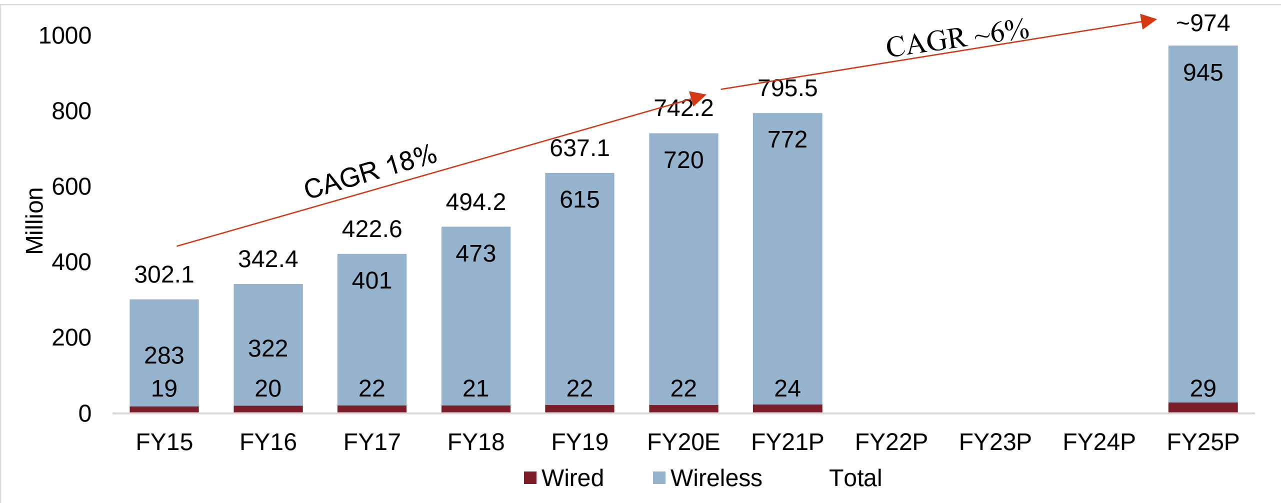


** Annual no. of deaths in India (CY2017) caused due to disease have been considered as compared to that of the world*

Source: Institute for Health Metrics and Evaluation (IHME), Global Burden of Disease, WHO, CRISIL Research

An overview of the total internet subscriber base in India

Wireless and wireline subscriber trend and forecast



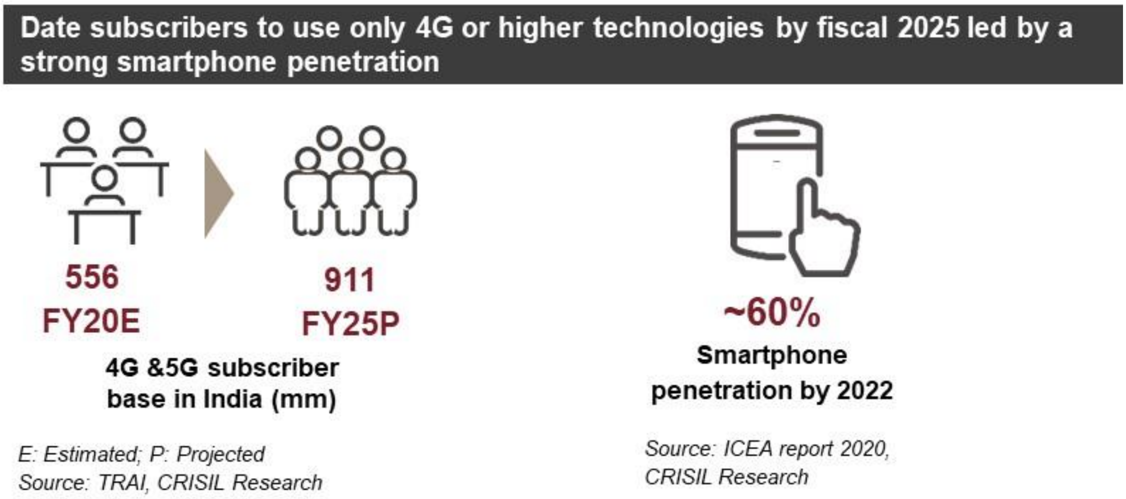
Note: Narrowband comprises subscribers surfing the internet at speeds lower than the minimum broadband limit stipulated by the Telecom Regulatory Authority of India (512 kbps)

In case of wireless networks, 2G internet subscribers have been considered under narrowband, while 3G and 4G internet subscribers would fall under broadband

E: Estimated; P: Projected

Source: Telecom Regulatory Authority of India, CRISIL Research

Affordable 4G devices, operators' push, and mass rollout of VoLTE to further aid adoption of wireless internet in India

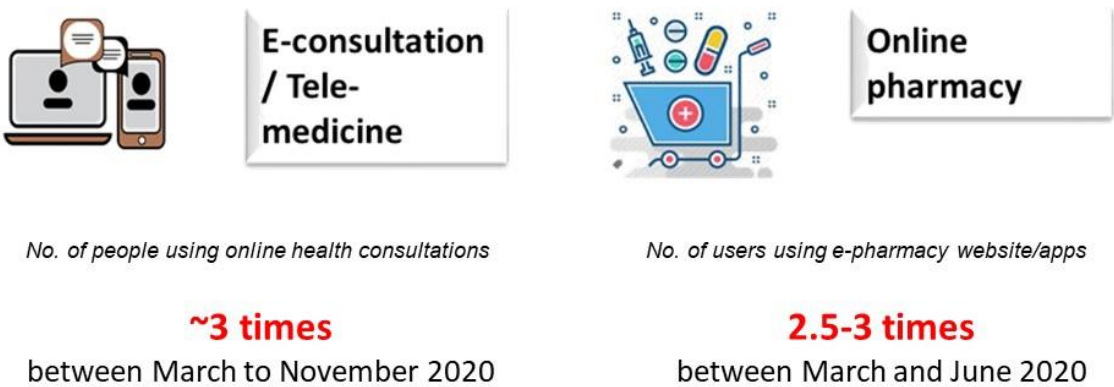


The 4G device ecosystem is also improving, as 4G feature phones/smartphones are becoming more and more affordable. Device proliferation at lower price points (as low as ₹ 1,500 for a 4G feature phone and approximately ₹ 2,700 for a 4G smartphone) will hasten the switch to 4G services.

Telecom operators are partnering with handset manufacturers and providing value propositions, such as instant financing, monthly instalments, and built-in post-paid plans, to attract new 4G subscribers. In addition, incumbents have launched voice services over the VoLTE technology, which will aid growth in the 4G subscriber base. VoLTE services provide faster call connectivity compared with normal calls. However, the incompatibility of VoLTE with existing 4G smartphones will hinder the adoption of VoLTE in the short term. But, all new 4G smartphone launches are VoLTE enabled, which will drive growth over the long term.

India's 4G data rates are also among the lowest in the world. Hence, a combination of affordable handsets, growing consumer preference for data on the go, and affordable data tariffs are set to accelerate the adoption of wireless internet in India.

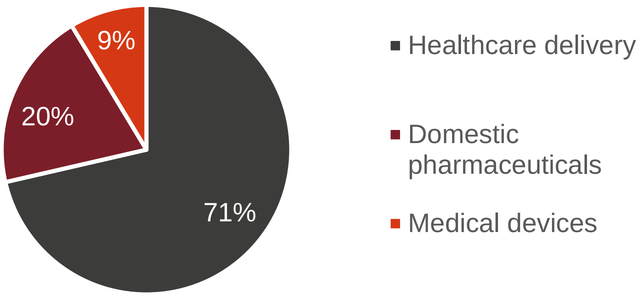
Online spends during COVID-19 towards healthcare sector



On account of the lockdown owing to COVID-19 pandemic in India during the last week of March 2020, there has been higher dependence on the internet in order to serve basic healthcare needs of individuals. Convenient, affordable and personalized treatments have been preferred as opposed to traditional hospital based treatments. Increasing use of e-pharmacy websites/apps have been evident as the number of users using e-pharmacy website/apps shot up nearly 2.5-3 times between March and June 2020. E-consultation/tele-medicine also gained impetus as they omitted the need to visit hospitals. The number of people using online health consultations increased 3 times between March to November 2020 as per a recent report published by Telemedicine Society of India named 'Rise of Telemedicine - 2020'.

The advent of 5G, artificial intelligence and machine learning is expected to accelerate online spending towards healthcare further.

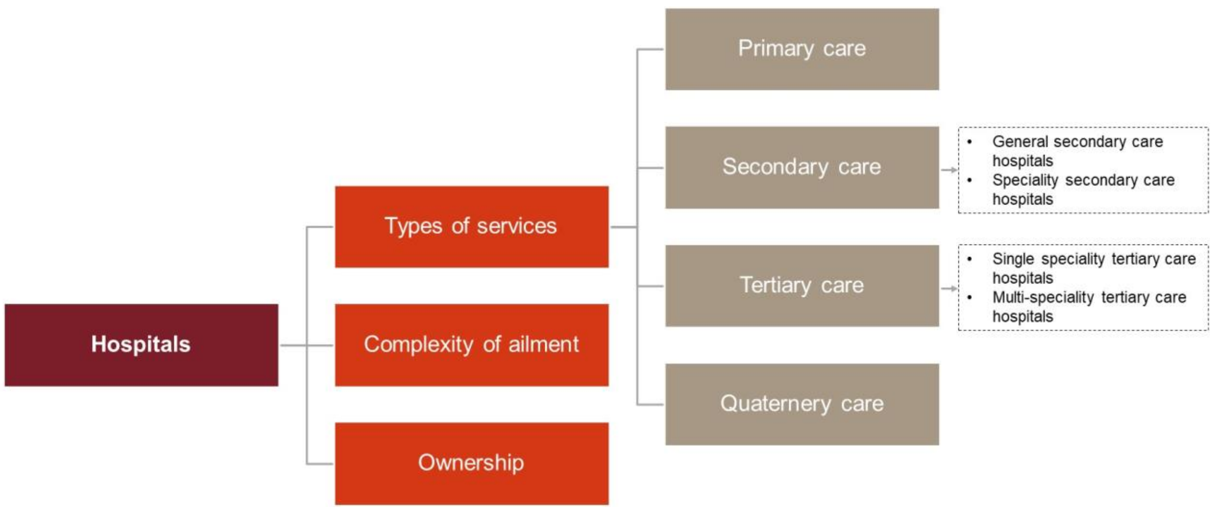
Overview of the healthcare delivery industry in India



Source: CRISIL Research

CRISIL Research estimates the healthcare delivery market, consisting of hospitals and diagnostic centres to account for a major share within the pie of the healthcare market. The healthcare delivery accounts for 71% of the share in the overall pie followed by 20% share of the domestic pharmaceutical market and 9% by the medical devices market as of fiscal 2020.

Classification of hospitals



Classification of hospitals based on services offered

Primary care / dispensaries / clinics

Primary care facilities are mainly outpatient units that offer basic, point-of-contact medical and preventive healthcare services, where patients come for routine health screenings and vaccinations. These units do not have any intensive care units ("**ICU**") or operation theatres. Primary care centres also act as feeders for secondary care / tertiary hospitals, where patients are referred to for treatment of chronic/serious ailments.

Secondary care

Secondary care facilities diagnose and treat ailments that cannot be treated in primary care facilities. These act as a second point of contact in the healthcare system. There are two types of secondary care hospitals - general and specialty care.

- General secondary care hospitals

  A general secondary care hospital is the first hospital a patient approaches for common ailments. It typically attracts patients staying within a radius of 30 km. The essential medical specialties in general secondary care hospitals include: internal medicine, general surgery, obstetrics and gynecology, pediatrics, ear-nose-throat ("**ENT**"), orthopedics and ophthalmology. Such a hospital will have one central laboratory, a radiology laboratory and an emergency care department. Generally, secondary care hospitals have 50-100 in-patient beds, a tenth of which are allocated for the ICU segment. The remaining beds are equally distributed between the general ward, semi-private rooms and single rooms.

- Speciality secondary care hospitals

  These hospitals are located in district centres, treating patients living within a radius of 100-150 km. They usually have an in-patient bed strength of 100-200, 15% of which are reserved for critical care units. The balance is skewed towards private rather than general ward beds. Apart from the medical facilities offered by a general secondary care hospital, specialty secondary care hospitals treat ailments related to gastroenterology, cardiology, neurology, dermatology, urology, dentistry and oncology. These hospitals may also offer some surgical specialties, but they are optional, albeit desirable for such a hospital. Diagnostic facilities in a speciality secondary care hospital include: a radiology department, biochemistry, haematology and microbiology laboratories and a blood bank. They also have a separate physiotherapy department.

Tertiary care

Tertiary care hospitals provide advanced healthcare services, usually on referral from primary or secondary medical care providers.

- Single-speciality tertiary care hospitals

  A single-speciality tertiary care hospital caters a particular ailment (such as cardiac ailments, cancers, etc.). Prominent facilities in India include: the Escorts Heart Institute & Research Centre (New Delhi), Tata Memorial Cancer Hospital (Mumbai), HCG Oncology (Bengaluru), Sankara Nethralaya (Chennai), National Institute of Mental Health & Neuro Sciences (NIMHANS, Bengaluru), and Hospital for Orthopaedics, Sports Medicine, Arthritis and Trauma (HOSMAT, Bengaluru).

- Multi-speciality tertiary care hospitals

  Multi-speciality tertiary care hospitals offer all medical specialities under one roof and treat complex cases such as multi-organ failure, high-risk and trauma cases. Most of these hospitals derive a majority of their revenue through referrals.

  Typically, such hospitals are located in state capitals or metropolitan cities and attract patients staying within a 500 km radius. They have a minimum of 300 in-patient beds, which can go up to 1,500 beds. About one-fourth of the total beds are reserved for patients in need for critical care. The medical specialities offered include: cardio-thoracic surgery, neurosurgery, nephrology, surgical oncology, neonatology, endocrinology, plastic and cosmetic surgery, and nuclear medicine. In addition, these hospitals have a histopathology laboratory and an immunology laboratory as a part of its diagnostic facilities. Prominent examples of such hospitals include Lilavati Hospital and Hiranandani Hospital in Mumbai, and NIMS in Hyderabad.

Classification of hospitals by facilities / services rendered

	Primary care	Secondary care	Tertiary care
Services	Provides all services as required for the first point of contact	Provides all services as required, including organised medical research	Provides all services as required, including provision for experimental therapeutic modalities and organised research in chosen specialities
Multi-disciplinary	Yes	Yes	Single- or multi-speciality
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

Classification based on complexity of ailment

Healthcare delivery may also be classified as primary, secondary and tertiary, on the basis of the complexity of ailment being treated. For e.g., a hospital treating heart diseases may be classified as a primary facility if it addresses conditions such as high cholesterol; as a secondary facility if it treats patients suffering strokes; or as a tertiary facility if its deals with cardiac arrest or heart transplants.

Review of business models for healthcare delivery

Emerging business models in the hospitals industry

Lease contracts

In the hospitals sector, the ownership model has become a costly affair because of the sharp increase in land prices, especially in metros and Tier I cities, over the past few years. This has compelled private players to look for other models, such as lease contract. In a lease contract, the land owner develops the hospital building as per specifications given by the private player, who in turn, enters into a long-term lease agreement with the land owner.

Operation and maintenance ("O&M") contracts

Under an O&M contract model, a large private player (or a hospital chain) undertakes a contract for managing a standalone hospital and overseeing functions such as marketing, operations, finance and administration. In return, the private player receives a fixed annual management fee and share in revenue or profits from the standalone hospital's owners. Apollo Hospitals and Fortis have entered into such contracts to expand their base in India. For e.g., Fortis has entered into an O&M contract with Cauvery Hospital in Mysuru. Apollo Hospitals also has some hospitals under the O&M model in its portfolio.

Medicities (one-stop centres)

Medicities are an integrated township of super-speciality hospitals, diagnostic centres, medical colleges, research and development (R&D), ancillary and subservient facilities. The concept of medicity is based on models already operating in countries such as Scotland, the US, France and Algeria. Prominent medicities in India are: Medanta, Narayana Hrudayalaya and Chettinad Health City, located in Gurgaon, Bengaluru and Chennai, respectively. However, the success of a medicity depends on its location and the ability to attract more in-patients. Due to large land requirements, health cities are often situated in the outskirts of a city, and hence attracting patients could be a challenge, unless requisite infrastructure for transportation is available.

Franchise arrangements

In this model, the franchisees obtain the premises (owned or leased) and bring in the capital (both fixed and working), while the franchisor lends the brand name to the healthcare facility for a fee. The franchisor has to ensure that the service quality is maintained across all healthcare centres that use its brand name. It may also help the franchisee in training and recruiting staff, procuring equipment, designing the facility, etc.

Expansion into Tier II and Tier III cities through primary, secondary hospitals

Private players are now foraying into Tier II and Tier III cities as income levels in these cities are fast catching up with those in metros and tier-I cities, and these regions also hold the major share of unmet healthcare demand. Some of the major hospital chains are also expanding into these regions at different price formats, thereby creating a continuum of care, with provision of higher super speciality services in metros / Tier I locations.

These are also some chains which predominantly operate only in Tier II and Tier III cities, such as Paras Healthcare and Shalby Hospitals

Emerging technologies in healthcare delivery

The healthcare industry, like other industries, is constantly evolving in terms of technology. Developments in information technology have helped create systems which ensure faster and reliable services. While, on one hand, these systems help increase the reach and quality of healthcare delivery systems across the country, on the other, they also enable healthcare delivery providers to improve efficiency by helping them in resource planning, maintaining patient records, etc. CRISIL Research believes that with the advent of 5G, smartphone penetration and increasing health conscious population, digital healthcare penetration will grow significantly.

Electronic health records ("EHRs")

EHRs are designed to manage detailed medical profile and history of patients such as medication and allergies, immunisation status, laboratory test results and radiology images. Information stored in EHRs can be in a combination of various formats including picture, voice, images, graphs and videos. Besides storing information, EHRs have the capability of analysing data with respect to a specific ailment, generating customised reports, setting alarms and remainders, providing diagnostic decision support, etc.

EHRs can be shared between multiple systems allowing doctors from various specialties and hospitals to share the same set of patient data. This feature helps improve coordination between doctors, saves time and prevents redundancy of recreating medical records. EHRs allow medical histories to be transferred quickly and accurately thereby ensuring effective and timely treatment. They can be secured with various privacy settings.

Artificial Intelligence ("AI") and blockchain

Healthcare establishments like hospitals are looking at opportunities to deploy AI or/and blockchain in improving their operating efficiency – scheduling appointments depending on the gravity of the issue, healthcare monitoring, etc., thereby minimising human error through technological intervention. For e.g., NITI Aayog has extended its support to an AI based project - Radiomics, which is also supported by Tata Memorial Centre Imaging Biobank. Max Healthcare is in the process of piloting AI and Machine Learning algorithms for prediction of readmission of myocardial infractions, along with being involved in a project concerning speech to text technology for accurately capturing clinical and radiology information in the systems.

The partnership is beneficial not just for the hospitals, but also for the tech companies which test these technologies on hospital patient data, like Google trying to use AI for detecting diabetic retinopathy at Aravind Eye Care hospitals.

Radiology information system ("RIS")

RIS is a tool that allows managing digital copies of medical imagery such as X-ray, MRI, ultrasound, and associated data on a network. RIS is used by doctors to access medical imagery data from multiple locations. It is connected to medical equipment such as X-ray, MRI and ultrasound machines, which generate diagnosis results in the form of images and graphs.

The RIS directly captures results and feeds them to EHRs, central databases or remote databases. RIS systems are integrated with a dedicated picture archiving and communication modules which ensures that the pictures are stored in a systematic manner and transferred accurately to the intended database or recipient.

Implementation of RIS allows hospitals eliminate the need of generating and maintaining medical imagery on expensive films. RIS enable hospitals to store complete radiology history of patients together. This feature allows generating detailed analytical reports on patient's medical history.

Clinical decision support system ("CDSS")

CDSS is a software designed to assist doctors in taking decisions pertaining to the diagnosis and treatment of patients. A CDSS is supported by a large database which has detailed information on ailments with data aspects ranging from symptoms to the diagnosis. The database is supported by a set of rules which help generate accurate results for the query made by the user. It also contains patient specific information such as medical history, allergies, etc., which helps the doctors to make effective decisions on the treatment. CDSS databases are open-ended to allow addition of information on newly discovered diseases, procedure and medications, rectification of erroneous procedures, and updating of patient information.

Mobile-based application

Healthcare delivery is also seeing an influx of mobile-based applications (mobile apps) which assist both doctors as well as patients. These apps typically provide features such as self-diagnosis, drug references, hospital/doctor search and appointment assistance, electronic prescriptions, etc. While certain apps allow doctors to obtain information on drugs, dosage, contradictions, disease and condition references and procedures, there are others which allow patients to locate doctors and fix appointments and also view video consultations. Furthermore, there are apps that help patients save their medical records and keep them updated regularly.

Even the government is looking into adopting these measures with the launch of "**UMANG**" (Unified Mobile Application) which offers 242 services across 57 departments in 12 states. It has a feature to book hospital appointments, check blood availability and view medical reports online upon registration.

Telemedicine

Telemedicine is a technology designed to increase accessibility of healthcare services from remote locations. Telemedicine makes extensive use of information technology to create a connection between doctors at the main hospital and patients at the remote / telemedicine centre. The doctor analyses the patient through telephonic conversation or video conferencing. She/he is assisted by a junior doctor or health worker who is physically present at the telemedicine centre. The junior doctors physically examine the patient and convey the information to the doctor. The doctor communicates diagnosis and medication based on the inputs provided by the junior doctors. If the ailment is complex, then the patient is advised to get admitted at the main hospitals to avail of intensive care. This model is useful in healthcare service provision at a time there is a dearth of healthcare professionals in the country.

Robotic surgery

Robotic surgery or robot-assisted surgeries ("**RAS**") is surgery conducted using a robotic arm that is controlled electronically using a control pad which may be located at a local or remote location and is also equipped with high-definition cameras allowing surgeons to take a closer look at the areas being operated. Since RAS can be performed from remote locations, it allows patients to avail of treatment from the desired specialist surgeons across the world without having to travel. Robot assisted surgeries have been used to conduct general surgeries, bypass surgeries, colorectal surgeries, gastrointestinal surgery, neurosurgery, orthopaedic surgeries, etc.

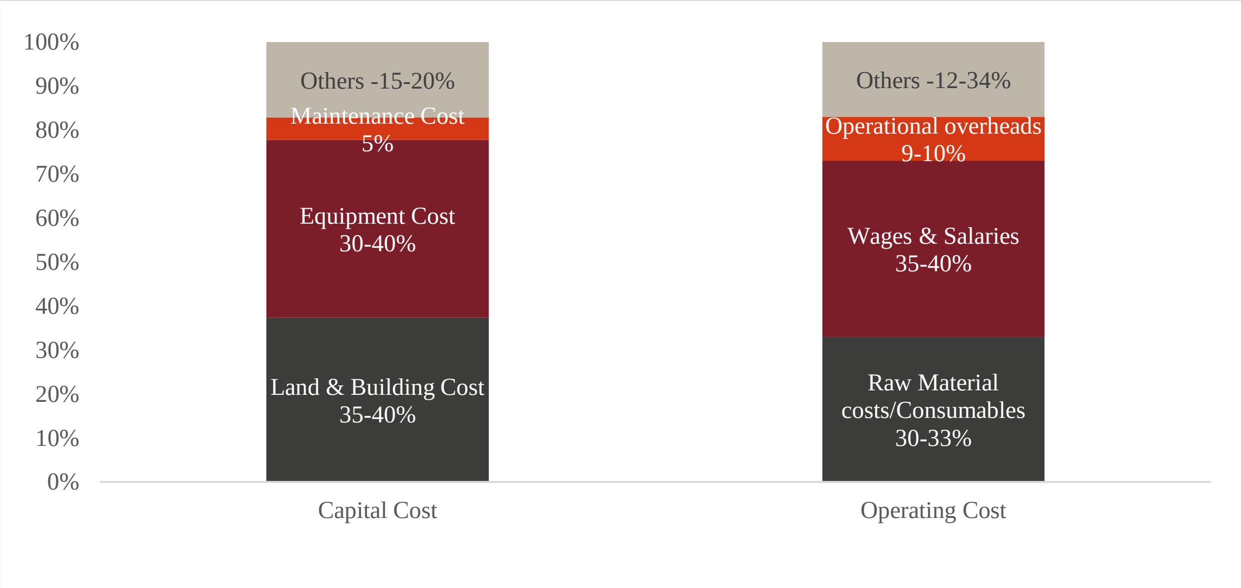
Wearables and sensors

With awareness regarding healthcare increasing, people have started adopting wearables and sensors which keep a track of the vitals of the user. It also has data about the user's historical health records and sends out alerts in case of any irregularities. Some sensors are used solely from a curative healthcare perspective, to lead a healthy life with a proper fitness regimen.

Review of revenue and cost structure of hospitals

Hospitals derive bulk of their revenue from in-patient department ("IPD")

The main revenue stream of hospitals are the IPD and OPD. In most hospitals, the OPD contributes three-fourths of total volumes. However, in revenue terms, the IPD account for as much as 76% of overall revenue. This ratio could vary with hospitals, depending on the type of services rendered and the ailment mix.
Cost structure of hospital



Source: CRISIL Research

Capital costs

Capital cost to build a tertiary care hospital in tier-I city is in the range of ₹ 10-12 million per bed, excluding land cost. For secondary-care hospitals, the cost would hover around the lower than the above mentioned range and the cost for super-specialty tertiary care hospitals would be higher as high end technology and equipment costs are involved. Use of imported equipment can further drive up equipment costs. The two key capital cost components are land and building development costs and equipment costs.

- Land and building cost: This usually form 35-40% of the total project cost. Land cost varies with location. In some cases, land is offered at a concessional rate by the government. However, after obtaining land at cheaper rates, hospitals may have contractual obligations to treat a certain percentage of patients (belonging to the lower income category) free of charge and/ or at a subsidised rate every year.

- Equipment costs: These form 30-40% of the total project cost (subject to variations depending on the sophistication of the equipment purchased). MRI, linear accelerators and CT scan machines are some of the expensive equipment, costing ₹ 50-100 million. As these equipment rapidly become obsolete, hospitals need to set aside resources periodically for technology upgradation (as it directly impacts patient outcomes). Moreover, the maintenance cost for high-end equipment is typically around 5% of the capital cost. In the case of tertiary care hospitals, most of the high-end diagnostic and surgical equipment are imported. Equipment costs vary across hospitals, depending on the type of ailment the hospital specialises in.

Players with available land bank in top metro cities have an inherent advantage

Biggest capital cost incurred by hospitals while expanding/entering into top cities is for the procurement of land in the city. Players with available land bank in top cities create an entry barrier for other players to enter a particular market. Apart from cost of land, availability of land in top cities is also a huge factor. For example, availability of land in Mumbai city for a large multi-speciality hospital is scarce and would cost huge capital. Hence, player with available land bank in Mumbai would have an inherent advantage to expand in the market.

Hospitals must manage operating cost efficiently to be able to service their debt obligations and remain profitable:

- Raw material costs/ consumables: Typically, cost of raw materials (including drugs, medical consumables, diagnostic consumables and other items, such as linen, etc.) accounts for 30-33% of overall operating cost for a hospital. This cost can be managed through effective inventory management and effective sourcing of raw materials that are lower priced.

- Wages and salaries: These form the biggest chunk accounting for 35-45% of overall operating cost. While salaries are fixed costs, consultants' fees can be linked to operations, making it a variable expense. The bed-to-staff ratio also varies from 1:3 to 1:5, with multi-specialty and super-specialty hospitals having a higher ratio. The employee cost of a hospital is also dependent on its doctor-engagement model.

- Operational overheads: Overheads account for 9-10% of operating costs, the highest component being power and fuel (energy) consumption.

Review and outlook

Momentary blip for private hospitals this fiscal, growth to continue in long term

CRISIL Research estimates the Indian healthcare delivery market at ₹ 4.4 trillion in value terms in fiscal 2021, with the increased government expenditure to combat COVID-19 supporting the sector's growth. Private hospitals are expected to witness a decline in revenue during current fiscal.

Overall healthcare delivery market

Healthcare delivery industry to grow 17-18% over next five years

The healthcare delivery industry has clocked a CAGR of 12-14% over fiscals 2016-2020E. During the period, government healthcare spending grew 7-8%, slower than that of the private healthcare services which stood at 15-17% CAGR. The hospital industry growth is expected to slow down to 1-2% in the current fiscal due to the pandemic. The government's healthcare spending is expected to grow 25-30% in the current fiscal mostly to battle the pandemic. As against this, the private sector is expected to de-grow 10-15%. But once the infections subside, CRISIL Research expects private players to regain their momentum and drive industry growth.

CRISIL Research estimates the healthcare delivery industry size at ₹ 4.4 trillion in fiscal 2021. This includes both inpatient treatments, which form almost 70% in value share, and outpatient consultations accounting for the balance 30%. While the government's share is estimated at 34-36%, the private sector enjoys lion's share of 64-66%. Within the private sector, large hospitals form only 10-15% of the industry with the balance dominated by small and medium hospitals, indicating the fragmented nature of the industry.

Over the last four years, major hospital chains increased the supply (~ 70% of their incremental supply came during the period) in tier-II and -III locations. This was aimed at creating a referral network into their main centre by tapping into the underserved creamy tier-II areas. Other contributors to the demand are more structural in nature, such as increase in lifestyle-related ailments, increasing medical tourism, rising incomes and changing demography.

PMJAY to support incremental growth rate of hospital sector above the historical growth rate of 12-14%
Hospital sector is expected to clock a strong compounded annual growth rate of 17-18% over the period of upcoming five fiscals. Industry which grew by ~12-14% CAGR over the period FY16-20 is expected to grow faster than the historical growth rates due to renewed impetus from PMJAY. The hospital market is expected to reach ₹ 7.3 trillion by fiscal 2024.

In India, healthcare services are provided by the government and private players, and these entities provide both IPD and OPD services. However, the provision of the services is skewed towards the private players (both for IPD and OPD). This is mainly due to inadequate healthcare spending by the government and huge burden on the existing state health infrastructure. The share of treatments (in value terms) by private players is expected to increase from ~ 68% in fiscal 2020 to nearly 75% in fiscal 2024, though the share would see a slight fall in the current fiscal.

The skew is more towards the private players as their expansion plans are centred on it, further buttressed by coverage of hospitalisations under the PMJAY scheme. The share of the IPD (in value terms) is expected to grow from 69% in the current fiscal to nearly 75% by fiscal 2024.

Impact of COVID-19 on healthcare delivery market

The healthcare delivery market saw reduced footfalls during the lockdown, including deferral of surgeries, which impacted cash flow of players. However, the market is driven by strong fundamentals, conducive government policies, improving affordability and geographical diversification of hospital players and the pace of the sector's growth in the medium term remains robust.

Trade-off between COVID-19 and non-COVID-19 care sullies industry outlook in near term

Government healthcare spend to increase sharply in FY21

- *Government allocates ₹ 15,000 crore emergency fund to tackle COVID-19 over the medium term*
- *Major share of COVID-19 patients treated at government hospitals but private hospitals have also witnessed increased demand due to increase in COVID-19 cases*
- *Ramp-up of domestic PPE production & procurement of testing kits*

Private healthcare facilities to witness stress in FY21

- *Drastic reduction of IPD and OPD footfalls owing to lockdown*
- *Medical tourism, which account for ~8-10% of top line for major chains, to be bleak for FY21*
- *Recovery to normalcy expected to be gradual*
- *Major chains have shifted to telemedicine/ teleconsultation, though not to prior scale*

As the nation continues to grapple with the pandemic, the healthcare delivery market, despite being an essential one in a health emergency like COVID-19, is witnessing a loss of revenue. Till date, the government has borne the burden of combating the virus, with only some private facilities being roped in to fill the shortfall in bed infrastructure. However, private hospitals are also taking necessary precautions by delaying elective surgeries (some had shut operations for some time) in order to minimise the risk to patients, especially whose immunity is already compromised due to various illnesses. This is leading to a drop in occupancy levels for these players. The nationwide lockdown restricted movement of people, which impacted OPD footfalls at hospitals and in-patient conversion from OPD. This also ensured that conveyance of people to urban hospitals was also restricted. Some hospitals have shifted to teleconsultation and telemedicine for OPD treatments (at similar costs). However, they have not been able to shift their entire OPD patient load to online mode as either patients are unaware of the facility or some of them still prefer the traditional face-to-face consultations.

According to CRISIL Research's primary interactions, occupancy across private hospitals had fallen up to 25-30% in April but private hospitals have also witnessed increased demand due to increase in COVID-19 cases in past few months. The expectation is that it could pick up gradually in the coming months, with most of the pent-up demand likely in the second half of the fiscal. Visa curbs and stopping of international air travel would erode revenue (to the tune of ~8-10%) from the high margin medical tourism business for major hospitals located in metros. Business from this vertical has bleak prospects this fiscal, as people would continue to be cautious while travelling even if the restrictions on cross-border travel are gone.

Return to normalcy will be dependent on the trajectory of infections in the country, given some states are still seeing alarming increase in the number of cases. Even though private hospitals may find it difficult to set course to their erstwhile growth levels, those focused on critical specialties are expected to be able to recoup their lost revenue faster. They are likely to be relatively lesser vulnerable to the impact of the pandemic towards the end of the fiscal. As the impact of the pandemic is touted to be greater in urban areas, where major hospital chains have greater presence, smaller hospitals stand to benefit from volume impetus provided by government schemes as they ensure at least some level of occupancy. The impact on hospitals with tighter control on their operating costs (hospitals with higher EBITDA/bed) will be softer. CRISIL Research estimates revenue of private hospitals to decline 9-10% in the base case. This decline would vary across geographies, with a caveat that their revenue could witness a potential upside from increasing infections as patients may approach them for treatment. This could bring revenues but price capping will restrict any gains on margins.

Private hospitals have also witnessed increased demand due to increase in COVID-19 cases

Private players have also participated in the battle against COVID-19. Private players reserved some portion of beds exclusively for treating COVID-19 patients. Some private players have gone ahead and either converted the whole facility into COVID-19 facility with all the necessary SOPs undertaken.

Margin erosion of 500-600 basis points expected for hospital industry this fiscal

Loss of revenue will translate into margin erosion for hospitals (as the sector has a higher share of fixed operating costs). CRISIL Research estimates an erosion of 500-600 basis points in margins this fiscal. Though the entire sector would be under fiscal stress (especially in the first two quarters of the current fiscal owing to cash flow concerns), major listed hospital chains which have had better financials vis-à-vis their unlisted regional chained peers are expected to face relatively lesser difficulty in tiding over this stress.

Currently, since the government bears the cost of the pandemic in the healthcare space with the central government release of an emergency fund of ₹ 15,000 crore for a three-year period for procurement of personnel protective equipment, N-95 masks and treatment costs, an observation has been that states which traditionally had relatively inferior government bed density have not been able to combat or control the pandemic to the extent of states with better public healthcare infrastructure. With some of those former states witnessing a faster pace of increase in the number of cases and subsequent rise in fatalities, the reliance of these states on the private sector will be greater for testing as well as treatment facilities.

Key growth drivers of healthcare delivery industry

A combination of economic and demographic factors are expected to drive healthcare demand in the country. CRISIL Research believes the PMJAY scheme launched by the government would also be an additive to these drivers.

Source: CRISIL Research

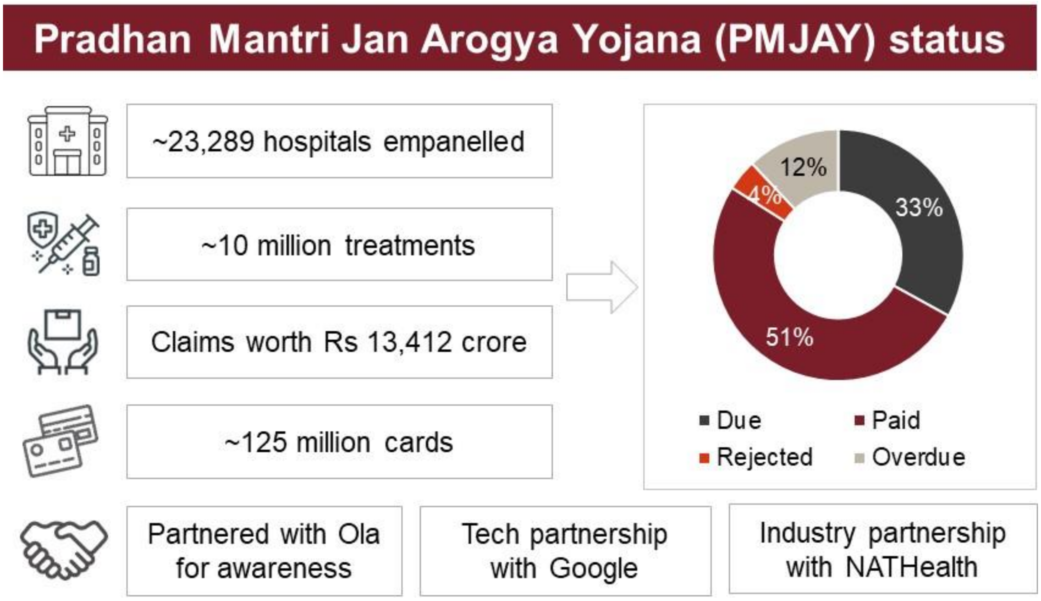
India lags behind global benchmarks in healthcare infrastructure, both in terms of physical as well as personnel infrastructure. However, the picture is not good even on the healthcare indicators front. In case of life expectancy at birth, which reflects the overall mortality of the population, India stands at a distant 68.8 years in comparison with the global average of 71.4 years. This is despite life expectancy at birth growing at 0.6% CAGR between 2000 and 2017.

Government policies to improve healthcare coverage

The government has raised its healthcare budget by ~10% for fiscal 2021 to Rs 69,000 crore, keeping in line with its goal to raise its healthcare spending to 2.5% of GDP by 2025 under the National Health Policy 2017.

The Pradhan Mantri Jan Arogya Yojana ("**PMJAY**") was launched on September 23, 2018 with the objective of providing affordable healthcare. The primary objective of scheme are, strengthening of physical health infrastructure at sub-centres and government hospitals and expansion of health insurance coverage through Ayushman Bharat.

Pradhan Mantri Jan Arogya Yojana adds a demand impetus

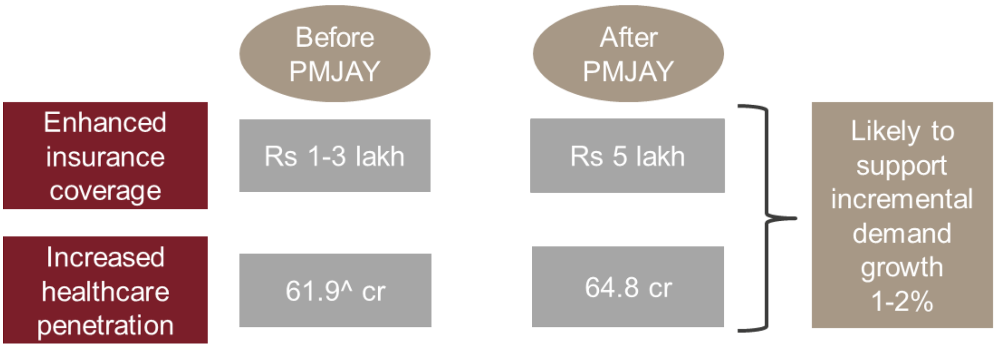


Note: # denotes persons covered; includes data from Insurance Regulatory and Development Authority report FY19, Ayushman Bharat updates till May 2020

Source: PMJAY, CRISIL Research

Ayushman Bharat will further provide volume momentum to the sector, with the scheme providing healthcare assurance of ₹ 5 lakh per family (on floater basis) to nearly 10.74 crore families (the actual coverage would be greater on account of states extending the scheme to even some sections of the uncovered populace). As on May 19, 2020, nearly 10 million treatments had taken place under Ayushman Bharat since the inception of the scheme in September, 2018. More recently, nearly 2,130 patients are also undergoing treatment for COVID-19 under the scheme (as on May 19, 2020).

In terms of implementation till date, most states have signed a MoU with the National Health Agency (NHA) under varied implementation models, i.e., trust-based, insurance-based or mixed model; however, some states are yet to kick-start full-scale adoption. However, Madhya Pradesh, Uttar Pradesh and Bihar, which were devoid of any health insurance scheme, have extended coverage under PMJAY to more than 25% of its population.



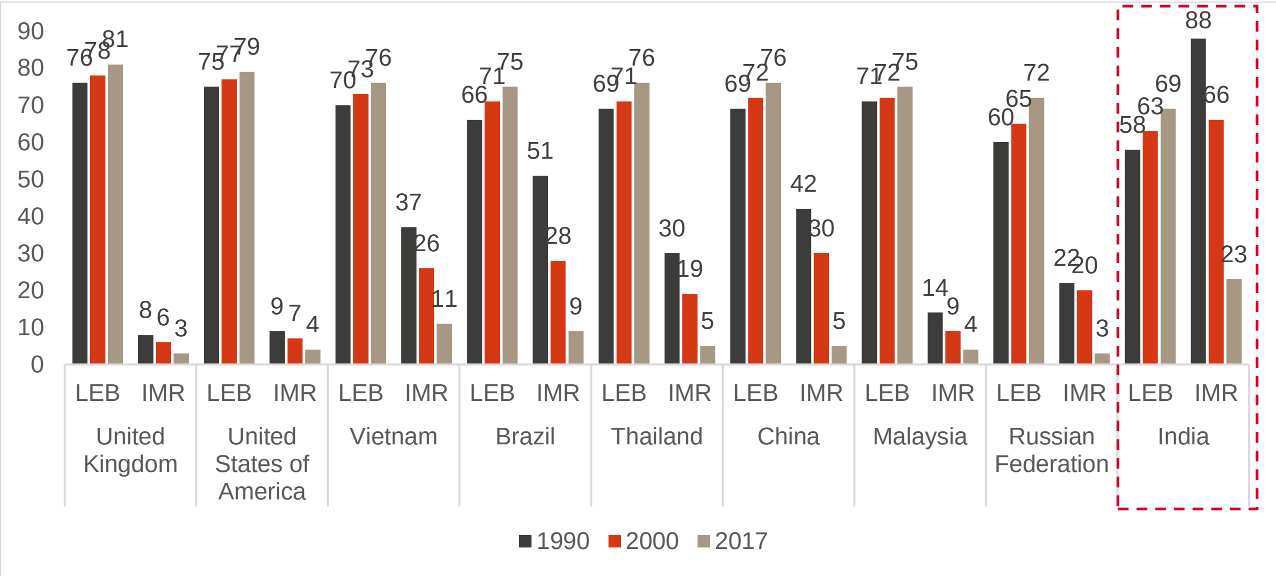
Note: ^ Includes data from Insurance Regulatory and Development Authority report FY19; healthcare penetration denotes persons covered

Source: PMJAY, CRISIL Research

With life expectancy improving and changing demographic profile, healthcare services are a must

With improving life expectancy, the demographic of the country is also witnessing a change. As of 2011, nearly 8% of the Indian population was of 60 years or more, and this is expected to surge to 12.5% by 2026. However, the availability of a documented knowledge base concerning the healthcare needs of the elderly (aged 60 years or more) remains a challenge. Nevertheless, the higher vulnerability of this age group to health-related issues is an accepted fact.

Life expectancy (at birth) and infant mortality rate: India vs other

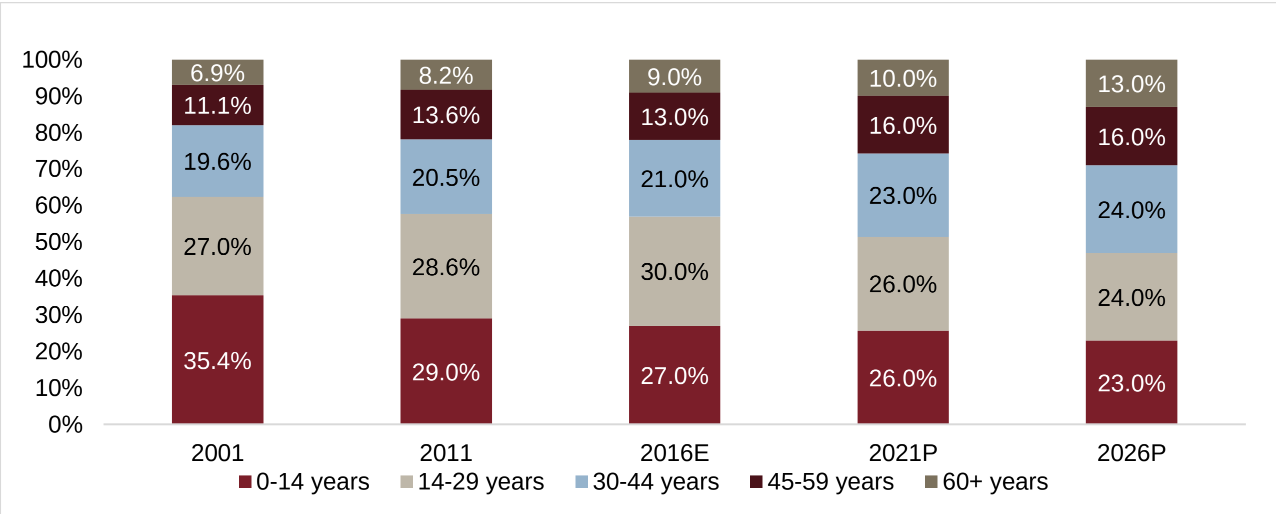


Note: LEB – Life expectancy at birth; IMR – Infant mortality rate (probability of dying by age of 1 per 1000 live births)

Source: WHO World Health Statistics 2020

According to the Report on Status of Elderly in Select States of India, 2011, published by the United Nations Population Fund ("**UNFPA**") in November 2012, chronic ailments, such as arthritis, hypertension, diabetes, asthma, and heart diseases, were commonplace among the elderly, with ~66% of the respective population reporting at least one of these. In terms of gender-based tendencies, while men are more likely to suffer from heart, renal and skin diseases, women showed higher tendencies of contracting arthritis, hypertension, and osteoporosis.

Population in 60+ age group to grow faster



Source: Census, CRISIL Research

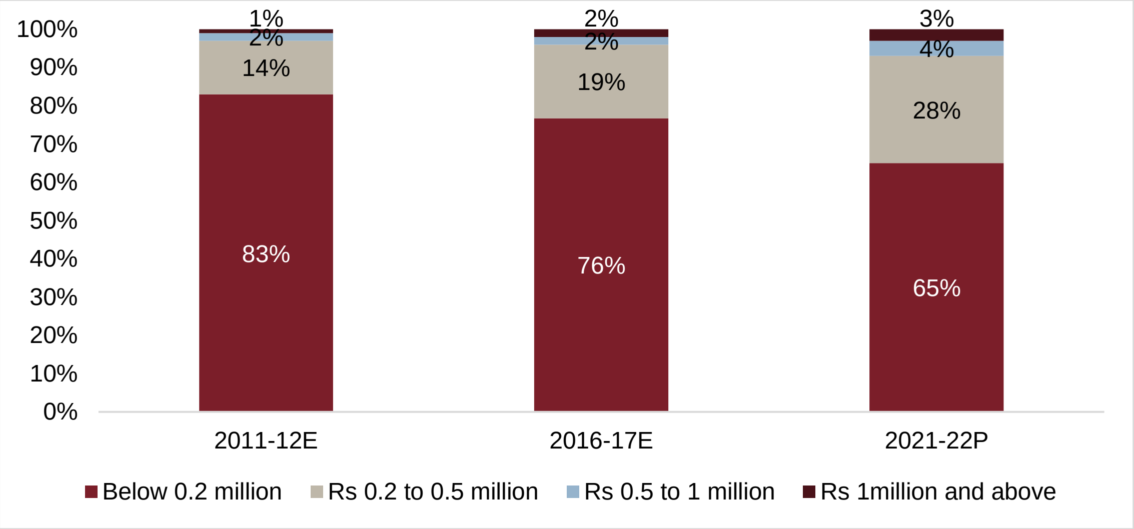
Indian population is expected to grow to ~1.4 billion by 2026 and, considering the above mentioned factors, the need to ensure healthcare services to this vast populace is an imperative. But this also provides a huge opportunity to expand into a space that bears huge potential.

Rising income levels to make quality healthcare services more affordable

Even though healthcare is considered a non-discretionary expense, considering that an estimated 83% of households in India had an annual income of less than ₹ 0.2 million in fiscal 2012, affordability of quality healthcare facilities remains a major constraint.

Growth in household incomes and, consequently, disposable incomes are critical to the overall growth in demand for healthcare delivery services in India. The share of households falling in the income bracket above ₹ 0.2 million is expected to go up to 35% in fiscal 2022 from 23% in fiscal 2017, providing potential target segment (with more paying capacity) for hospitals.

Income demographics



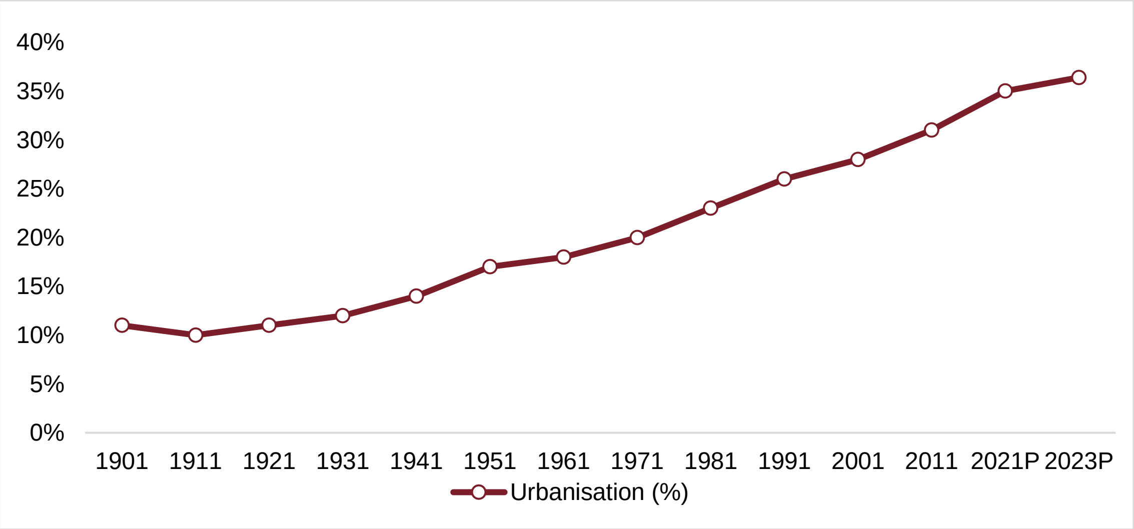
Source: CRISIL Research

Increasing health awareness to boost the hospitalisation rate

Majority of the healthcare enterprises in India is concentrated in urban areas. With increasing urbanisation (migration of population from rural to urban areas), awareness among the general populace regarding presence and availability of healthcare services for both preventive and curative care would increase.

CRISIL Research, therefore, believes that the hospitalisation rate for in-patient treatment as well as walk-in out-patients will improve with increased urbanisation and increasing literacy.

Urban population in India as a percentage of total population



Source: UN World Urbanisation Prospects: The 2018 revisions

Non-communicable diseases: A silent killer

As opposed to the decreasing rate in communicable diseases, lifestyle-related illnesses or NCDs have been increasing rapidly in India over the past few years. The contribution of NCDs to the disease profile has risen from 30% in 1990 to 55% in 2016. Statistics show that these illnesses accounted for nearly 62% of all deaths in India in 2016.

As per the World Economic Forum, the world will lose nearly $30 trillion by 2030 for NCD treatments and India's burden from this will be $5.4 trillion.

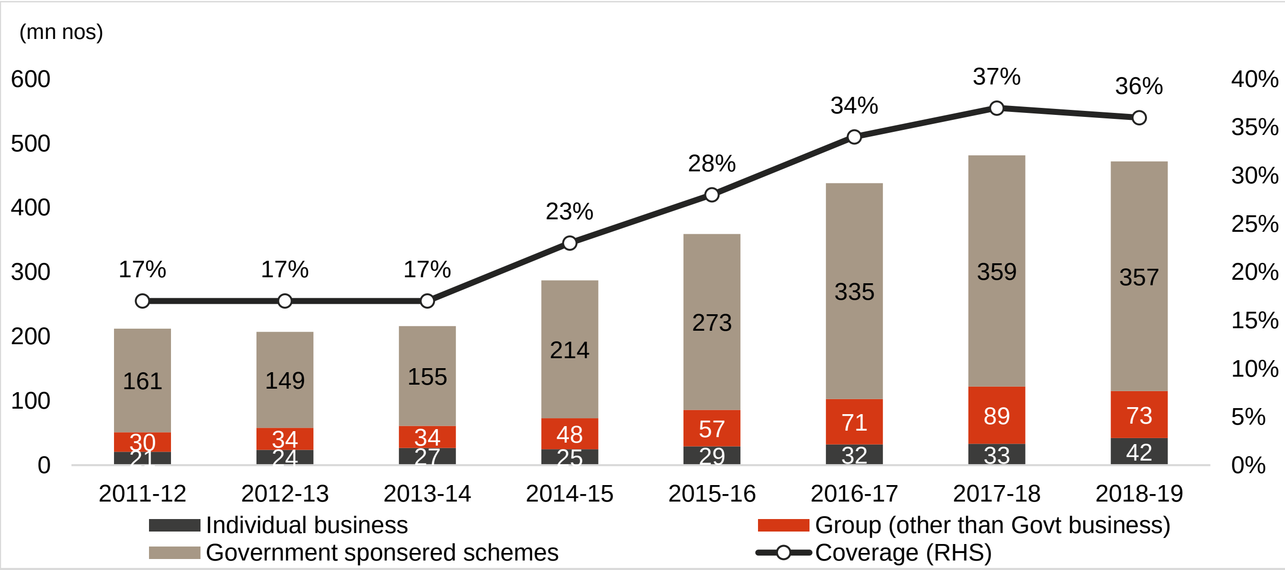
In 2016, of the total disease burden, the contribution of group of risks (unhealthy diet, high blood pressure, high blood sugar, high cholesterol and overweight), which mainly causes ischemic heart disease, stroke and diabetes, has risen to nearly a quarter. The combination of these risks was highest for states such as Punjab, Tamil Nadu, Kerala, Andhra Pradesh and Maharashtra, but has increased in all other states as well. There were 380 lakh cases of cardiovascular diseases in 2005, which rose to nearly 641 lakh cases in 2015.

CRISIL Research believes that NCDs exhibit a tendency to increase in tandem with rising income. WHO projects an increasing trend in NCDs by 2030, following which CRISIL forecasts demand for healthcare services associated with lifestyle-related diseases such as cardiac ailments, cancer and diabetes to rise. Another emerging market in the country is orthopaedics, which currently comprises a very small proportion compared with NCDs, but has a potential market in the country. The orthopaedics market can be classified into four different segments, viz., knee, hip, trauma, and spine, of which the knee-replacement market holds the biggest share, followed by trauma and spine. Hip replacement in India is still a very small segment compared to knee replacement, whereas it is opposite around the world.

Growing health insurance penetration to propel demand

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 remain an issue. As per the Insurance Regulatory and Development Authority ("**IRDA**"), nearly 472 million people have health insurance coverage in India (as of fiscal 2019), as against 288 million (in fiscal 2015), but despite this robust growth, the penetration in fiscal 2019 stood at only 36%.

Population-wise distribution amongst various insurance business (million)

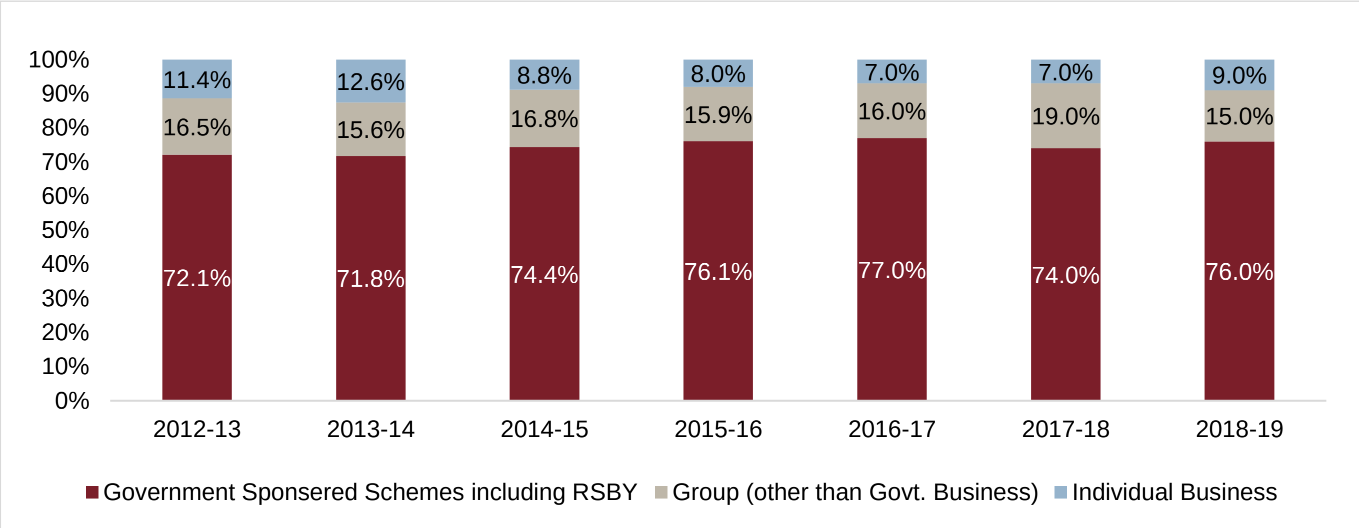


Source: IRDA Annual Report

As is evident, the share of government-provided insurance is greater than that due to insurance policies availed of by individuals not covered under any schemes. Government or government-sponsored schemes, such as the Central Government Health Scheme, Employee State Insurance Scheme, Rashtriya Swasthya Bima Yojana

("**RSBY**"), Rajiv Arogyasri (Andhra Pradesh government), Kalaignar (Tamil Nadu government) account for 75% of health insurance coverage provided. The remaining is through commercial insurance providers, both government (Oriental Insurance and New India Assurance) and private (ICICI Lombard and Bajaj Allianz) players.

Number of persons covered under health insurance



Source: IRDA Annual report

CRISIL Research believes that while low penetration is a key concern, it also presents a huge opportunity for the growth of healthcare delivery industry in India. With the PMJAY scheme, the insurance coverage in the country is expected to directly increase to nearly 50%.

Furthermore, with health insurance coverage in India set to increase, hospitalization rates are likely to go up. In addition, health check-ups, which form a mandatory part of health insurance coverage, are also expected to increase, boosting the demand for a robust healthcare delivery platform.

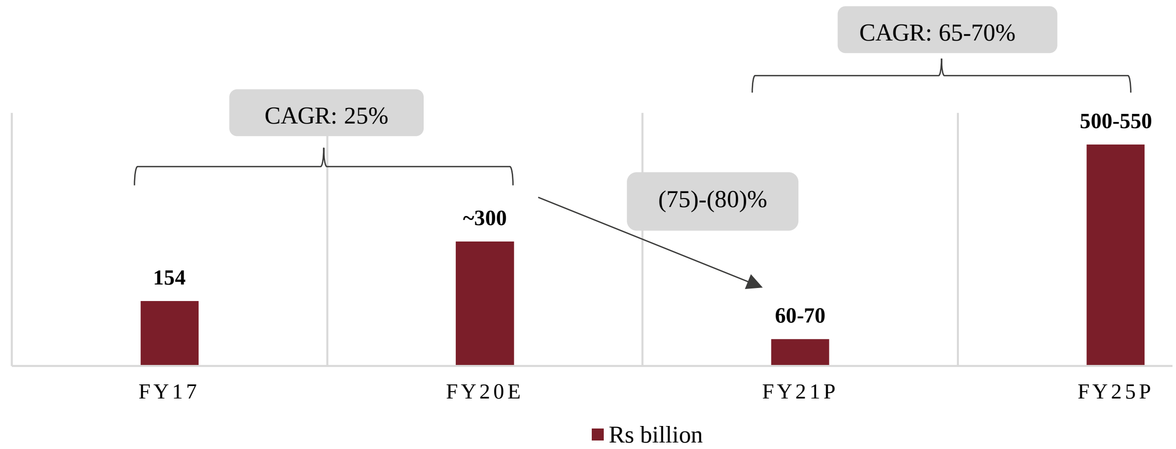
Medical tourism in India

Medical tourism has gained momentum over the years and India is fast emerging as a major medical tourist destination, given the relatively low cost of surgery and critical care in India. The healthcare costs in developed countries is relatively higher in comparison to India. Some of the factors, which makes India an attractive destination for medical tourism, are the presence of technologically advanced hospitals with specialized doctors and facilities, such as e-medical visa.

Treatments mostly sought after in India are for heart surgery, knee implant, cosmetic surgery and dental care, due to the low costs of these treatments in India. Medical tourism in India is driven by the private sector in India. A large proportion of medical tourist arrival are destined towards key metro cities of the country. Despite improving connectivity, the distribution of healthcare facilities is still skewed towards urban areas in comparison to the hinterland. Apart from the lacunae associated geographical distribution of healthcare delivery, the quality and type of services provided is also varied across locations. Usually, Tier I see more presence of tertiary and quaternary care, which is near absent in smaller towns and rural areas.

As per the Ministry of Tourism, countries such as Singapore, Malaysia and Thailand also offer medical-care facilities to foreigners, but what differentiates India apart from state-of-the-art infrastructure with reputed healthcare professionals is traditional healthcare therapies, such as Ayurveda and Yoga, combined with allopathic treatments providing holistic wellness.

Medical tourism market in India to rise at a CAGR of 65-70% between fiscals 2021 and 2025

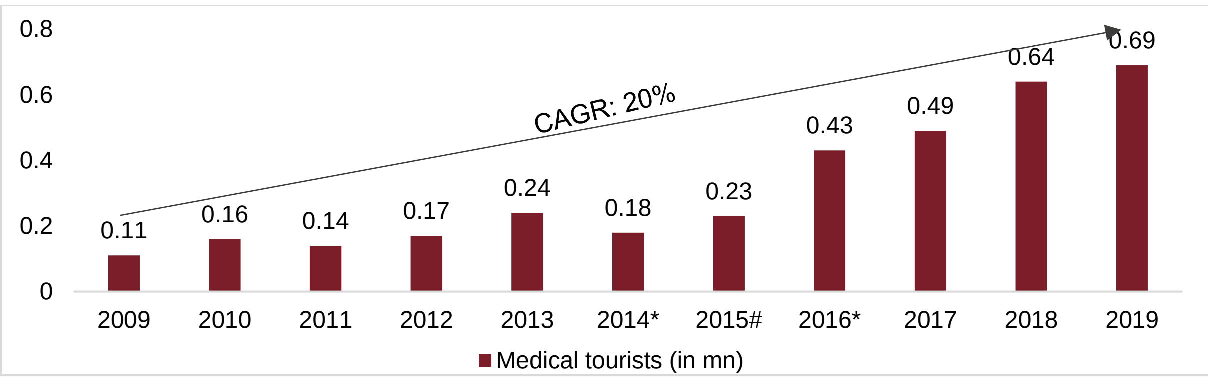


E: Estimated; P: Projected

Source: CRISIL Research

According to the latest data available with the Ministry of Tourism, of the total foreign tourist arrivals in India, the proportion of medical tourists has grown from 2.2% (0.11 million tourists) in 2009 to 6.4% (0.6 million tourists) in 2019. The government has constituted a National Medical and Wellness Tourism Board along with provision of financial assistance to the tune of ₹ 6 lakh to medical tourism service providers under market development assistance (MDA) to develop medical tourism in India.

Growth in medical tourists*



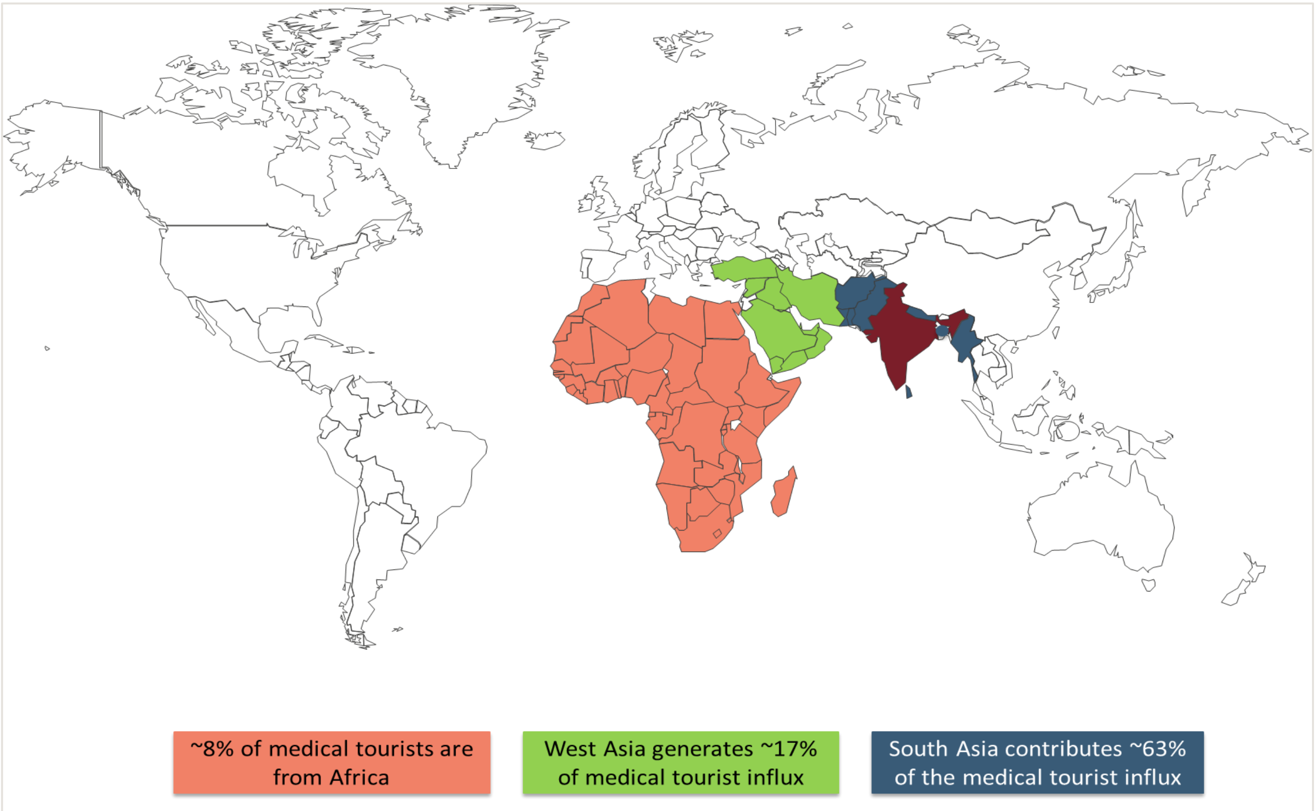
*Note: * includes all types of medical and medical attendant visa; #includes medical visa and medical attendant visa*

Source: Ministry of tourism

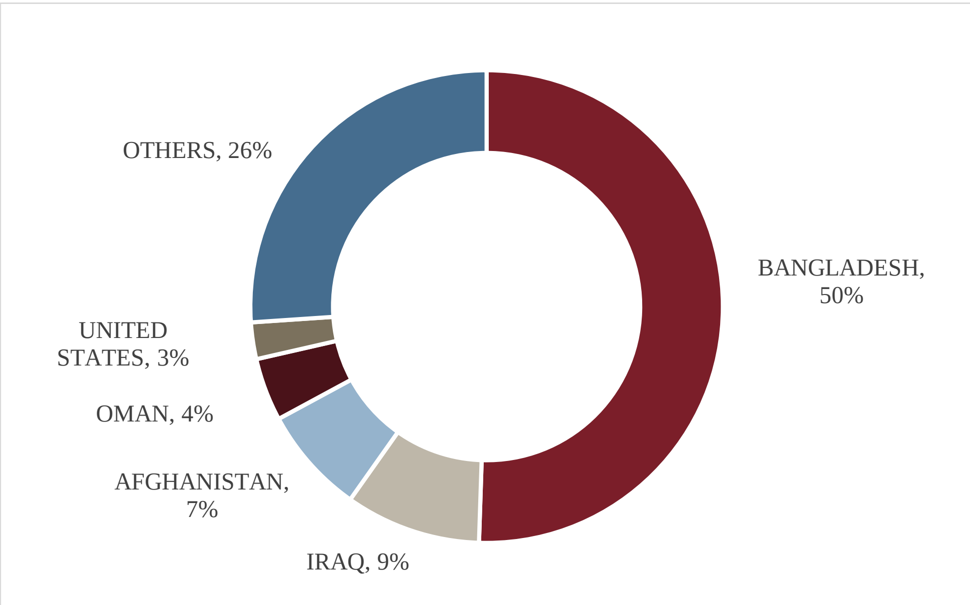
~ 63% of medical tourism demand from neighbouring countries

Nearly 88% of the medical tourist are from countries like Africa, West Asia and other South Asian nations. Also, medical tourist from countries like United Kingdom and Canada are also seeing an increase, with the long waiting periods for availing treatments prevalent in these regions.

Break-up of medical tourists* by major regions of origin



Break-up of medical tourists* by major country of origin



Note: Based on data as of calendar year 2018

Source: Ministry of tourism

Country-wise cost of key treatment procedures (US$)

Ailments (US$)	US	Korea	Singapore	Thailand	India
Hip replacement	50,000	14,120	12,000	7,879	7,000

Knee Replacement	50,000	19,800	13,000	12,297	6,200
Heart bypass	144,000	28,900	18,500	15,121	5,200
Angioplasty	57,000	15,200	13,000	3,788	3,300
Heart valve replacement	170,000	43,500	12,500	21,212	5,500
Dental implant	2,800	4,200	1,500	3,636	1,000

Source: CRISIL Research

India is competitive in healthcare costs compared to other countries in Asia

Purpose of visit of medical tourists visiting India is for high end treatments pertaining to complex ailments. Medical tourism is majorly for treatments such as hip replacement, knee replacement, heart bypass, angioplasty, heart valve replacement and bone marrow transplant. India is a major destination for transplants due to its inherent cost advantages.

Country	JCI accredited healthcare Facilities **	Savings with respect to USA ##	Popular treatment options
Thailand	59	50-75%	Cardiology, Neurology, Obstetrics, Ophthalmology, Gynaecology, Oncology
India	35	65-90%	Alternative medicine, bone marrow transplant, cardiac bypass, eye surgery, hip replacement and oncology *
Malaysia	17	65-80%	cardiology, orthopaedics, oncology, neurology, Dentistry, infertility treatment, cosmetic surgery and rehabilitation services
Singapore	7	25-40%	Cardiology, Neurology, Obstetrics, Gynecology, Oncology, Ophthalmology, Orthopedics and Pediatrics.
South Korea	12	30-45%	Orthopaedic, dentistry, organ transplants and Oncology
Taiwan	14	40-55%	Liver transplants, joint replacement surgery, bone marrow transplants, and reconstructive and plastic surgery *

*** Joint Commission International Website, https://www.jointcommissioninternational.org/about-jci/accredited-organizations/#, accessed on 25th December 2020*

https://www.patientsbeyondborders.com/media, accessed on 25th December 2020

Source: CRISIL Research

Key challenges of healthcare delivery industry

Along with the structural demand existing in the country and the potential opportunity, it provides for growth, provision of healthcare in India is still riddled with many challenges. Prime among them being inadequate health infrastructure, unequal quality of services provided based on affordability and healthcare financing.

1. Poor healthcare infrastructure

India's bed density not only falls far behind the global median of 29 beds, it also lags that of other developing nations, such as Brazil (21 beds), Malaysia (19 beds), and Vietnam (26 beds). The total number of government beds in India are estimated at ~ 0.7 million. An estimated population of ~1.31 billion implies that 1,845 people on average are served per government bed in the country.

2. Healthcare financing has been a pain point

In India, the OOP expenditure is nearly at 62.6% of total health expenditure (global average is 20.5%), with high dependence on borrowings and usage of household savings for funding of healthcare expenditure. In India, insurance cover does not cover outpatient treatments (only recently an insurance company has started covering OPD treatments under its health insurance), which makes OOP due to outpatient greater in comparison to inpatient treatments. It has also been noted that annually, an estimated 60-80 million people fall into poverty due to healthcare-related expenditure.

3. Government price capping of medical equipment

The government has restricted price capping to four devices – cardiac stents, drug-eluting stents, knee implants and intra uterine devices. However, the National Pharmaceutical Pricing Authority (NPPA) is proposing to bring in capping of trade margins instead of extending the list of devices under the National List of Essential Medicines. Even state governments have been resorting to measures to curb profiteering by hospitals. The Delhi government had earlier this year proposed norms for restricting the hospitals and nursing homes from marking up prices of consumables and medicines from their procurement prices to limit their profits.

The price capping on cardiac stents, which was introduced in February 2017, and knee-implant price capping introduced in August 2017 has acted as a major challenge for the industry, which is majorly run by the private sector. But the affected parties have since been able to come back to normalcy after taking a hit on their operating margins initially through price rationalisations via bundle pricing. The NPPA has further extended the capping of prices of knee implants, ranging from ₹ 54,000 to ₹ 1.14 lakh for one more year.

Post the implementation of price caps on stents and implants, the government has identified 23 medical devices to put price control on.

The Delhi government had earlier this year proposed the norms for restricting the hospitals and nursing homes from marking up prices of consumables and medicines from their procurement prices to limit their profits.

4. Outstanding receivables affecting the fiscal profile of hospitals

The financial profile of many hospitals empanelled under state schemes became weak due outstanding receivables from the government (state and centre) for providing treatments to beneficiaries under health insurance schemes. However, this challenge is expected to be dealt with utmost priority under the PMJAY by fixing a particular timeline for reimbursements of claims.

5. Paucity of experienced specialised doctors

Paucity of experienced specialised doctors compounds the problem. Availability of specialised doctors would contribute to improve personnel healthcare infrastructure in the country. Experienced specialised doctors also contribute to the reputation and brand of the hospitals. Paucity of such doctors does impact the growth of the hospital sector. India trails the global median of physicians and nursing personnel.

Key actionable areas

While the healthcare delivery sector in India faces several teething issues currently, it also presents immense opportunities for the players involved. While factors such as inadequate bed density and insufficient personnel highlight India’s poor healthcare infrastructure versus global levels, it reflects the immense potential in store for healthcare delivery players in the country.

This potential is further augmented with information and communication technology-enabled services gaining widespread popularity – CRISIL Research expects internet subscriber base to increase to ~1000 million by fiscal 2024; while the wireless subscriber base (mobile phone users) is expected to increase to 990 million by fiscal 2024. Not only do these technologies increase the reach of healthcare facilities to the hitherto remote locations, they also help players achieve better efficiencies.

Data from the healthcare space is growing at a steady pace and this has driven hospitals to adopt artificial intelligence (AI)-based patient intelligence systems. These are expected to improve the operating metrics of the hospitals and drive timely detection of diseases.

Through this section, CRISIL Research strives to briefly look into how the healthcare delivery infrastructure scenario is expected to pan out over them medium term. The section also highlights how certain emerging business models and technologies will help extend the reach and increase the efficiency of this industry.

Shortfall in bed capacity: Major opportunity for healthcare delivery players

India needs to increase its bed capacity (about 0.9 million beds) to reach the global median (almost 2.5 million beds). With the population growing at almost 1% annually, India is expected to have more than 1.37 billion people by 2020.

Compounding the beds shortfall, dearth of healthcare personnel (physicians and nursing personnel) remains immense. India had ~0.9 million physicians in 2013. The physician count needs to be almost doubled to meet the global median. According to the national health profile (NHP) 2019, the average population served by an allopathic doctor is 11,039 and there are nearly 10.4 lakh doctors registered with the Medical Council of India (MCI).

Currently, there are only 476 medical colleges (recognised by MCI), offering a total of about 52,646 MBBS seats producing nearly five doctors (MBBS) per lakh of population being added annually.

The shortage of nursing personnel (nurses and midwives) is relatively less critical (18 nurses in India versus 38 globally) than in physicians (9 physicians in India versus 15 globally). As per the NHP 2019, there are 3,215 institutions producing 1.29 lakh general nurses midwives and 1,936 institutions producing 0.96 lakh nurses annually.

Diversification into different format/areas to increase reach and efficiency

Despite the challenges present in the healthcare delivery system in India, innovations and newer business models are being explored. The main objective of these innovations are to increase efficiencies through optimum resource utilisation and widen the reach of healthcare services. Even though we might witness different business models being applied depending on the location and services to be provided, PMJAY would lead to the adoption of new business models focusing on volume-driven affordable healthcare.

Single specialty healthcare units

Single-specialty healthcare units are those that treat patients with specific medical conditions, with the need of specific medical/surgical procedures. A single-specialty healthcare unit can be a hospital, clinic, or care centre. The advantage of these units is that, by focusing on providing care in a single segment, they can increase efficiencies as well as create a niche in the target segments. Nowadays, birthing centres are among the fastest growing single specialty centre. The occurrence of specific regulatory headwinds, however, can affect the margins of the business unit.

Day-care centres

The objective of day-care centres is to reduce the need for overnight hospitalisation. In this type of setup, a patient is allowed to go home on the same day after being treated. These centres have also given rise to the concept of outpatient surgeries.

While this model is very popular in the eye care segment, other segments such as arthroscopic surgery, general surgery, cosmetic surgery, and dental surgery have also been using this as a popular care delivery model. The advantage of the day-care centre model is that patients can save on bed/room rentals associated with overnight hospitalisation. The healthcare units, on the other hand, can have a streamlined setup with optimum equipment, staff and infrastructure, which helps bring down operational costs.

End-of-life/geriatric care centres

The objective of end-of-life care centres or hospices and palliative care centres is to provide care and support to patients, who are suffering from terminal illness with a life expectancy of six months or less. Hospice and palliative care focus more on pain management and symptom relief rather than continuing with curative treatment. These centres are designed to provide patients a comfortable life during their remaining days and cover physical,

social, emotional, and spiritual aspects apart from the medical treatment. Such type of care can be delivered onsite, where special facilities are set up, in the hospital premises, or at the patient's home.
Palliative care is delivered with the help of an inter-disciplinary team which may consist of patient's physician, hospice doctor, a case manager, registered nurses, counsellor, a dietician, therapist, pharmacologist, social workers, and various trained volunteers. Depending upon the patient's ailment and medical condition, the team prepares a customised care programme which comprises services such as nursing care, social services, physician services and trained volunteer support.

Home healthcare

The primary objective of home healthcare services is to provide quality health care at the patient's premises. In India, these services are still in the nascent stages. CRISIL Research believes that with increasing geriatric population, nuclearisation of families and increasing disease burden causing a strain on conventional health delivery systems, home healthcare will be a preferred alternative. A number of healthcare start-ups has started vying for growth in this space.

The revenue from ICU beds wanes as weeks pass by and, hence, reducing the strain (both on hospitals and patients) can be explored through home healthcare. Patients can avail of ICU care at home at nearly a fifth of the prices of hospital care. Hospitals can also benefit by this model not just through reduced overcrowding, but also relief from associated hospital acquired infections.

The services currently offered are post-intensive care, rehabilitative and services of skilled/unskilled nurses. But areas such as home therapeutic care for infusion and respiratory therapy, dialysis and convenience centred teleconsultation, have more potential for growth.

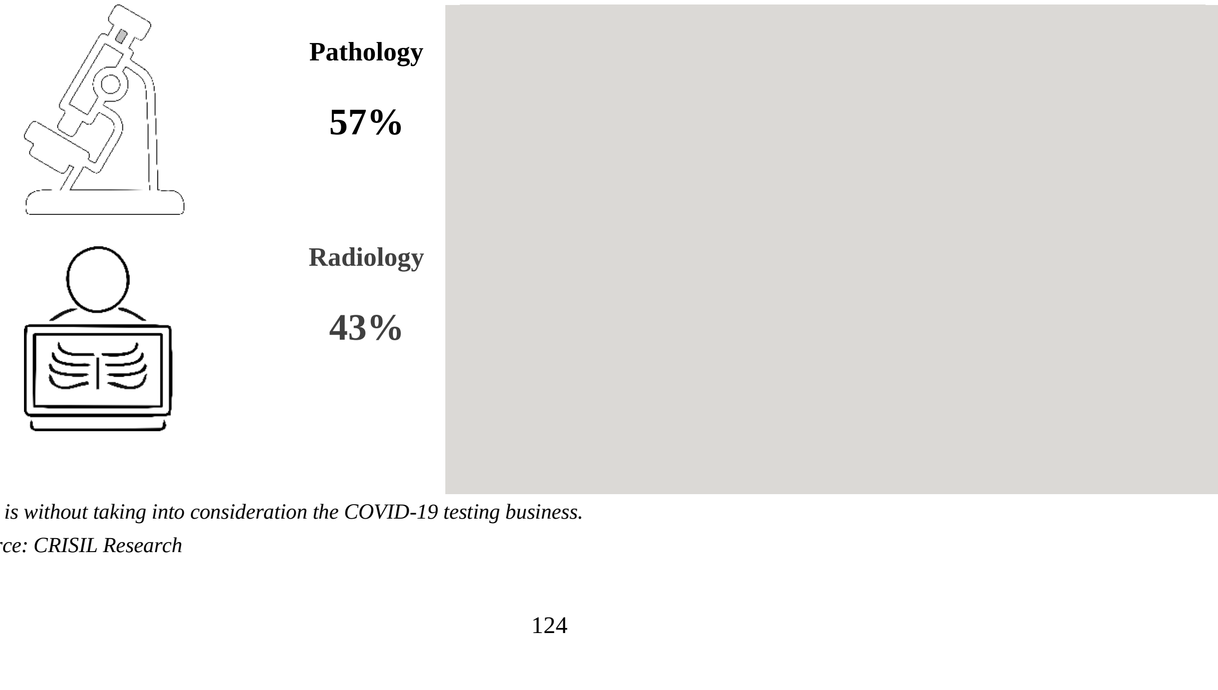
Market size of the Indian diagnostic industry

As far as diagnostic demand is concerned, evidence-based treatment has become the norm for many doctors, as correct diagnosis enables prescription of correct therapy and thereby faster recovery. In the spectrum of healthcare delivery services in India, diagnostic services play the role of an information intermediary, providing useful information for correct diagnosis and treatment of diseases. Diagnostic services have a lower share in overall healthcare spending, but still remain a keystone for recommending requisite treatments for any kind of illness, as well as monitoring the level of recovery post treatment.

Pathology business dominates the diagnostic industry

According to CRISIL Research estimates, pathology testing commands the largest share of the diagnostic market. Pathology includes biochemistry, immunology, hematology, urine analysis, molecular diagnostics and microbiology, among others.

Segment-wise break-up of the diagnostics industry (FY20)



This is without taking into consideration the COVID-19 testing business.

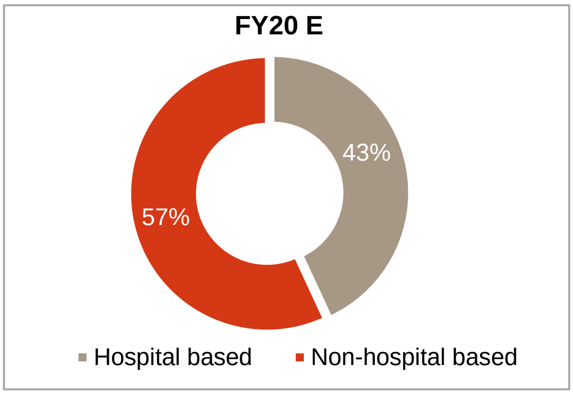
Source: CRISIL Research

Pathological tests have gained prominence over the last few years as the first line of diagnostics for majority of diseases/treatments, a shift from the erstwhile practice of relying solely on clinical assessment to diagnose and treat diseases. Though the volumes of pathology tests prescribed have increased, the price of a single pathology test is usually lower than a single imaging test such as an MRI or even an X-ray scan. The latter may usually cost 2-3 times or more than a regular pathological test. That said, there is an array of tests under pathology, including specialised tests associated with cancer, etc, which require complex tests, costing ₹ 10,000-15,000.

Due to the battery of tests prescribed under a single panel of pathology test, realisations can be higher from pathology vis-à-vis radiology. This is also compounded by the share of cardiovascular diseases, diabetes and cancer increasing in the total disease burden in India. WHO statistics estimate the share of the aforementioned diseases to be the cause for ~ 62% of the total deaths as of 2016. CRISIL estimates that this would increase to ~ 72% by fiscal 2030.

However, higher order tests such as micro and molecular tests, which currently comprise a single-digit share of the pathology market, are also expected to witness an uptrend. Innovations in the field could lead to such an extent wherein the number of tests required for diagnosis might reduce, but, it would simultaneously result in an escalation of prices.

Chained and standalone pathology centres to grow faster than overall pathology market

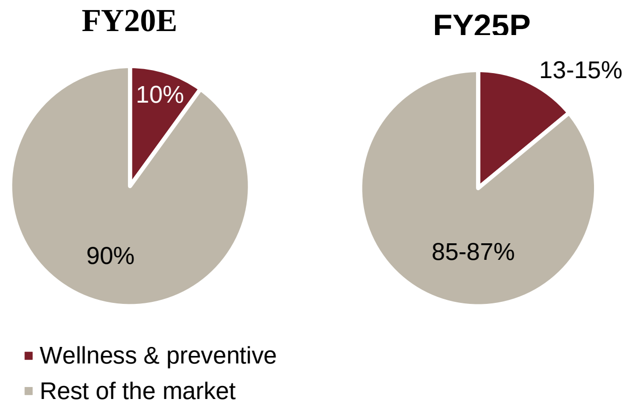


Chained and standalone pathology centres account for approximately 57% share of the overall pathology market in India. Hospital-based pathology centres account for the remaining 43% share.

Over the past four fiscals, the chains and standalone pathology market in India witnessed a CAGR of ~11% from ₹ 149 billion in 2016 to ₹ 225 billion in 2020. However, the share of pathology chains is expected to increase over the next five fiscals following rapid consolidation with chains taking over standalone centres, backed by attractive propositions to scale up footfalls in order to reduce cost overheads. CRISIL Research expects the size of the chained and standalone pathology market to grow at a CAGR of 12-13% over fiscals 2020 and 2025 to reach ₹ 400-420 billion in FY25.

Preventive and wellness testing packages to boost biochemistry testing further

Diagnostic service providers offer health check-up packages through corporate clients and also market these tests directly through labs and collection centres. Most of these packages either specifically screen for a chronic disease or contain a slew of tests to ascertain the overall health of a person. Moreover, most of the preventive and wellness tests consist of biochemistry tests to check an individual's risk to chronic diseases, such as cardiovascular diseases and diabetes, among others. However, some diagnostic centres, which have both pathology and radiology services, may add basic imaging tests, such as ECG, X-ray and ultrasound to the test packages.



Note: E: Estimated; P: Projected

Source: Industry, CRISIL Research

CRISIL Research estimates that the overall market for wellness and preventive diagnostics was nearly 9-10% of the total diagnostic services industry in fiscal 2020. Rising disposable income combined with improving literacy is set to increase awareness about preventive healthcare, thereby boosting demand for diagnostic services. This segment is expected to grow at a CAGR of ~20% over the next five years, with diagnostic chains expected to capture market share.

Growth drivers for the pathology industry in India

Key growth drivers for the pathology industry include: changing demographics, rising income levels, increasing health awareness, conducive government policies, changing disease profiles, medical tourism and health insurance coverage.

A combination of economic and demographic factors is expected to drive healthcare demand in the country. CRISIL Research believes that the Pradhan Mantri Jan Arogya Yojana (PMJAY) scheme launched by the government would also support these drivers in the long term.
Another aspect that is expected to fuel demand for healthcare services in general, and diagnostic services in particular, is the health and wellness packages for preventive healthcare on account of the rising incidences of non-communicable disease-related deaths. CRISIL Research believes that non-communicable diseases (NCDs) exhibit a tendency to increase in tandem with rising income levels. The WHO projects an increasing trend in NCDs by 2030, following which, CRISIL forecasts demand for healthcare services associated with lifestyle-related diseases such as cardiac ailments, cancer and diabetes to rise, thus posing as a strong growth driver for the diagnostic industry of India.

An overview of the retail pharmacy market in India

The retail pharmacy segment in India is fragmented across the country and it is also highly unorganised. However, pharmacy industry has seen significant development over the past few years. These developments are a result of organised players entering the market. Organised players changed scenario of sector where they allowed the customer to shop not only medicines but also across different lines products which include body care like soaps, shampoos and also baby care products. The retail pharmacy comprises over 8 lakh outlets with a majority of them having small, independent businesses.

The pharmacy business in India is broadly classified into hospital pharmacy and community pharmacy.
A hospital pharmacy is situated within the premises of a hospital. Hospital pharmacies stock a large range of medications as well as surgical equipment. They typically provide medications for the hospitalised patients only, and are not for retail establishments.

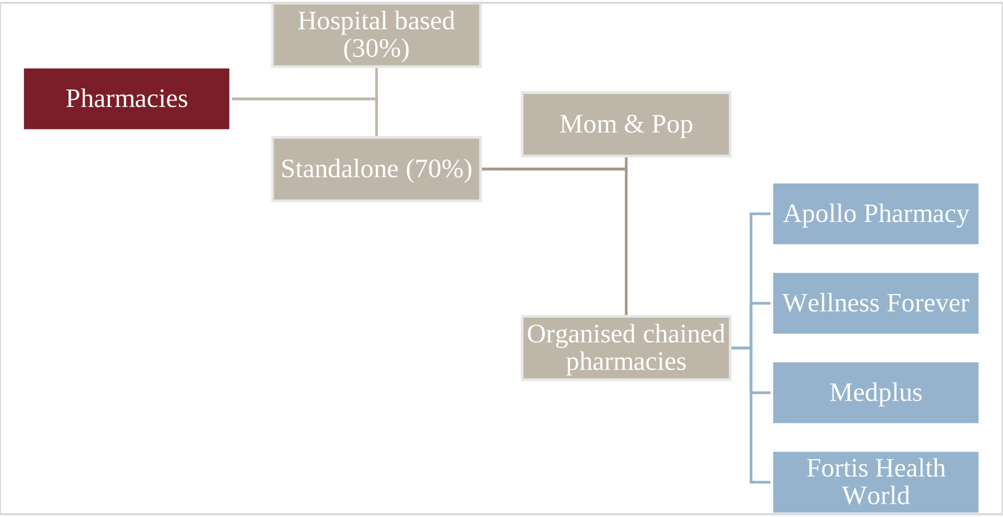
A community pharmacy on the other hand can be termed as one which is not a hospital pharmacy; it includes mom and pop stores and retail chains that are not situated in hospitals. Community pharmacies in India are highly fragmented due to the low entry barriers in the industry. As a result, mom and pop stores comprise a huge chunk of the business.

The organised pharmacy chains are a growing force in this sector. Private hospital Apollo Hospitals, owns and operates one of the country's biggest pharmacy chains. MedPlus and Fortis Health World also boast of pharmacy stores of 1,650+ and 100 respectively as of September 2020.

Organised pharmacies are witnessing an increased number of players due to the fact that pharma products, being need-based, unlike fashion, are not prone to sudden alterations in demand. Apart from pharmaceutical products, the stores also provide an assortment of wellness and personal care products in areas such as baby care, nutritional supplement and foods, home care devices, diabetes management and beauty and personal care products. Along with allopathic medicines the stores sell a variety of ayurvedic and homeopathic medicines as well.

Moreover, the demand for drugs has shown significant growth over the past few years because of changing disease profiles (from infectious to lifestyle) of the patients, longevity of life and introduction and usage of drugs for new therapeutic areas. As a result, the patient needs to visit the pharmacy more frequently. Besides, people have started spending more on health-related products, thus, driving the growth of pharmacy retail chains in India. Organised chained pharmacies are growing at an impressive rate of 15-20%, thanks to the enhanced quality, services and ready availability of drugs provided by them.

Classification of pharmacies



Source: CRISIL Research

Industry characteristics

Highly fragmented: Due to the low entry barriers in the industry, pharmacy business in India is of a highly fragmented nature. As a result, the industry is characterised by the presence of a number of un-organised players (mom and pop stores).

Intense competition: The highly fragmented nature of the industry has given rise to intense competition. The few organised players in the industry face extreme competition from the well-established un-organised players (mom and pop stores).

Seasonality: Revenues of pharmacies are on a high during June to September due to higher incidences of viral infections in the monsoon season. This gives a seasonal nature to the industry. COVID-19 has also led to a growing demand for immunity boosters and OTC drugs.

Mostly present in busy areas: Pharmacies are normally located in areas where there is high footfall and is densely populated. One would spot these stores in India in busy markets, residential areas and in the vicinity of a hospital/clinic. Pharmacy establishments near hospitals and clinics have an edge over the others as patients visiting a hospital or a clinic would prefer to buy their medicines for the first prescription from a store close to the hospital.

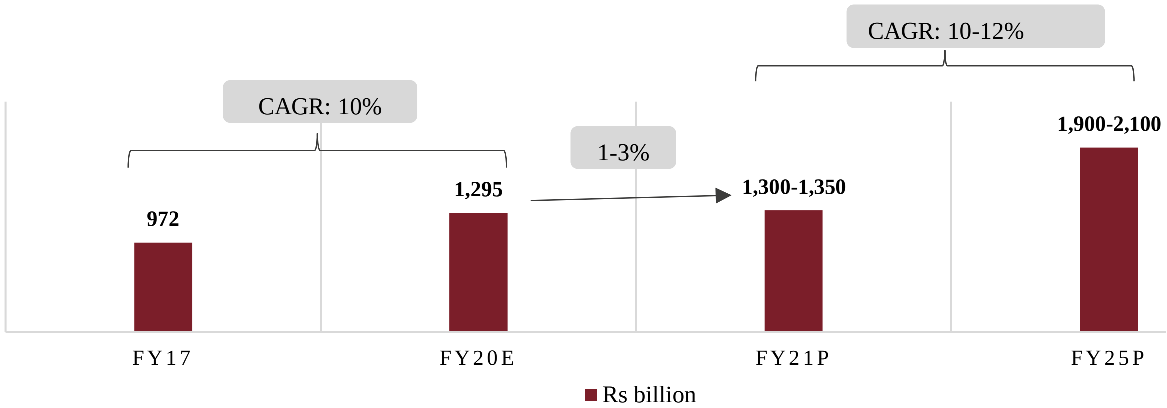
Market size of the retail pharmacy in India

Retail pharmacy's gross merchandise value ("GMV") projected to grow at a CAGR of 10-12% between fiscals 2021 and 2025

According to CRISIL Research, the retail pharmacy's GMV is estimated at around ₹ 1,295 billion as of FY20 registering a 10% CAGR from ₹ 972 billion during fiscal 2017. The recent COVID-19 pandemic, which started spreading across the world since early 2020, had necessitated lockdown all over the country in the first quarter of FY21. With this, the domestic pharmaceutical sales were hit in the first quarter. Closure of smaller clinics and hospital OPDs, postponement of surgeries resulted in slower sales of drugs in domestic market. Some support was provided by increase in sales of chronic therapies like cardiac and anti-diabetes. Assuming that the demand is expected to pick up in the second half, we anticipate domestic market growth to moderate at ~1-3% in FY21 to clock a GMV of ₹ 1,300-1,350 billion. New product launches in the chronic segment partially offset the impact of low volume growth. Further, the double-digit rise in the anti-diabetic, cardiac, and dermatology segments supported growth of the domestic industry during the fiscal.

CRISIL Research expects shift in the disease profile to continue, with non-communicable chronic ailments adding to disease woes. The share of the chronic segment rose from ~37% in fiscal 2015 to 41% in fiscal 2020 even as the government-imposed price regulations impacted the segment's growth from fiscals 2015 to 2017. Despite this, the performance of segments such as cardiac, respiratory and anti-diabetic was strong, supported by robust volume growth. Chronic portfolios of major companies have seen a double digit growth in the past five years, with anti-diabetes being the fastest growing segment. Further, prices have been revised upwards by ~2% from April 2020 for medicines under the NLEM, in line with the wholesale price index (WPI). Thus, CRISIL Research projects the retail pharmacy market to grow by a CAGR of 10-12% between fiscal FY21 and FY25 to clock a GMV of 1,900-2,100 billion.

Retail pharmacy GMV in India



E: Estimated; P: Projected

Source: CRISIL Research

Key growth drivers and challenges

Growth drivers

Key growth drivers include: Rising ageing population and improving life expectancy; Growing incidences of lifestyle diseases in India; increasing health conscious population; and rising affordability.

Rising lifestyle diseases and growth in insurance penetration (mainly because of Ayushman Bharat) would aid demand for the sector in the long term.

Ayushman Bharat also aims to upgrade 1.5 lakh primary healthcare centres (PHC) to provide diagnostic services and free medicines for preventive care. This could be a huge spin-offs for the pharmaceutical industry as well.

Chronic disease care drugs (meant to treat many non-communicable diseases) are also seeing high growth rates, primarily due to growth in the urban population, better awareness on healthcare, and greater penetration of services. CRISIL Research expects this shift in the disease profile to continue, with non-communicable chronic ailments adding to disease woes.

Challenges

Key challenges include: intensifying competitive landscape within organised players and from e-retailers; susceptibility to economic down-cycles; and API availabilty and dependence on China.

India's retail industry is highly fragmented and faces intense competition from unorganised retailers. Also, physical format retailers are increasingly facing stiff competition from online format players.

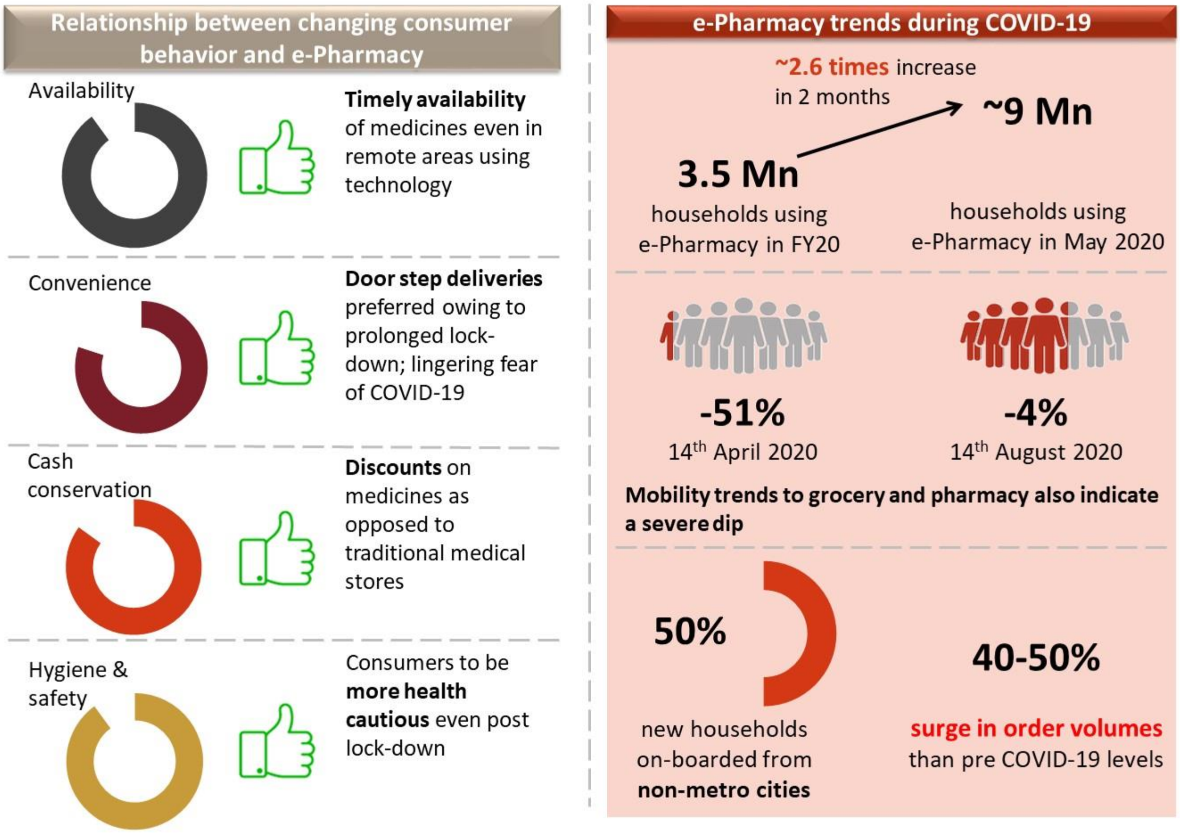
Rise in disposable incomes, inflation, and growth rate of the gross domestic product affect consumer sentiments and, thereby, performance of the sector especially consumer spending towards drugs like immunity boosting and OTC which fetch higher margins.

India imports ~68% of intermediaries required for active pharmaceutical ingredients from China. Over the past few years, many chemical based companies have been shut down in China due to failure to meet environment norms. Further, COVID-19 led disruptions during February and March in China disrupted supplies. Further, the Chinese bulk drug industry receives extensive support from the government in the form of subsidies. Any change in policy in this front will also lead to pressure on margins for the Indian players implicating higher drug prices and impact on margins across the supply chain.

An overview of the E-pharmacy market in India

E-pharmacy is also a major addition to the pharmacy industry. According to with increase in use of technology, penetration of e-pharmacy segment is higher in tier-1 and tier-2 cities of India as compared to that of tier-3 and tier-4 cities posing as a scope for opportunity. According to a FICCI whitepaper released in August 2020 titled ‘ePharmacies at COVID-19 Frontline’, the e-pharmacy market in India has seen investments of about $700 million in FY20.

Changing consumer behavior a major booster to e-Pharmacy growth apart from fundamental growth drivers



Source: Whitepaper published by FICCI titled 'ePharmacies at COVID-19 Frontline', Google COVID-19 Community Mobility Reports, and CRISIL Research

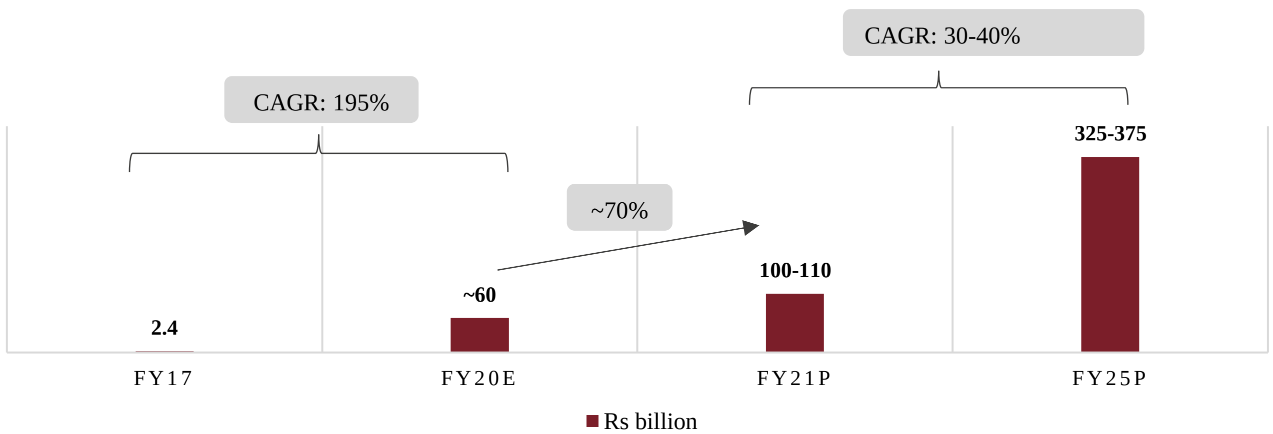
Mobility trends are indicated as % change on a particular date compared to the baseline which is a median value during the five-week period 3 Jan – 6 Feb 2020.

Due to sudden outbreak caused by the attack of COVID-19 many consumers have moved towards the e-pharmacy segment during the current financial year. According to sources, e-pharmacy companies have witnessed a customer base increase of nearly 2.5-3 times during the first few months of lockdown i.e from March to June 2020. Realising the use of e-pharmacy due the COVID-19 pandemic, government of India declared e-pharmacy as one of the essential services. However post lockdown, customer based and order volumes decreased as people started to move out to nearby retail pharmacies to purchase medicines. Apart from the fundamental growth drivers - like rising ageing population and improving life expectancy, growing incidences of lifestyle diseases in India, increasing internet & smartphone penetration, rising urbanization and nuclearisations - changing consumer behavior will push the e-pharmacy segment further.

E-Pharmacy GMV projected to grow 1.7 times in fiscal 2021 on account of a surge in demand due to COVID-19

The e-pharmacy GMV has grown at a whooping CAGR of 195% over fiscals 2017 and 2020 on account of a low base to clock a size of ₹ ~60 billion during fiscal 2020 from ₹ 2.4 billion during fiscal 2017. COVID-19 has boosted the order volumes by nearly 40-50% during the months of April to June 2020. Customer base also grew 2.5-3 times during the months of March to June 2020 as per sources in the industry. The current fiscal 2021 fared well for the e-pharma players such as Pharmeasy, Medlife, Netmeds, 1mg on account of rising demand. Companies also revved up average order values during high demand period by cutting discounts and charging delivery costs to customers. CRISIL Research expects the e-pharmacy market to clock a GMV of ₹ 100-110 billion during the fiscal 2021, a whopping 70% up from the figures as of FY20. Over the next five fiscals, CRISIL Research projects the e-pharmacy market to reach GMV of ₹ 325-375 billion, clocking a CAGR of 30-40% between FY21 and FY25. This rise is expected to be aided by a boost in penetration owing to entry of new-players/e-commerce giants and consolidation in the industry.

E- Pharmacy GMV in India



E: Estimated; P: Projected

Source: CRISIL Research

Strengths of e-Pharmacy over traditional retail pharmacy includes:

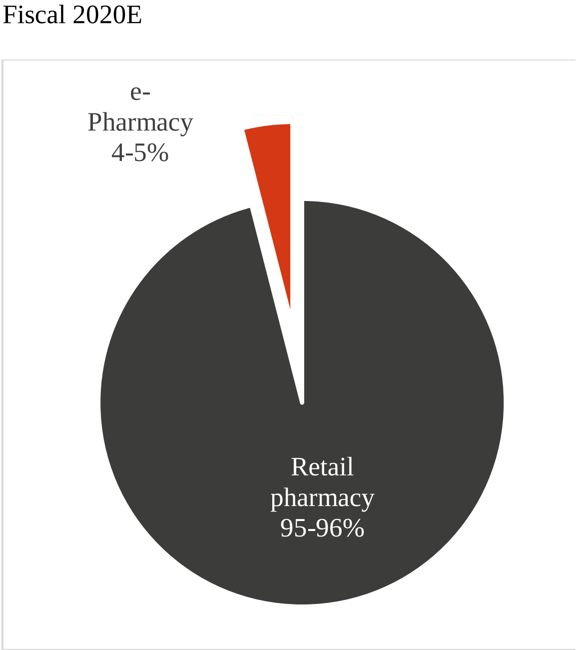
- Lower overheads and selling prices
- Efficient inventory management
- Increased reach
- Offering value added services such as telemedicine and diagnostic facilities offering higher margins

- Ability to record and track transactions

Recent deals in the e-Pharmacy industry includes:

- Amazon India rolled out 'Amazon Pharmacy' in Bengaluru in August 2020
- PharmEasy and MedLife apply for merger to Competition Commission of India (CCI)
- Reliance industries acquired 60% equity stake in Vitalic Health pvt. Ltd and its subsidiaries (collectively known as 'NetMeds')
- Flipkart also planning to enter e-pharmacy business

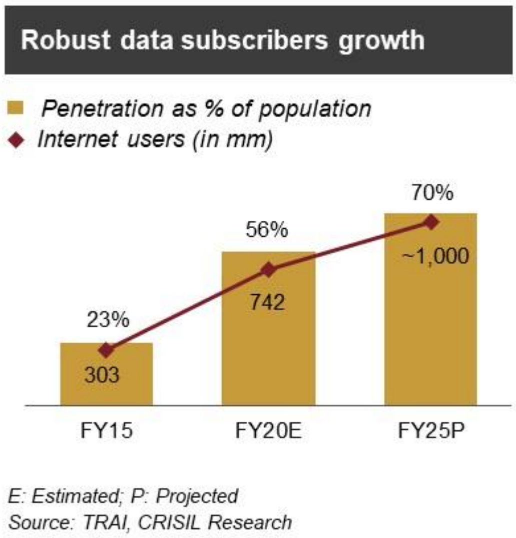
E-pharmacy penetration to grow 4-5 times between fiscals 2020 and 2025

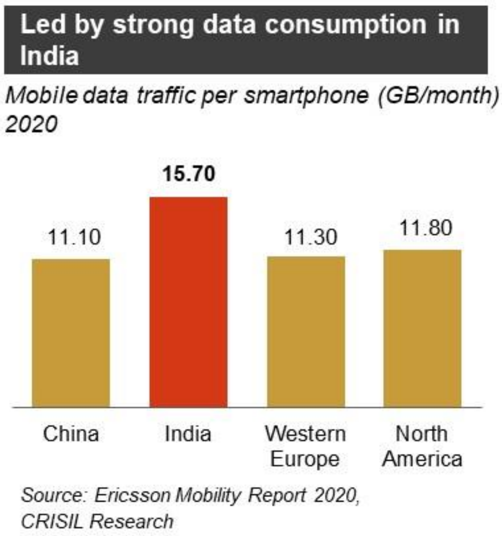


E: Estimated; P: Projected

Source: CRISIL Research

Key growth drivers and challenges





Healthcare delivery has been witnessing an influx of mobile-based applications. E-Pharmacy shall also gain impetus by robust internet penetration led by a strong consumption growth going forward.

BUSINESS

*In this section, unless the context otherwise requires, "we", "us" and "our", includes our subsidiaries, joint ventures and associates. See section titled "**Business—Corporate Structure**" below.*

Overview

We are the largest private healthcare services provider in India based on numbers of hospitals and available hospital beds as of March 31, 2020, according to the CRISIL Report. Our lines of business include (i) healthcare services through multi-specialty hospitals, (ii) a pharmacy platform which includes a 25.5% equity interest in Apollo Pharmacies Limited ("**APL**"), which operates a network of stand-alone pharmacies, and our own pharmacy distribution business (together, the "**Pharmacy Platform**"), and (iii) other healthcare services through our retail healthcare network in Apollo Health and Lifestyle Limited ("**Apollo Health and Lifestyle**"), our Subsidiary, which includes diagnostics, primary care and specialty care facilities. In February 2020, we launched a digital platform, "**Apollo 24/7**," which leverages our broad network and capabilities to provide patients with virtual consultation with doctors and integrates with medical records and online pharmacies. To enhance our service offerings to our customers and complement our business, we also provide the following services: project and consultancy services to other healthcare providers in India and overseas, management services via public-private partnerships in healthcare facilities, remote tele-health services, education and training programs and research services.

The Company was founded by Dr. Prathap C. Reddy in 1979 and became a public listed company on the BSE in 1983 and was listed on the NSE in 1996. We are headquartered in Chennai and as of the date of this Preliminary Placement Document, we operate our business through the Company, and its 18 direct subsidiaries, 10 step-down subsidiaries, three joint ventures and four associates.

We have continuously invested in bed capacity creation and have increased the bed capacity under our management to 10,209 beds in 71 hospitals located in India and overseas as of November 30, 2020. As of November 30, 2020, of the 10,209 beds, 8,816 beds were in 44 hospitals owned by us, our subsidiaries, joint ventures or associates, 270 beds were in 11 day surgery centers and 272 beds were in 11 cradle centers owned by Apollo Health and Lifestyle, and 851 beds were in 5 hospitals under our management through operations and management contracts and franchise agreements. As of November 30, 2020, our pharmacy platform is spread across a network of 3,975 stand-alone pharmacies through our 25.5% equity interest in APL, and we are the exclusive supplier to APL for its back-end pharmacy distribution needs. See "**Business—Our Services—Pharmacy Platform"** on page 146. As of November 30, 2020, Apollo Health and Lifestyle had 1,078 retail touchpoints in India providing diagnostics and clinics services. Our Apollo 24/7 app had approximately 5 million registered users as of November 30, 2020.

We had a total employee strength of 61,709 (including employees of our subsidiaries, joint ventures and associates only), including 2,613 doctors, 12,331 nurses, and 46,765 paramedical personnel, support staff, administrative staff, executives and other staff, as of September 30, 2020. We also have 9,434 "fee for service" doctors working in our hospitals as of September 30, 2020. During fiscal 2020 and the six months ended September 30, 2020, hospitals owned by us provided care to over 4.8 million and 1.7 million patients, respectively.

We constantly seek to be at the forefront of the healthcare services delivery model by providing cutting edge services, focusing on specialties including cardiac sciences, oncology, neuro sciences, orthopedics, transplants and emergency care, also known as our "**Centers of Excellence**." Eight of our hospitals have received accreditations from the Joint Commission International, USA ("**JCI**") for meeting international healthcare quality standards for patient care and organization management, and 30 of our hospitals have received accreditations from the National Accreditation Board for Hospitals & Healthcare Providers ("**NABH**"). Our healthcare facilities provide treatment for acute and chronic diseases across primary, secondary, and tertiary care sectors. Our tertiary care hospitals provide advanced levels of care in over 50 specialties, including cardiac sciences, oncology, radiology and imaging, gastroenterology, neurosciences, orthopedics and critical care services. In addition, we have continuously embraced innovative and cutting-edge medical technology such as minimally invasive surgery and robot-assisted surgeries.

We reported total revenues from operation of ₹ 82,435 million, ₹ 96,174 million, ₹ 112,468 million, ₹ 54,126 million and ₹ 49,322 million in fiscal 2018, fiscal 2019 and fiscal 2020 and the six months ended September 30, 2019 and 2020, respectively. Our healthcare services segment contributed 54.8%, 53.5%, 50.9%, 52.5% and 41.1% of our total revenues from operations in fiscal 2018, fiscal 2019, fiscal 2020 and the six months ended

September 30, 2019 and 2020, respectively.

In March 2020, the World Health Organization declared the novel corona virus ("**COVID-19**") outbreak a pandemic and on March 14, 2020, India declared COVID-19 as a "notified disaster" and imposed a nationwide lockdown beginning March 24, 2020. There were restrictions on elective surgical procedures, quarantines, stay-at-home and shelter-in-place orders, the promotion of social distancing, travel related restrictions including curbs on international travel as well as general concerns related to the risk of contracting COVID-19 from interacting with the healthcare system. In response to the COVID-19 pandemic, we have launched an initiative called "**Project Kavach (shield)**." Project Kavach is an integrated response plan which covers a wide spectrum of services including the dissemination of information and preventive measures, online-self-assessment for COVID-19 risk, testing, quarantine rooms, treatment, hospital beds and ICU facilities for critically ill patients. As of November 30, 2020, there were more than 31,500 patient admissions related to COVID-19 since the beginning of the pandemic. We have dedicated over 1,900 beds for COVID-19 patients and have performed over 253,000 COVID-19 tests. We have also partnered with several hotel chains and other organizations to set up quarantine facilities under "**Project Stay I**," which provided more than 77,000 room nights across our network as of November 30, 2020. Furthermore, we have also established the "**Apollo Institute of Infectious Diseases**," a special Center of Excellence with a comprehensive service offering focusing on infectious diseases. See also "***Risk Factors—We expect the COVID-19 pandemic to continue to materially affect our financial performance in fiscal 2021, and, potentially, in future periods, and such pandemic may otherwise have material adverse effects on our results of operations, financial condition, and/or our cash flows***." on page 32.

As part of the reorganization completed in August 2020, we divested our interest in the front-end stores of our Pharmacy Platform business to APL and we retain the back-end pharmacy distribution business. We have a 25.5% equity interest in APL while the remaining interest is held by three other investors. We are also the exclusive supplier for APL under a long term supply agreement and we have also entered into a brand licensing agreement with APL to license (i) our "**Apollo Pharmacy**" brand to APL for use in its front-end stores and (ii) our online pharmacy domain name "www.apollopharmacy.in" to APL for its undertaking and fulfilling of online retail sale orders. Each agreement is valid for a term of 10 years from September 1, 2020. Historically, the Pharmacy Platform business segment was represented by the retail pharmacy business segment in AHEL until August 31, 2020, and it included both front-end retail pharmacy business and the back-end pharmacy distribution under one segment. After the reorganization from September 1, 2020 onward, we reported revenues from pharmacy distribution as a new segment. We believe the reorganization will enhance our Pharmacy Platform business as we continue to strengthen the business and its sustainability as we leverage our strong distribution supply chain, expand our private label products and build an integrated customer loyalty platform. See "***Business—Our Services—Pharmacy Platform***" on page 146.

Our Competitive Strengths

We believe that the following competitive strengths distinguish us from our competitors.

India's largest hospital chain and integrated healthcare provider

We are the largest private healthcare services provider in India based on numbers of hospitals and available hospital beds as of March 31, 2020, according to the CRISIL Report. Our lines of business include (i) healthcare services through multi-specialty hospitals, (ii) Pharmacy Platform which includes retail pharmacy with a network of stand-alone pharmacies through a 25.5% equity interest in APL and our own pharmacy distribution business, and (iii) other healthcare services through our retail healthcare network in Apollo Health and Lifestyle, our Subsidiary, which includes diagnostics, primary care and specialty care facilities. To enhance our service offerings to our customers and complement our business, we also provide the following services: project and consultancy services to other healthcare providers in India and overseas, and management services via public-private partnerships in healthcare facilities, remote tele-health services, education and training programs and research services. We have an established pan-India presence with a large network of 71 hospitals and 3,975 stand-alone pharmacies spread across India as of November 30, 2020. As of November 30, 2020, of the 71 hospitals, 44 hospitals were owned by us, our subsidiaries, joint ventures or associates, 11 day surgery centers and 11 cradle centers were owned by Apollo Health and Lifestyle and 5 hospitals were under our management through operations and management contracts and franchise agreements.

We deliver clinical excellence at scale and we achieve this through a combination of top clinical talent, strong clinical protocols and cutting-edge medical technology. We have developed strong relationships with over 12,000 employed and "fee for services" doctors and other medical professionals in our network. Many of our doctors have received qualifications or training or work experience in the United Kingdom, Australia or the United States. In addition, many of them are prominent members of the medical profession having received accolades and awards, including the Dr. B.C. Roy National award, and the Padma Bhushan and the Padma Shree awards, with certain of our doctors heading national medical associations. Since our inception, we have been at the forefront in outlaying necessary capital for enhancing and adopting the best available medical technology, which allows us to continue in providing best-in-class treatment for patients. For example, we are one of the first hospitals to adopt minimally invasive surgery and robot-assisted surgery in India, which reduces the recovery time of patients. The latest example of our commitment to advanced medical technology is our Apollo Proton Cancer Center in Chennai, which is a one of its kind center in South East Asia and the Middle East and it has already received JCI accreditation. These are examples of our focus on clinical excellence which we believe is a fundamental consideration for consumers when choosing their healthcare services provider.

Furthermore, our technology platform Apollo 24/7 offers a full suite of distinctive and dedicated digital healthcare offerings that are fully integrated to track a person's complete medical health and wellness journey. From virtual consultations, online pharmacy and filling prescriptions to using a platform that can leverage on-line and off-line records to making artificial intelligence based health predictions in the future, it is available literally 24/7 to a consumer. We believe we can bring our network of healthcare services closer to consumers through our continuous improvements in technology. With our strong presence across India and a wide spectrum of healthcare offerings from hospital services, Pharmacy Platform and diagnostics and clinical services to retail healthcare, and with the adoption of innovative technology, it is our vision to become an integrated consumer-centric healthcare ecosystem. We believe that we have a competitive advantage and are able to benefit from the following:

- Cost efficiencies through sharing of managerial and clinical resources;
- Robust technologies developed over the years by the group for Patient health records and Tele-medicine platform.
- Economies of scale and competitive prices from our suppliers and service providers through centralized purchasing;
- Access to qualified and trained medical resources through our strong brand and educational initiatives; and
- Access to a larger patient base through our pan-India presence in primary clinics, telemedicine, Apollo 24/7 and others.

Well known, diversified and resilient healthcare brand

We believe that the "Apollo" brand is widely recognized in India by both healthcare professionals and patients. Our reputation has helped us to attract well-known doctors and other healthcare professionals to our facilities from India and abroad, who in turn draw more patients to our facilities. Our clinical and non-clinical staff is well trained to deliver the best possible clinical outcomes to patients. We believe that our strong track record in building long-term relationships with our doctors and other medical professionals together with our focus on achieving and maintaining world-class clinical outcomes have enabled us to build a strong brand name.

The value of our "Apollo" brand is strengthened by our strong geographic presence and diversified business segments. We have presence in multiple Tier 1 city clusters and Tier 2 cities. Our business spreads across various healthcare segments, including hospital services, pharmacy, clinics, retail healthcare and others, and our brand is used consistently across these different segments. Because of our continued strong brand value and the diversification in our geographic presence and business segments, our business model is resilient to external circumstance. For instance, in the six months ended September 30, 2020, although our hospital business was negatively impacted by COVID-19, our Pharmacy Platform business continued to grow.

We have received numerous awards which we believe are a testimony to our strong brand value built over 36 years in the healthcare services industry. The following are a few key awards that we have received over the past few years:

- The Week magazine in India has consistently ranked certain of our hospitals as among the leading private sector hospitals in India. Our hospital in Chennai (located at Greams Road) was ranked amongst the "Best Hospitals" in India according to The Week- Best Hospital Survey of 2016, 2017, 2018 and 2019. A number of our other hospitals have been ranked as the "Best Hospitals" in their respective cities, including our hospitals in Delhi, Kolkata and Hyderabad, according to The Week-Hansa Research Survey in 2019.

- Apollo Health City - Hyderabad was awarded the "Best Medical Value Travel Specialist Hospital" in spine surgery by the Ministry of Commerce and Industry, Government of India.
- A special postage stamp in recognition of the Company's contribution towards the Indian healthcare sector was released on November 2, 2009. We were honored again in 2019 with a postal stamp for having successfully performed 20 million health checks and for our efforts in encouraging preventive healthcare in India.
- In 2019, Indraprastha Apollo Hospital in Delhi won the Federation of Indian Chambers of Commerce and Industry ("**FICCI**") Healthcare awards for Service Excellence. Several of our hospitals such as Apollo Gleneagles Hospitals in Kolkata and Apollo Hospital, Ahmedabad also received awards from FICCI Medical Value Travel Awards across different medical fields in 2019.
- Apollo Hospitals was conferred with 10 awards in eight categories by The Hospital Management Asia Award Forum in 2019.

High quality healthcare using advanced technology and innovation

We continuously invest in medical technology and equipment and modernize our hospital facilities so as to offer high quality healthcare services to our patients and expand our range of healthcare services. We believe that we have been the first healthcare services provider to introduce many cutting-edge medical technologies, equipment and treatments in the Indian sub-continent, including the following:

- Proton beam therapy, an advanced form of radiotherapy delivered by accelerated proton beams rather than X-rays to limit the amount of radiation delivered to healthy tissue while effectively targeting tumor tissue.
- Dynamic multi-detector CT scanner, an advanced diagnostic tool used in heart, brain and whole body scanning, was first launched at the Apollo Heart Center, Chennai in 2020.
- MRI system, an advanced diagnostic imaging system which produces three dimensional images and generates high quality image, in 2014.
- Eleven robotic surgical systems that enables robot-assisted surgery.

The availability of sophisticated medical technology ensures that we are among the few healthcare services providers in India who are able to offer advanced healthcare procedures such as deep brain simulation for treating Parkinson's Disease, proton therapy for brain tumors and pediatric cancers and robotic surgery for prostatic surgeries.

New and emerging technologies have transformed the healthcare industry in recent years and information technology ("**IT**") services for healthcare service providers have been more influential than ever on patient outcomes. As medical facilities continues to modernize, the need for a robust and responsive healthcare IT system is also increasing. We have digitalized our IT back-end services to optimize the patient's experience throughout the healthcare and after-care cycle. For instance, investigative analytics data of our patients is stored and predefined under key performance indicators ("**KPIs**"), which provides more information to our medical professionals and increases the transparency to the patients in making their healthcare choices.

Furthermore, in recent years, we have had multiple technology collaborations, including a collaboration with Microsoft to develop and deploy new artificial intelligence-powered cardiovascular disease risk score application that can predict the cardiovascular disease risk score in the Indian population, a collaboration with Zebra Medical Vision in Israel to validate and co-develop a medical imaging using artificial intelligence across India in the area of Tuberculosis screening, and a partnership with Google India to launch a new search feature called "**Symptom Search**," which would allow patients to identify symptoms of diseases at their homes.

In addition, in order to provide patients with smooth access to our hospital services, we have built an integrated online platform called "**Ask Apollo**," which allows patients to make doctor appointments online and to schedule online consultations. In fiscal 2020, we also launched a comprehensive mobile application, "**Apollo 24/7**," which provides patients with a broad suite of services including virtual consultation with doctors, medical records and online pharmacy. Fulfilment of online pharmacy orders is done through APL. Our COVID-19 risk online assessment tool on Apollo 24/7 is another example of our strength in combining technology with patient needs. As of November 30, 2020, there were approximately 5 million registered users on Apollo 24/7.

We believe that our investments in the latest and most advanced medical technology and equipment has enabled us to attract renowned doctors from India and abroad to practice in our hospitals and have also made our hospitals the preferred treatment destinations for patients from various countries around the world. We have dedicated teams in place to constantly monitor technological innovations and medical developments globally to ensure that we have and are also kept up-to-date with the latest relevant technology and treatments in the industry.

Pharmacy Platform with an interest in the largest and fastest growing pharmacy network in India

Our Pharmacy Platform includes a 25.5% equity interest in APL, which operates India's largest stand-alone pharmacy chain according to the CRISIL Report, with nearly 3,975 outlets in key locations as of November 30, 2020. We are also the exclusive supplier for APL under a long term supply agreement and we have also entered into a brand licensing agreement with APL to license (i) our "**Apollo Pharmacy**" brand to APL for use in retail sale of products in its front-end stores and (ii) our online pharmacy domain name "www.apollopharmacy.in" to APL for its undertaking and fulfilling of online retail sale orders. Each agreement is valid for a term of 10 years from September 1, 2020. The stand-alone pharmacies under APL offer a wide range of medicines, hospital consumables, surgical and health products and general "over-the-counter" products. Consumers are also offered with value added services such as home deliveries, prescription refill reminders and loyalty discounts. From fiscal 2018 to fiscal 2020, our Pharmacy Platform has registered a healthy growth of 21.4% CAGR on revenues. The number of stand-alone pharmacies grew at 11.7% CAGR from fiscal 2018 to fiscal 2020. Our Apollo 24/7 app also offers online pharmacy by routing the fulfillment to APL. The Pharmacy Platform has consistently demonstrated growth in revenues, margins and return on capital employed.

Our Pharmacy Platform also includes the pharmacy distribution business, with a robust supply chain and strong nation-wide distribution channel which provides a competitive advantage on purchase-price over the mom-and-pop shops and other regional chains. We also have enhanced our private label business through broadening and deepening the product portfolio. In fiscal 2020, our private label sales contributed to 8% of the total revenues from the Pharmacy Platform. With the front-end retail pharmacy business through our interest in APL and our own pharmacy distribution business both experiencing steady growth, our Pharmacy Platform will continue to be a strong pillar of our diversified business model and contribute to our financial resilience and diversity. See "**Business—Our Services—Pharmacy Platform**" on page 146.

Connecting to consumers through retail healthcare

We provide other healthcare services through the retail healthcare network in our 70.25% owned subsidiary, Apollo Health and Lifestyle, which was established with the intention to take the pure "hospital" setting closer to the consumers with various touchpoints and offerings. With 1,078 retail touchpoints in India as of November 30, 2020, Apollo Health and Lifestyle provides primary healthcare and diagnostics services, such as clinical, diagnostic, diabetics control, fertility and dental services, and specialty care centers, such as Apollo Spectra which provides short stay surgeries, and Apollo Cradle which is a line of premium centers for women and children with maternity, gynecology, neonatal, pediatrics and fertility services. In the six months ended September 30, 2020, the clinics segment contributed to 5.6% of our total revenues from operations.

Furthermore, with our continued focus on preventive health, we have launched "**Apollo ProHealth**", a proactive health management program supported by artificial intelligence in conducting personalized health risk assessment. The program provides consumers with actionable health analytics, to understand and remediate health risks through timely and appropriate clinical and lifestyle changes. We are also offering services under "**Apollo HomeCare**," which is operational in nine cities in India, to offer distinctive programs to support consumers within the comfort of their own homes. For example, we offer doctors home visit, home nursing, physiotherapy, mother and baby care and other supportive care. For the eight months ended November 30, 2020, we have enabled more than 28,500 patients to move into their homes for healthcare services, of which 14,600 were related to COVID-19 cases for medically supervised home isolation services. These services are fully complemented with medical devices and equipment.

The above offerings function as a seamless and integrated continuum, which serves patients across various healthcare offerings and funnels healthy consumers to our network as they pursue their wellness goal. Consumers have the opportunity to seek out specialized care without needing to visit a largescale hospital, moving our Apollo brand closer to consumers and catering to their welfare and a healthier lifestyle.

Superior operating and financial performance

We have consistently delivered strong operating and financial performance by focusing on greater integration and utilization of our assets and infrastructure, better supply chain management and human resources development. For instance, we allocate our capital resources efficiently by focusing on stabilizing and compressing the time to maturity at our new facilities. As of March 31, 2020, we classified our hospitals into 31 mature hospitals, which are facilities commissioned for longer than eight years, and 14 new hospitals, which are facilities commissioned for less than eight years. As of March 31, 2020, our mature hospitals had 5,966 capacity beds and 5,489 operational beds, and our new hospitals had 2,856 capacity beds and 2,002 operational beds. Each classification had an occupancy rate of 69% and 63%, respectively, for fiscal 2020. We have recruited specialist consultants for our Centers of Excellence, especially at new hospitals, to ensure a superior specialization mix. We also plan in phases the commissioning of additional beds at new facilities that will keep our fixed costs lower. We capitalize on the synergies across our large network with the goal of minimizing costs of expensive drugs and medical consumables like stents, implants and other surgical materials through standardization across our network, optimizing procurement costs, consolidating suppliers and optimizing the use of medical consumables by establishing guidelines for medical procedures. The number of operating beds owned by us continued to increase, from 7,111 beds in fiscal 2018 to 7,336 beds as of November 30, 2020. The Average Length of Stay ("**ALOS**") of patient in the hospitals owned and managed by us improved from 3.99 days in fiscal 2018 to 3.86 days in fiscal 2020. We also have an ongoing focus in reducing the length of hospital stays to further utilize our existing assets and infrastructure, and hence improving our operational performance. Furthermore, in order to achieve higher margins, we focus on performing complex surgical procedures and work on measures to improve our operating and financial performance with our internal quality management programs.

Experienced and professional management team with domain expertise and strong execution track record

We benefit from an experienced management team which has made significant contributions to our growth and which has a long and proven track record in the healthcare services industry. For instance, our Chairman, Dr. Prathap C. Reddy, was conferred the Lions Humanitarian Award for 2016-17 by Lions Club International Foundation for making international standards of healthcare accessible and affordable to millions across India and around the world, and the Padma Vibhushan Award in 2010, the second highest civilian award in India, in recognition of his contribution towards the trade and industry, by the Government of India. Our management team is composed of directors with extensive experience in the healthcare services industry, as well as doctors with both clinical and administrative experience. We believe that a professionally managed administration with a commitment to patient care and high ethical standards enables us to operate our facilities efficiently while at the same time providing quality care to our patients.

Our Business Strategy

Our mission is to continuously improve the quality of healthcare services provided to the communities we serve by striving to bring healthcare services of international standards within the reach of every individual. We are committed to the achievement and maintenance of excellence in education, research and healthcare for the benefit of humanity. At the same time, we seek to generate strong financial performance and appropriate returns for our shareholders through the execution of a strong business strategy.

We aim to achieve our mission and to grow our business by pursuing the following strategic goals:

Strengthen our presence in selected metropolitan city clusters and other key markets organically and inorganically

Currently, we have hospitals located in all of India's six key metropolitan cities, namely Chennai, New Delhi, Kolkata, Mumbai, Hyderabad and Bangalore. These six metropolitan city clusters represent a significant proportion of our target consumer segment in India. Over the past few years, we have invested in these cities by adding healthcare facilities and bed capacity to deepen our presence and we expect to reap the benefit from these investments in the coming years. Our strong presence in these city clusters demonstrates our clinical leadership and our ability to garner healthy market share. We have also developed strong Centers of Excellence and have a skilled pool of clinicians in each of these key city clusters, which we intend to further strengthen in order to grow our market share in each of these Centers of Excellence. We believe that these key metropolitan cities will continue to have a strong demand for high quality tertiary care services. We intend to continue to strengthen our presence and increase our market share in these key strategic markets by a combination of asset-light expansion and value accretive, bolt-on acquisitions. We currently own 50.0% interest in Apollo Gleneagles Hospitals, Kolkata and we are in the process of acquiring the remaining 50.0% equity held by Gleneagles Development PTE Ltd, Singapore. We also intend to leverage the network effect in each of these six city clusters by effectively integrating the multiple formats of care that we have developed over the years, which significantly cover all consumer catchments.

In addition to the six city clusters, we currently have established hospitals in other Tier II cities and large urban centers in India including Ahmedabad, Lucknow, Bhubaneshwar, Bilaspur, Guwahati, Indore, Madurai, Nashik, Nellore, Trichy, Visakhapatnam and others. The key demographic characteristics of these markets are high population, sufficient spending potential and a largely under-served segment with respect to quality healthcare services. We aim to selectively enhance our network in Tier II cities and other large urban centers by setting up hospitals that are at considerably lower capital costs per hospital bed compared to those in a Tier I city. We believe that this will give patients in such locations greater access to high quality healthcare services without having to travel to the Tier I cities. With our presence in these Tier II cities and large urban centers, we hope to create a funnel effect to direct patients to our high-end tertiary care offerings in Tier I flagship hospitals. As government funding for construction of new hospitals in Tier II cities and large urban centers are expected to grow according to the CRISIL Report, we believe the demand for quality healthcare will continue to rise in these areas.

Enhanced focus on high value clinical specialties

We believe that a combination of factors, including changing demographics, increasing affluence of the Indian population, greater health awareness, an increase in lifestyle-related diseases such as heart disease and diabetes, increasing health insurance coverage and a growing medical tourism market, will lead to an increase in demand for quality healthcare services, particularly tertiary healthcare services. We have therefore identified cardiac sciences, oncology, neuro sciences, orthopedics, transplants and emergency care as our key focus areas of our tertiary care hospitals. We internally designate these focus areas as "**Centers of Excellence**". Due to the complex nature of the treatments involved, the medical procedures performed in the Centers of Excellence typically command relatively high realizations. Our Centers of Excellence also create a "halo effect" which lead to higher patient flows to other specialties and ailments. These Centers of Excellence contributed approximately 60% of our in-patient revenues during each of fiscal 2018, fiscal 2019, fiscal 2020 and the six months ended September 30, 2019 and 2020. For example, cardiac sciences, one of our key Centers of Excellence, has grown at a CAGR of 7% between fiscals 2017 to 2020, and it accounted for 28%, of in-patient revenues for hospitals in India in 2020, according to the CRISIL Report.

To maximize our market share of the tertiary care procedures performed in each Center of Excellence, we plan to undertake a number of initiatives to ensure that we provide differentiated, high quality healthcare services and superior clinical outcomes, including:

- Strengthening each Center of Excellence through the addition of experienced and skilled surgeons and physicians.
- Expanding each Center of Excellence practice area to provide comprehensive sub-specialties and treatment services.
- Continually investing in the latest medical technology and equipment so as to offer high quality healthcare services to our patients.
- Strengthening and updating well-defined clinical guidelines and protocols with a strong focus on clinical outcomes.
- Integration of our network of hospitals to enable knowledge sharing and the adoption of best practices for each Center of Excellence across the network through dedicated service line managers.

Digital initiatives

Our vision is to become the leading consumer-centric health ecosystem anchoring in world-class healthcare assets, innovative technologies, ubiquitous access and a trusted brand. Having created the largest omni-channel healthcare platform in India with the largest numbers of hospitals and one of the biggest pharmacy chains according to the CRISIL Report, we are now focused on creating a healthcare ecosystem which would include a full suite of distinctive and dedicated digital healthcare service offerings that are fully integrated to track a person's medical health and wellness journey. To this end, we have invested in digitalizing our IT back-end services to optimize patient's experience through our physical plus digital ecosystem. As part of our effect to improve patients' accessibility, we have launched "Ask Apollo," an integrated online platform which allows patients to make doctor appointments online and to schedule online consultation. It allows patients to access their medical records, wellness tips and advice as well as receiving interactive chat-based assistance. Furthermore, we have launched "Apollo 24/7," a comprehensive digital platform which provides consumers options for virtual consultation with doctors and integrates with medical records and prescriptions, diagnostics as well as hosts an online pharmacy. Going forward, Apollo 24/7 will provide artificial intelligence-based health predictions and become the center of a 360-degree healthcare continuum. We may also seek investments and strategic partnerships for Apollo 24/7 that we believe would complement our healthcare expertise, by contributing capital and know-how and enabling us to build scale for the Apollo 24/7 platform. We believe that this platform will evolve into a fully integrated digital ecosystem which will completely satisfy a consumer's healthcare needs across the spectrum.

We have also increased our focus on technology collaborations and we are planning to incorporate artificial intelligence into our medical technology. We had partnered with Microsoft to develop and deploy an artificial intelligence-powered cardiovascular disease risk score application that can predict the cardiovascular disease risk score in the Indian population. We consider this partnership was our first step to achieve artificial intelligence-based predictive health across the disease spectrum. We have also partnered with Google India to launch a new search feature called "**Symptom Search**," which would allow patients to identify symptoms of diseases. We are also collaborating with Zebra Medical Vision in Israel to validate and co-develop a medical imaging using artificial intelligence across India in the area of Tuberculosis screening. These collaborations will enable us to expand the healthcare ecosystem by reaching a larger population addressing different needs and developing clinical decision support systems using artificial intelligence. We will continue to participate in other collaborations to improve our technology and digitalization efforts.

Continued focus on moving closer to our consumers and enhancing consumer relevance

Healthcare is undergoing an evolution in consumer expectations and behaviors. We believe that with increasing disposable incomes, deliberate decision making skills and health awareness among consumers in general, there will continue to be a growing demand for retail healthcare, which increases consumer convenience, and preventive healthcare, which supports wellness and early detection of illness. We have invested in multiple formats within the retail healthcare space, particularly within Apollo Health and Lifestyle to maximize the number of people we can reach and to provide ease of access to consumers across the healthcare continuum. Apart from Apollo Health and Lifestyle, which offers primary healthcare and diagnostics services as well as speciality care services, we also plan to enhance our focus on preventive health, wellness products and homecare. We have already launched "Apollo ProHealth," a holistic health management program, and "Apollo HomeCare," taking high quality healthcare services to consumers in the comfort of their own homes. Accordingly, we plan to increase the number of diagnostic centers, clinics and cradle centers. We also plan to embed all of our retail healthcare services within our digital healthcare ecosystem. We believe these are ways to introduce healthy consumers to the breadth of our healthcare services and to engage them in a way that optimizes the customer lifetime value.

Focus on continued growth in our Pharmacy Platform

The hospital sector in India is expected to grow at a CAGR of 17% to 18% between fiscals 2021 and 2025, while the retail pharmacy's gross merchandise value is expected to grow at a CAGR of 10% to 12% between fiscals 2021 and 2025 according to the CRISIL Report. We believe we will continue to grow at a healthy rate, as we have the largest numbers of hospitals and available hospital beds as of fiscal 2020 in India according to the CRISIL Report. We have recently completed the reorganization of our Pharmacy Platform business and divested our interest in the front-end retail stores of our Pharmacy Platform to APL, in which we have a 25.5% equity interest and the remaining interest is held by three other investors. We are the exclusive supplier for APL under a long term supply agreement and we have also entered into a brand licensing agreement with APL to license (i) our "**Apollo Pharmacy**" brand to APL for use in its front-end stores and (ii) our online pharmacy domain name "www.apollopharmacy.in" to APL for its undertaking and fulfilling of online retail sale orders. Each agreement is valid for a term of 10 years from September 1, 2020. Our Pharmacy Platform also includes our own pharmacy distribution business with a robust supply chain and strong nation-wide distribution channel.

We intend to continue growing the Pharmacy Platform through:

- Being the exclusive supplier to APL for its pharmacy distribution business and licensing our "Apollo Pharmacy" brand and online pharmacy domain name "www.apollopharmacy.in" to APL to use in its operations and driving economies of scale that arise from APL being the largest pharmacy chain in India; and

- Increasing sales in private label products which have better profit margins and increasing sales through the bulk distribution of medical supplies and consumables to hospitals and other healthcare providers.

Improving operating efficiencies and profitability

We believe that maximizing operating efficiencies and profitability across our network is a key component of our growth strategy. We intend to focus on the following key areas to improve our operating efficiencies and profitability:

- Improve occupancy rates and equipment utilization at our hospitals

  To improve occupancy rates, we will continue to maintain and also recruit new medical professionals of high caliber in specified fields and focus on clinical excellence. In order to improve our utilization rate, we plan to focus on stabilizing and compressing the time to maturity at our new facilities. We believe the operating leverage will play out and be instrumental in improving our operating margins, especially in our new facilities. We will continue to recruit specialist consultants at our Centers of Excellence to ensure superior specialization mix and phase out the commissioning of additional beds linked to occupancy levels at new facilities.

- Reduce Average Length of Stay ("**ALOS**") and improve Average Revenue Per Occupied Bed Day ("**ARPOB**")

  We plan to reduce our ALOS by continuing to improve our clinical practices and use of technology. Day-care surgeries, which are outpatient surgeries that do not require overnight hospital stay, form a significant portion of our overall surgical work and we have also achieved reduced surgical trauma and patient recovery time through our extensive adoption of minimally invasive surgeries and robot assisted surgeries. Our ongoing efforts to reduce ALOS will improve patient turnover rate and revenue per occupied bed per day. As a result, our ARPOB saw an increasing trend from ₹ 31,967 in fiscal 2018, ₹ 34,226 in fiscal 2019, ₹ 37,397 in fiscal 2020, ₹ 36,982 in the six months ended September 30, 2019 to ₹ 38,412 in the six months ended September 30, 2020. These efforts will continue to help in optimizing our margin profiles, especially in mature hospitals, which are facilities commissioned for longer than eight years.

- Optimizing costs through improving employee productivity, streamlining technology and processes, reducing the use of consumables and increasing the use of substitutes and generics

  To improve the productivity of our employees, we plan to place greater emphasis on training our employees in best practices and implement programs to provide incentives for performance. We also intend to apply principles of lean management across all of our administrative and management layers, and optimize the use of technology to build greater efficiencies in our ways of working.

  We plan to optimize costs through greater integration across our network. Our hospitals and pharmacies are large consumers of drugs and medical consumables like stents, implants, sutures and other surgical materials. To minimize costs and leverage on economies of scale, we intend to focus on standardizing the type of medical and other consumables used across our network, optimizing procurement costs, consolidating our suppliers and optimizing the use of medical consumables by establishing guidelines for medical procedures across our network. We also plan to use more substitutes and generic brands for consumables to reduce costs.

Continued focus on medical value travelers

According to the CRISIL Report, India is a major medical tourist destination and the medical tourism market in India is expected to grow at a CAGR of 65% to 70% between fiscals 2021 and 2025. We believe that India is highly competitive in terms of healthcare costs compared to other developed and developing countries, such as the United States, South Korea and Singapore. A number of our facilities have been accredited by various Indian and international accreditation agencies such as the JCI, the NABH and the NABL, which we believe helps us to attract medical value travelers. Our world class hospitals are equipped with best-in-class technology and skilled medical professionals at significantly lower costs. We believe that the assurance of high quality healthcare facilities and cost-effectiveness are two main factors that would attract more patients from across the globe for medical treatment in India. We have positioned our flagship hospitals in each of the metropolitan cities as key destinations for medical value travel. We are also the only hospital in South East Asia to establish and operate a proton therapy center. We intend to focus on attracting more medical value travelers from select markets including those in the Middle East, Africa and South East Asia by increasing our marketing efforts in these regions. In fiscal 2020, there were medical value travelers from 120 countries which contributed to 8% of our in-patient revenues. Together with our strong brand value in India, we believe that we are positively recognized by medical value travelers and they will help to contribute to higher revenues per bed day and increase our profitability.

History and Key Milestones

Our Company was founded by Dr. Prathap C. Reddy as a limited liability company under the Companies Act in 1979 and became a public listed company on the BSE in 1983 and was listed on the NSE in 1996. We operate our business through the Company, and its 18 direct subsidiaries, 10 step-down subsidiaries, three joint ventures and four associates as of the date of this Preliminary Placement Document.

The following are some of our key milestones since our inception:

- In 1979, the Company was founded by Dr. Prathap C. Reddy.
- In 1983, the first Apollo hospital was opened in Chennai.
- By 1988, the Company expanded into Hyderabad.
- In 1994, Apollo Specialty Hospital, a cancer treatment hospital was opened in Chennai.
- In 2000, the Company's first telemedicine facility, Apollo Aragonda, was started.
- Between 2001 and 2004, Apollo Gleneagles hospital was opened in Kolkata, followed by the FirstMed Hospital in Chennai, and hospitals in Mysore and Ahmedabad and Bilaspur.
- In 2011, the Company introduced an innovative healthcare delivery model, Apollo Day Surgery, a dedicated facility for minor surgeries requiring short-stay.
- In 2012, the Company introduced RenaissanceTM Robotic Technology.
- In 2015, Apollo Health and Lifestyle Limited expanded its footprint with the acquisition of Nova Specialty Hospitals.
- In 2015, Apollo Specialty Hospital, OMR located in Chennai's IT corridor was launched.
- In 2016, the Company inaugurated its first hospital in Mumbai in Navi Mumbai.
- In 2017, the Company announced the extension of its air ambulance services to Tier II cities to address the emergency medical needs of patients outside of city limits.
- In 2018, the Company, in collaboration with Medics Super Speciality Hospital, opened a 330-beds quaternary care hospital in Lucknow.
- In 2019, the Company also inaugurated Apollo Proton Cancer Centre, a comprehensive oncology facility in Chennai, which provides proton beam therapy, one of its kind in South East Asia.
- In 2020, the Company launched Apollo Kavach, a comprehensive response plan for the screening, testing, isolation, treatment, rehabilitation and follow-up of COVID-19 patients.

Corporate Structure

We operate our business through the Company, and its 18 direct subsidiaries, 10 step-down subsidiaries, three joint ventures and four associates as of the date of this Preliminary Placement Document.

Our Services

Together with our subsidiaries, joint ventures and associates, we provide the following lines of business:

(i) healthcare services through multi-specialty hospitals and projects and consultancy services;

(ii) Pharmacy Platform which includes a 25.5% equity interest in APL and our own pharmacy distribution business; and

(iii) other healthcare services through our retail healthcare network in Apollo Health and Lifestyle and its subsidiaries.

To support our businesses, we also provide the following other services:

(a) tele-health services;

(b) education and training programs; and

(c) research.

Our total revenues from operations were ₹ 82,435 million, ₹ 96,174 million, ₹ 112,468 million, ₹ 54,126 million and ₹ 49,322 million in fiscal 2018, fiscal 2019, fiscal 2020 and the six months ended September 30, 2019 and 2020. Our profit for the year or period were ₹ 596 million, ₹ 2,002 million, ₹ 4,317 million, ₹ 1,323 million in fiscal 2018, fiscal 2019, fiscal 2020 and the six months ended September 30, 2019, respectively. We recorded a loss of ₹ 1,673 million for the six months ended September 30, 2020.

Healthcare services

Hospitals

We are primarily a hospital services provider, with most of our hospitals owned or managed by us providing a broad range of over 50 specialties, including cardiac sciences, oncology, nephrology, orthopedics, neurosciences, transplants, laboratory services, radiology and imaging, maternity and day care, general surgery as well as diagnostic and critical care services. We also provide outpatient services, including consultation for a range of ailments and preventive health screenings. There are 24-hour pharmacies located within our hospital premises to cater to the patients of our hospitals and the general public.

As of November 30, 2020, we had a capacity of 10,209 beds in 71 hospitals located in India and overseas. As of November 30, 2020, of the 10,209 beds, 8,816 beds were in 44 hospitals owned by us, our subsidiaries, joint ventures or associates, 270 beds were in 11 day surgery centers and 272 beds were in 11 cradle centers owned by Apollo Health and Lifestyle and 851 beds were in 5 hospitals under our management through operations and management contracts and franchise agreement. See the section titled "***Management's Discussion and Analysis of Financial Condition and Results of Operations–Factors Affecting Results of Operations–Utilization rate of our facilities***" on page 72 for certain statistics for the hospitals owned by us as of each of the past three fiscal years, September 30, 2020 and November 30, 2020.

The following table sets forth selected operating data for our healthcare services for the periods indicated:

	As of November 30, 2020	As of September 30, 2020	As of March 31		
			2020	2019	2018
Number of Hospitals:					
Owned by the Company..	32	32	33	32	32
Owned by the Company's subsidiaries, joint ventures and associates[(1)]......................................	12	12	12	12	11
Owned by Apollo Health and Lifestyle[(2)]	22	21	21	21	22

Managed Hospitals	5	5	5	5	5
Total	**71**	**70**	**71**	**70**	**70**
Number of Capacity Beds[3]:					
Owned by the Company	5,828	5,828	5,839	5,700	5,700
Owned by the Company's subsidiaries, joint ventures and associates	2,988	2,988	2,983	2,983	2,653
Owned by Apollo Health and Lifestyle[4]	542	530	530	550	557
Managed Hospitals	851	851	909	934	934
Total	**10,209**	**10,197**	**10,261**	**10,167**	**9,844**
Number of Operating Beds[5]:					
Owned by the Company	4,690	4,718	4,895	4,756	4,676
Owned by the Company's subsidiaries, joint ventures and associates	2,646	2,646	2596	2490	2,435
Total	**7,336**	**7,364**	**7,491**	**7,246**	**7,111**
Average Bed Utilization[6]:					
Owned by the Company	2,333	2,142	3,203	3,125	2,966
Owned by the Company's subsidiaries, joint ventures and associates	1,411	1,296	1,842	1,813	1,704
Total	**3,744**	**3,437**	**5,045**	**4,938**	**4,670**
Number of Pharmacies:					
Stand-alone	3,975	3,850	3,766	3,428	3,021

Notes:

(1) Excluded the facilities owned by Apollo Health and Lifestyle, which is a subsidiary of the Company.

(2) The facilities owned by Apollo Health and Lifestyle are cradles centers and short day surgery centers.

(3) Represents the capacity beds owned by each respective entity.

(4) Represents the capacity beds owned by Apollo Health and Lifestyle in facilities which are cradles centers and short day surgery centers.

(5) Represents the operating beds at each facility.

(6) Represents the average number of patients in our hospital beds each day.

We have established Centers of Excellence in a variety of medical disciplines. A few key disciplines are described below:

- *Cardiac Sciences.* Since our inception, we have focused on the provision of cardiac services. We provide a comprehensive range of cardiac services ranging from preventive programs to complicated surgeries. We provide a range of diagnostic and therapeutic services and also offer sophisticated and cutting-edge interventional cardiac procedures such as minimally invasive coronary artery surgery, mitral clip, transcatheter aortic valve implantation and heart failure assist devices. In addition, we have a thoracic and cardiovascular surgery department which performs a large number of cardiac surgeries with success rates comparable to international standards. By using advanced medical equipment like the 640 slice CT scanner, we are also able to provide early detection and management of cardiac disorders for our patients. In fiscal 2020, we have 35 units of hospital in cardiac sciences which performed over 10,000 heart surgeries.

- *Oncology*. We offer a range of oncology treatments, including medical oncology (both conventional and aggressive chemotherapy), surgical oncology (tumor removal), radiotherapy, cord blood stem cell transplant, immunotherapy and targeted therapy. We are also the only provider for proton therapy in South East Asia and the Middle East. The oncology market in India is a fast growing sector and with the introduction of the state of the art CT scanner, tracking and surveillance system, oncology information system, robotic surgical systems, digital mammography systems with 3D tomosynthesis and contrast enhanced spectral mammography in our hospitals, we believe we are well placed to strengthen our position as a leading integrated oncology service provider in the Indian private healthcare sector. In fiscal 2020, we have performed over 180,000 radiotherapy fractions.

- *Neuro Sciences*. We offer a comprehensive range of services to treat neurological diseases. Our hospitals are equipped with the latest technology, including the MRI system, spine robotic surgical systems, intra-operative MRI suite, surgical navigation systems, and robotic surgical neuro microscope, enabling us to provide advanced treatments in this area. Our neurophysicians and neurosurgeons treat patients requiring complex spinal surgeries, trauma care, stroke, brain tumors and other similar ailments. We also have comprehensive neuro-rehabilitation facilities in our hospitals. JCI has also awarded our hospital in

Hyderabad a certificate of distinction for its Primary Stroke Program. In fiscal 2020, we have 36 units of hospital in neuro sciences and we have completed over 35,000 neuro surgical discharges.

- *Orthopedics.* We offer a range of orthopedic treatments, including complicated joint replacements, microsurgeries, spine surgeries and deformity correction, and we have doctors trained in minimal invasive surgery. We also use advanced technology such as robotic assisted surgical system. We also provide pre-operative care and rehabilitation programs. In fiscal 2020, we have 39 units of hospitals in orthopedics, which performed over 6,500 joint replacements.

- *Emergency Care.* Our multi-disciplinary critical care centers cater to patients whose conditions are life-threatening and who require comprehensive care and constant monitoring. Our critical care unit is equipped with advanced facilities and is staffed by specialists including intensive and critical care nurses providing comprehensive care and services 24 hours a day. We have neo-natal and pediatric intensive care units specializing in the critical care of children from the time of birth till 18 years of age. We also offer 24-hour emergency and trauma care units to attend to a variety of medical and surgical emergencies, including poly-trauma, and we have a fleet of ambulances manned by paramedical personnel to provide effective pre-hospital care. We have also established a national emergency network with '1066' as the emergency hotline number. In fiscal 2020, we have 38 units of hospitals in emergency care and we have more than 200,000 footfalls annually in our emergency care.

- *Transplants*. The Apollo Transplant Medicine Program is one of the leading providers of transplant services across locations in India, including liver transplant expertise in 16 centers and kidney transplant expertise in 21 centers across our network. In fiscal 2020, we successfully performed over 1,400 solid organ transplants, making it one of the biggest transplant programs of its kind in the country and the region. Our hospitals also manage one of the largest dialysis programs in the country with over 200 machines in operation and carrying out over 250,000 kidney dialysis sittings a year. Apart from liver and kidney transplants, our hospitals also perform heart, corneal and other solid organ transplants. In fiscal 2020, we have 24 units of hospital in transplants, which performed over 1,400 solid organ transplants.

Our high-end tertiary care practice contributed to 60% of revenue in fiscal 2020, with cardiac science, oncology, neuro sciences, orthopedics, gastroenterology and others each representing 21%, 11%, 12%, 10%, 6% and 40%, respectively, of the high-end tertiary care practice.

In addition to the services described above, we also offer medical and surgical gastroenterology services, nephrology, general surgery, ear, nose and throat services, obstetrics and gynecology, pediatrics, radiology, plastic surgery and cosmetology and imaging services and other clinical specialties. We also specialize in cancer treatments, with 22 units of hospital in medical and surgical oncology and 12 units of hospital in medical, surgical and radiation oncology.

Apollo 24/7. We have launched a comprehensive mobile application, Apollo 24/7, which provides patients with virtual consultation with doctors, online diagnostic booking and medical records. Apollo 24/7 also hosts an online pharmacy. The online orders for medicines and other products made via Apollo 24/7 application are directly fulfilled by APL. The online orders for medicines and other products made via Apollo 24/7 application are directly fulfilled by APL. Going forward, Apollo 24/7 will provide a complete suite of service offerings including condition management, health predictor, well-being companion and health insurance. As of November 30, 2020, there were approximately 5 million registered users on Apollo 24/7 and we have performed 230,000 online consultations through Apollo 24/7. As of September 30, 2020, there were more than 3,200 doctors on the Apollo 24/7 tele-consultation platform covering 50 specialties.

Projects and Consultancy Services

Our projects and consultancy services business is among the leading healthcare consulting organizations in India. We provide pre-commissioning consultancy services which include feasibility studies, infrastructure planning and design advisory services (functional design and architecture review), hospital operation management, human resource planning, recruitment and training and medical equipment planning, sourcing and installation services. We also provide post-commissioning consultancy services, which include management contracts (providing day-to-day operational support), franchising and technical consultation (such as human resource planning and training and the establishment of medical and administrative protocols). We provide these services to third party organizations globally for a fee.

Fees for our consultancy services are based on the scope of our services and expected length of relationship with the client. Typically, pre-commissioning services are provided for 12 to 36 months whereas post-commissioning services are typically provided over a seven-year term.

Pharmacy Platform

Our Pharmacy Platform includes a 25.5% equity interest in APL, which operates a retail pharmacy business, and our own pharmacy distribution business.

Retail pharmacy

We have a 25.5% equity interest in APL, which operates India's largest stand-alone pharmacy chain according to the CRISIL Report, with 3,975 outlets in key locations as of November 30, 2020. We are the exclusive supplier for APL under a long term supply agreement and we have also entered into a brand licensing agreement with APL to license (i) our "**Apollo Pharmacy**" brand to APL for use in its front-end stores and (ii) our online pharmacy domain name "www.apollopharmacy.in" to APL for its undertaking and fulfilling of online retail sale orders. Each agreement is valid for a term of 10 years from September 1, 2020.

Under the shareholders' agreement with Apollo Medicals Private Limited ("**AMPL**") and its investors, there are call options and put options. Subject to law permitting, we may purchase the stake of other investors in AMPL.

We attribute the success of our Pharmacy Platform largely to the brand value and recognition of the "**Apollo Pharmacy**" brand and the large network of stand-alone pharmacies. The stand-alone pharmacies under APL offer a wide range of medicines, hospital consumables, surgical and health products and general "over-the-counter" products, wellness products and also offer services such as prescription refilling and distribution of free health newsletters. APL also undertakes the fulfillment of orders for medicines and other products placed by customers on the Apollo 24/7 mobile application.

Our network of stand-alone pharmacies is operated in various locations with high visibility and revenue potential. Some of such stand-alone pharmacies also offer free home delivery to customers.

Revenues from retail pharmacy segment increased 1.8% to ₹ 22,698 million in the six months ended September 30, 2020 from ₹ 22,295 million in the six months ended September 30, 2019, and 24.1% to ₹ 48,206 million in fiscal 2020 from ₹ 38,860 million in fiscal 2019.

Pharmacy Distribution

Our Pharmacy Platform also includes the pharmacy distribution business which is owned by us. Our pharmacy distribution channel has a robust supply chain and procurement capability and teams, strong nation-wide distribution channel which provides a competitive advantage on purchase-price and quality over the mom-and-pop shops and other regional chains. In the six months ended September 30, 2020, the revenues from pharmacy distribution was ₹ 3,612 million, which represented 7.3% of our total revenues from operations for such period.

Retail healthcare services through Apollo Health and Lifestyle

Through Apollo Health and Lifestyle, our Subsidiary, we provide (i) primary healthcare, (ii) diagnostics services such as clinical, diagnostic and dental services, and (iii) specialty care services, such as day care or short say surgical centers, women and child care and fertility centers. The clinics services are provided through self-owned or franchised clinics in which we charge our franchisees a one-time fixed license fee and a periodic royalty fee. In fiscal 2020, Apollo Health and Lifestyle recorded revenue of ₹ 6,964 million, of which primary healthcare, diagnostics services and specialty care services represented 33%, 11% and 57% of the revenue, respectively.

As of November 30, 2020, we had a total of 1,078 retail touchpoints in India compared to 956 retail touchpoints as of March 31, 2020, which included 161 Apollo Clinics, 23 Apollo Sugar Clinics for diabetics patients, 744 Apollo Diagnostics Centers, 62 Apollo Dental Centers, 58 Apollo Dialysis Clinics, 11 Apollo Spectra Centers for specialty surgeries, 14 Apollo Cradles and Apollo Fertility Centers and five other centers. Through our retail network, we aim to make quality healthcare services accessible to a larger cross-section of the Indian population. Our network is equipped to provide a wide range of healthcare services, from basic to advanced consultation, diagnostic tests, specialty clinics, specialized birthing centers, dental and daycare services. All of our clinics are equipped with a pharmacy and some of our clinics also offer telemedicine facilities to provide medical expertise through second opinions from specialist doctors.

Other Management and Supporting Services

The foregoing core services are supported by various supporting services we provide to improve customer service and facilitate superior performance of the foregoing core services.

Tele-Health

Our tele-health facilities are managed by Apollo TeleHealth Services with presence across 25 states in India. Its operations include providing tele-consultations, tele-radiology, tele-cardiology, tele-condition management, electronic intensive care unit and other services to locations where there is limited access to quality healthcare services. To date, we have provided more than 700,000 tele-consultations across 25 specialties and more than 400,000 voice and video primary consultations. We also use our tele-health facilities to conduct continuing medical education programs for our doctors and other medical professionals.

Education and Training Programs

We provide medical, nursing, allied health sciences and health and hospital management education through Apollo Hospital Education and Research Foundation ("**AHERF**") and Apollo Hospital Education Trust ("**AHET**"). Our primary objective is to establish, maintain, and support medical, healthcare and management education by creating best-in-class learning environments powered by technology, enabling us to develop exemplary medical and healthcare professionals. Our education and training program is imparted through five medical colleges and 8 nursing institutions, which are also affiliated to various medical universities. We currently have approximately 1,384 medical students (both undergraduates and post graduates), 2,791 nursing students (both undergraduates and post graduates), 440 allied health sciences students and 78 management students studying in our institutions.

*Apollo Research and Innovations ("**ARI**")*

Apollo Research and Innovations, a division of Apollo Hospitals, was created with the vision to facilitate a research and innovations led Apollo Hospitals, which consistently rides the cutting edge in technology, therapy and delivery for improved patient outcomes, affordability and reach. ARI operates across a diverse set of areas, namely, clinical studies, clinical research training programs, device and software validation studies, basic and translational research, public health studies, and healthcare innovation through creative collaborations.

ARI focuses on scouting, evaluating, deploying and integrating innovations across our hospitals, with an objective of improving outcomes, affordability and accessibility for our patients. Innovations span across drugs, devices, healthcare software or consumer goods of clinical relevance. ARI provides an end to end platform for converging clinical insights, technology and business to spawn innovation and research within our Apollo Hospitals ecosystem.

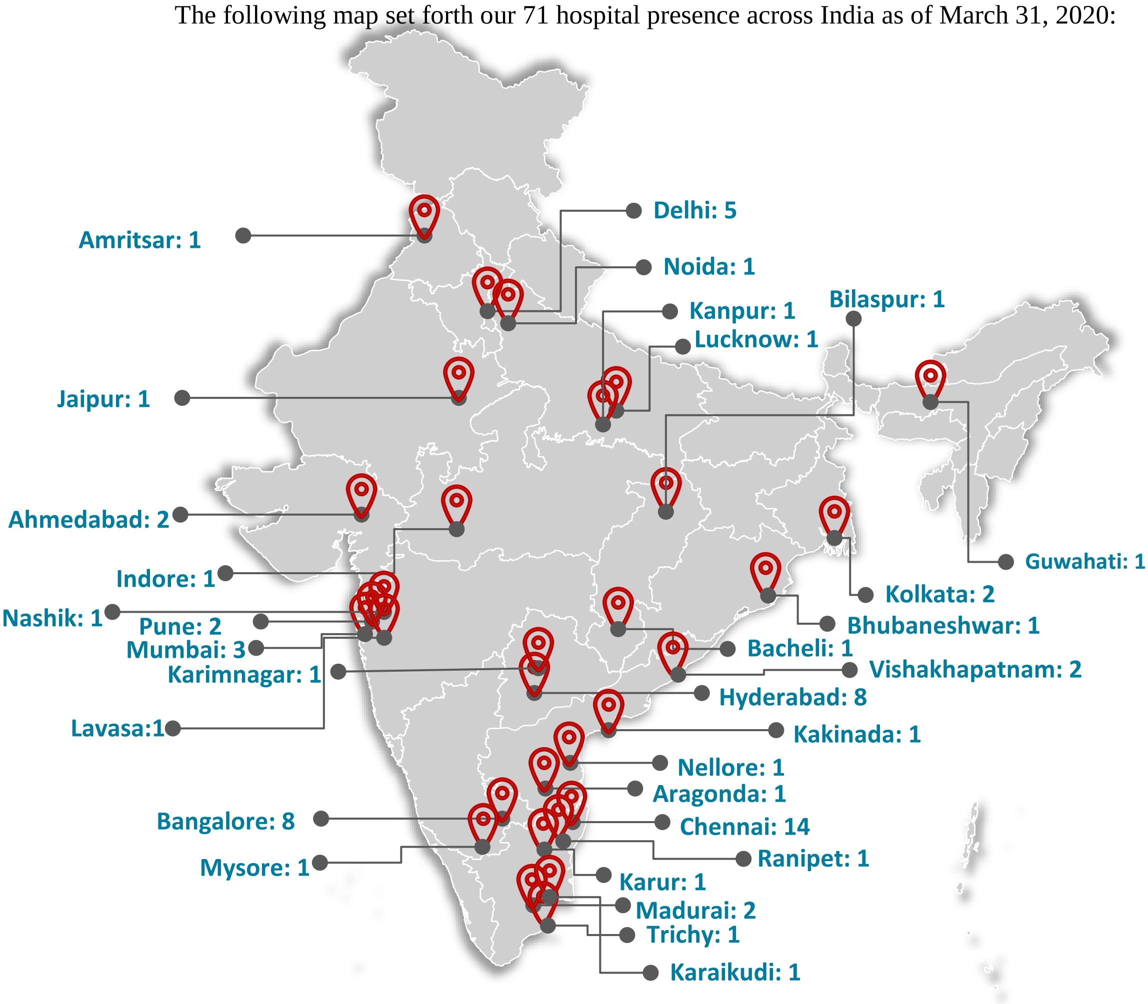
ARI currently has a comprehensive ecosystem to undertake ethical clinical studies for sponsored drug trials, devices, software as well as consumer goods. We operate a large clinical site solutions organization which had undertaken over 1,150 global clinical studies, operated by a dedicated team of 80 professionals, across 17 different hospitals sites in the country.

*Apollo Hospital Education & Research Foundation ("**AHERF**")*

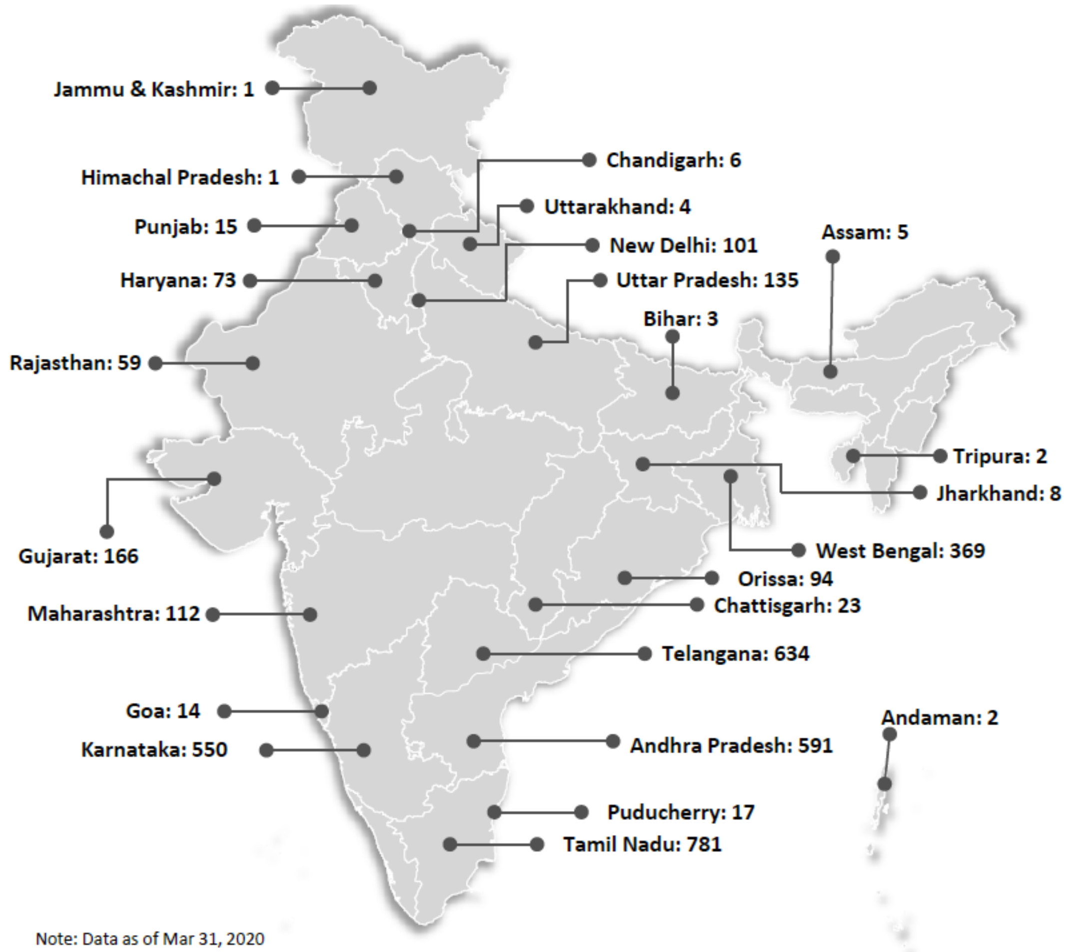
The Apollo Hospital Education and Research Foundation is a not for profit organization recognized by the Department of Scientific and Industrial Research in India, and it is focused on basic, translational and epidemiological research. AHERF comprises of the Cell and Molecular Biology Research Center ("**CMBRC**") and centers at Chennai, Hyderabad and Delhi to carry out research activities, under the guidance of experienced advisors. The CMBRC enables basic and translational research projects in cutting edge areas such as liquid biopsy, molecular diagnostics, pharmacogenetics and exosomes. AHERF also spearheads a faculty development program to spawn research pilots for basic research projects. Under this program and with the seed funding provided by AHERF, several of our hospital consultants from various therapeutic disciplines carry out proof of concept studies, which then enables them to prepare and submit proposals for extra mural grants from Department of Science and Technology, Department of Biology, Indian Council of Medical Research and others.

Our Markets

The following map set forth our 71 hospital presence across India as of March 31, 2020:



The following map sets forth the network of 3,766 stand-alone pharmacies across India as of March 31, 2020:



Note: Data as of Mar 31, 2020

As of November 30, 2020, we have further increased our pan-India presence with our large network of 71 hospitals, 3,975 stand-alone pharmacies through APL, and over 1,078 retail healthcare centers through Apollo Health and Lifestyle, our Subsidiary, spread across India. Currently, we have hospitals located in all of India's six key metropolitan cities, namely Chennai, New Delhi, Kolkata, Mumbai, Hyderabad and Bangalore. We have also expanded into other cities in India including Bhubaneshwar, Bilaspur, Guwahati, Indore, Kakinada, Karur, Madurai, Trichy, Visakhapatnam, Lucknow, Indore and others. Given the existing capacity and operational beds already created, we believe there is good headroom for further growth in many of these centers. We have further expanded into lesser populated regions via public-private partnerships ("**PPP**") where we work with existing public hospitals by managing them.

Our hospital-based pharmacies cater largely to the patients of the hospitals in which they are located and our retail pharmacy through a 25.5% equity interest in APL, operates stand-alone pharmacies which are located in high visibility locations of select cities and towns. See section titled "***Business—Our Services—Healthcare services—Hospitals***" and "***Business—Our Services—Pharmacy Platform***" on page 146.

We believe that our strong brand value and pan-India presence has made us widely recognized in India and overseas and has helped to attract patients from abroad, most notably non-resident Indians, uninsured patients from developed countries, patients from countries where healthcare is not government subsidized and patients from certain countries in Africa, Middle East and Southeast Asia, where the quality of healthcare infrastructure is relatively poor.

We have increased our outreach efforts in international centers and increasing in-person consultation with senior specialists in overseas locations to capture the increasing demand of medical value travel. We have also partnered with the Ministry of External Affairs, Government of India, for providing training to doctors and paramedics from Africa.

Risk Management and Internal Controls

We have a comprehensive risk management system covering various aspects of the business, including strategic, operational, compliance and financial reporting.

The Board of Directors has constituted a Risk Management Committee, headed by the Managing Director, which reviews the probability of risk events that may adversely affect the operations and profitability of the Company and suggest suitable measures to mitigate such risks. The executive risk management team reports to the Board of Directors periodically on the assessment and minimization of such risks.

Risk Management Model

Risk Identification: Monitoring and identification of risks is carried out at regular intervals with the aim towards improving the processes and procedures. This assessment is based on risk perception survey, business environment scanning and inputs from various internal and external stakeholders.

Risk assessment and evaluation: The risk will be assessed on two criteria (i) likelihood of occurrence and (ii) magnitude of the impact. Impact and likelihood are combined to compute the level of risk and prioritized accordingly.

Risk Mitigation: Risk treatment or mitigation involves identifying the range of options for treating or mitigating the risk, assessing those options, preparing risk treatment plans and implementing them.

Risk Monitoring: After risks are identified, analyzed, and prioritized, and actions are established, it is essential to regularly monitor the progress and effectiveness of the resolution of the risk items, and take further corrective action when necessary. This monitoring is done as part of operations or via explicit risk monitoring activities such as periodic internal audits at the unit hospitals.

Risk reporting: We have an established Risk Council to deal with any reported risks. In addition, a semi-annually risk report is presented to our Risk Management Committee, which reviews the enterprise risk management program to assess the status and trends available on the material risks highlighted.

Internal control systems and their adequacy

We have an established internal control system to optimize the use and protection of assets, facilitate accurate and timely compilation of financial statements and management reports, and ensure compliance with statutory laws, regulations and company policies. We have also put in place an extensive budgetary and other control review mechanisms pursuant to which the management regularly reviews actual performance with reference to the budgets and forecasts.

Properties

Our registered office, situated at No. 19 Bishop Gardens, Raja Annamalaipuram, Chennai – 600 028 Tamil Nadu, India, is owned by our Promoter and Executive Chairman, Dr. Prathap C Reddy. Our Corporate Office is situated at Sunny Side Building, East Block, 3rd Floor, #8/17 Shafee Mohammed Road, Chennai – 600 006 Tamil Nadu, India, and leased for a nine-year period commencing from April 1, 2014.

The following table sets forth the facilities owned by us, our subsidiaries, joint ventures or associates as of September 30, 2020:

	Name	Location	Percentage of holding by the Company (%)	Land Owned / Leased	Building – Owned / Leased	New or Mature[1]	Number of bed capacity	Number of operating bed
Hospitals directly owned by the Company:								
1.	Apollo Hospitals, Greams Lane	Chennai	100.00%	Owned	Owned	Mature	583	559

	Name	Location	Percentage of holding by the Company (%)	Land Owned / Leased	Building – Owned / Leased	New or Mature[(1)]	Number of bed capacity	Number of operating bed
2.	Apollo Speciality Hospital, Nandanam	Chennai	100.00%	Partly Owned and Partly Leased	Partly Owned and Partly Leased	Mature	279	256
3.	Apollo Hospitals, Thondiarpet	Chennai	100.00%	Leased	Leased	Mature	60	52
4.	First Med Hospital	Chennai	100.00%	Owned by wholly owned subsidiary ABMedical Centres Ltd	Owned by wholly owned subsidiary ABMedical Centres Ltd	Mature	110	60
5.	Apollo Childrens Hospital	Chennai	100.00%	Leased	Leased	Mature	80	36
6.	Apollo Hospital, Ayanambakam	Chennai	100.00%	Owned	Owned	New	260	229
7.	Apollo Proton Cancer Hospital	Chennai	100.00%	Leased	Owned	New	133	53
8.	Apollo Hospitals, Jubilee Hills	Hyderabad	100.00%	Owned	Owned	Mature	514	477
9.	Apollo Hospitals, Hyderguda	Hyderabad	100.00%	Leased	Leased	Mature	150	140
10.	Apollo Airport Centre, Hyderabad	Hyderabad	100.00%	Partly Owned and Partly Leased	Leased	Mature	20	-
11.	Apollo DRDO	Hyderabad	100.00%	Leased	Leased	Mature	125	100
12.	Apollo Hospital, Secunderabad	Hyderabad	100.00%	Leased	Leased	Mature	150	122
13.	Apollo Hospitals, Madurai	Madurai	100.00%	Leased	Leased	Mature	235	190
14.	New centre	Madurai	100.00%	Leased	Leased	New	20	16
15.	Apollo Loga Hospital, Karur	Karur	100.00%	Leased	Leased	Mature	62	40
16.	Apollo Heart & Kidney Hospital, Vizag	Vizag	100.00%	Leased	Leased	Mature	120	75
17.	Apollo Hospitals, Aragonda	Aragonda	100.00%	Leased	Leased	Mature	50	-
18.	Apollo Hospitals, Bilaspur	Bilaspur	100.00%	Leased	Leased	Mature	300	287
19.	Apollo BGS Hospitals, Mysore	Mysore	100.00%	Leased	Leased	Mature	215	259
20.	Apollo Hospitals	Bhubaneswar	100.00%	Leased	Owned	Mature	296	281
21.	Apollo Reach Hospital, Karimnagar	Karimnagar	100.00%	Owned	Owned	Mature	137	124
22.	Apollo Reach Hospital, Karikudi	Karaikudi	100.00%	Leased	Owned	Mature	100	46
23.	Apollo Specialty Hospital, Jayanagar	Jayanagar, Bangalore	100.00%	Leased	Leased	New	140	112
24.	Apollo Hospital, Trichy	Trichy	100.00%	Owned	Owned	New	200	110
25.	Apollo Hospital (Mother and Child)	Karapakkam	100.00%	Leased	Leased	New	60	46
26.	Apollo Hospital, Nashik	Nashik	100.00%	Owned	Owned	New	120	100
27.	Apollo Hospitals, Nellore	Nellore	100.00%	Leased by subsidiary Apollo Nellore Hospital Ltd	Owned	New	191	145
28.	Apollo OMR	Perungudi, Chennai	100.00%	Leased	Leased	New	147	118
29.	Cradle Royale	Shafi Mohammad Road, Chennai	100.00%	Owned	Owned	Mature	50	32
30.	Apollo Hospitals, Malleswaram	Malleswaram, Bangalore	100.00%	Leased	Leased	New	196	155

	Name	Location	Percentage of holding by the Company (%)	Land Owned / Leased	Building – Owned / Leased	New or Mature[(1)]	Number of bed capacity	Number of operating bed
31.	Apollo Hospitals, Vizag new	Vizag	100.00%	Owned	Owned	New	247	206
32.	Apollo Hospitals, Navi Mumbai	Navi Mumbai	100.00%	Leased	Owned	New	478	308
	Subtotal						**5,828**	**4,718**

Notes: (1) New facilities mean facilities that are commissioned less than eight years. Mature facilities mean facilities that are commission longer than eight years.

	Name	Location	Percentage of holding by the Company (%)	Name of Subsidiaries, joint ventures or associates	Land Owned / Leased	Building – Owned / Leased	New or Mature[(1)]	Number of bed capacity	Number of operating bed
	Hospitals indirectly owned through the Company's subsidiaries, joint ventures and associates:								
33	Apollo Hospitals, Kakinada	Kakinada	100.00%	Samudra Healthcare Enterprises Limited	Owned	Owned	Mature	120	100
34	Apollo Hospitals, Bangalore	Bangalore	90.00%	Imperial Hospitals and Research Centre Limited	Leased	Owned	Mature	297	288
35	Apollo Hospitals (IMCL)	Delhi	22.03%	Indraprastha Medical Corporation Limited	Leased	Owned	Mature	718	669
36	Apollo Hospitals (IMCL)	Noida	22.03%	Indraprastha Medical Corporation Limited	Leased	Leased	Mature	72	46
37	Apollo Gleneagles Hospitals (AGHL)	Kolkata	50.00%	Apollo Gleneagles Hospital Limited	Leased	Owned	Mature	700	694
38	Apollo Clinic, Gariahat (AGHL)	Kolkata	50.00%	Apollo Gleneagles Hospital Limited	Leased	Owned	Mature	6	6
39	Apollo Hospitals (AHIL)	Ahmedabad	50.00%	Apollo Hospitals International Limited	Leased	Owned	Mature	305	311
40	Apollo Hospitals - City Centre (AHIL)	Ahmedabad	50.00%	Apollo Hospitals International Limited	Leased	Leased	Mature	20	14
41	Apollo Hospitals, Lavasa	Lavasa	51.00%	Apollo Lavasa Health Corporation Limited	Leased	Owned	Mature	60	-
42	Apollo Hospital, Indore	Indore	54.63%	Apollo Rajshree Hospitals Private Limited	Owned	Owned	New	140	109
43	Assam Hospitals International Ltd	Assam	65.52%	Assam Hospitals Limited	Leased	Leased	New	220	219
44	Apollo Medics Super Speciality Hospital, Lucknow	Lucknow	50.00%[(2)]	Medics International Lifesciences Limited	Owned	Owned	New	330	190

	Name	Location	Percentage of holding by the Company (%)	Name of Subsidiaries, joint ventures or associates	Land Owned / Leased	Building – Owned / Leased	New or Mature[(1)]	Number of bed capacity	Number of operating bed
45	The Cradle	Koramangala, Bangalore	70.25%	Apollo Bangalore Cradle Limited	Leased	Leased	Mature	31	31
46	The Cradle	Jayanagar, Bangalore	70.25%	Apollo Bangalore Cradle Limited	Leased	Leased	Mature	21	21
47	Cradle & IVF	Marthahalli, Bangalore	70.25%	Apollo Specialty Hospitals Private Limited	Leased	Leased	New	39	39
48	The Cradle	Nehru Place, Delhi	70.25%	Apollo Specialty Hospitals Private Limited	Leased	Leased	New	21	21
49	The Cradle	Jubilee Hills, Hyderabad	70.25%	Apollo Specialty Hospitals Private Limited	Leased	Leased	New	36	36
50	Cradle & IVF	Shivaji Marg, Delhi	70.25%	Apollo Specialty Hospitals Private Limited	Leased	Leased	New	45	45
51	Cradle & IVF	Kondapur, Hyderabad	70.25%	Apollo Specialty Hospitals Private Limited	Leased	Leased	New	33	33
52	IVF Centre	Anna Nagar, Chennai	70.25%	Apollo Specialty Hospitals Private Limited	Leased	Leased	New	-	-
53	Cradle & IVF	Amritsar	70.25%	Apollo Bangalore Cradle Limited	Leased	Leased	New	34	34
54	IVF Centre	JP Nagar, Bangalore	70.25%	Apollo Health and Lifestyle Limited	Leased	Leased	New	-	-
55	Apollo Spectra	Alwarpet, Chennai	70.25%	Apollo Health and Lifestyle Limited	Leased	Leased	Mature	11	11
56	Apollo Spectra	Koramangala, Bangalore	70.25%	Apollo Specialty Hospitals Private Limited	Leased	Leased	New	20	20
57	Apollo Spectra	Karolbhagh, New Delhi	70.25%	Apollo Specialty Hospitals Private Limited	Leased	Leased	New	16	16
58	Apollo Spectra	Kailash Colony, New Delhi	70.25%	Apollo Specialty Hospitals Private Limited	Leased	Leased	New	21	21
59	Apollo Spectra	MRC Colony, Chennai	70.25%	Apollo Specialty Hospitals	Leased	Leased	New	30	30

	Name	Location	Percentage of holding by the Company (%)	Name of Subsidiaries, joint ventures or associates	Land Owned / Leased	Building – Owned / Leased	New or Mature[(1)]	Number of bed capacity	Number of operating bed
				Private Limited					
60	Apollo Spectra	C-Scheme, Jaipur	70.25%	Apollo Specialty Hospitals Private Limited	Leased	Leased	New	30	30
61	Apollo Spectra	Tardeo, Mumbai	70.25%	Apollo Specialty Hospitals Private Limited	Leased	Leased	New	22	22
62	Apollo Spectra	Chembur, Mumbai	70.25%	Apollo Specialty Hospitals Private Limited	Leased	Leased	New	13	13
63	Apollo Spectra	Chunni gunj, Kanpur	70.25%	Apollo Specialty Hospitals Private Limited	Leased	Leased	New	62	62
64	Apollo Spectra	Swargate, Pune	70.25%	Apollo Specialty Hospitals Private Limited	Leased	Leased	New	24	24
65	Apollo Spectra	Kondapur, Hyderabad	70.25%	Apollo Specialty Hospitals Private Limited	Leased	Leased	New	21	21
	Subtotal							**3,518**	**3,176**
	Total							**9,346**	**7,894**

Notes:

(1) New facilities mean facilities that are in operation less than eight years. Mature facilities mean facilities that are in operation longer than eight years.

(2) With effect from January 7, 2021, we have 51% interest in Medics International Lifesciences Limited, which owns Apollo Medics Super Speciality Hospital, Lucknow.

In addition to the above, as of September 30, 2020, there were 5 hospitals with 851 beds under our management through operations and management contracts.

Competition

We are one of the few nationwide providers of healthcare services in the private sector in India. Our competition includes Fortis Healthcare Limited, Manipal Health Enterprises Private Limited, Max Healthcare Institute Limited and Narayana Hrudalaya Limited, amongst others, some of whom are regional players. In addition, some of the hospitals that compete with us are owned by Government agencies or non-profit entities supported by endowments and charitable contributions.

The number and quality of doctors associated with a hospital are important factors in a hospital's competitive advantage and help to attract patients. We believe that doctors outside a hospital's network refer patients to a hospital primarily on the basis of the quality of care and services the hospital provides to its patients, the location of the hospital and the quality and availability of the hospital's facilities, equipment and employees. Other factors in a hospital's competitive advantage include operational efficiency, the scope and breadth of healthcare services provided, brand recognition and the success rate for its procedures.

We have been able to build a broad base of skilled medical professionals and we believe our commitment to continuing education and training has helped us to reduce our attrition rates and build long-term relationships with our doctors. We believe that maintaining and strengthening our human capital is critical to our success in the future. We also believe that continuing to invest in the latest and most advanced medical technology and equipment will help us to maintain and further improve our competitive position. We seek to strategically locate our hospitals in areas with a large population base that require the services our hospitals provide.

In our pharmacy platform business, we compete with other hospital-based pharmacies, stand-alone pharmacies and online pharmacies for customers. Some of our main competitors in the pharmacy platform business is Medplus Health Services Private Limited.

We believe our position as one of the leading healthcare services providers in India, commitment to clinical excellence and technology innovation, strong brand value, strong relationships with doctors and other medical professionals, and an experienced and professional management team with their domain expertise and strong execution track record give us a competitive edge in the healthcare services industry.

Employees

As of March 31, 2018, 2019 and 2020 and September 30, 2020, we had 54,698, 60,374, 62,939 and 61,709 employees (including employees of our subsidiaries, joint ventures and associates only), respectively, as follows:

Employees	As of September 30, 2020	As of March 31, 2020	2019	2018
Doctors[(1)]	2,613	2,407	2,393	2,138
Nurses	12,331	13,823	12,592	11,475
Administrative, Paramedical, Support Staff, Executives[(2)]	46,765	46,709	45,389	41,085
Total	**61,709**	**62,939**	**60,374**	**54,698**

Notes:

(1) This data only includes doctors employed by the Company, and its subsidiaries, joint ventures and associates and does not include the "fee for service" doctors working in their hospitals. As of March 31, 2018, 2019 and 2020 and September 30, 2020, the Company, and its subsidiaries, joint ventures and associates had 6,320, 7,755, 9,215 and 9,434 "fee for service" doctors working in their hospitals, respectively. Doctors working under such "fee for service" arrangements are not employees of the Company and are usually paid based on the volume of and revenues generated from the consultations and treatments provided. In the case of newly established hospitals or clinical practices for certain specialties, our "fee for service" doctors may be paid a guaranteed fixed sum in the initial months of their appointment. Once the hospital or clinical practice becomes more established, we will review such fixed-fee arrangements and decide whether to pay these "fee for service" doctors on a performance-linked basis instead.

(2) This includes staff employed by all entities in the group.

Our employee costs are influenced by increasing employee compensation in India. Our employees are remunerated at market rates.

Our human resources team strives to align policies with business needs to create a performance driven culture. We attempt to enhance performance through initiatives such as performance linked to rewards, a transparent and consultative review process and building a high performance work system through self-managed teams. We have been able to control attrition rates by conducting employee surveys and instituting feedback processes to assess areas of improvement and developing and implementing programs, policies and practices like diversified training and career planning, mentoring programs, entertainment, executive coaching, leadership development programs, employee and management development programs. We have also introduced a reward and recognition scheme. We have received a number of awards as recognition for our good employee relationships. In 2018, Apollo Hospitals, Ahmedabad was awarded the Gujarat Best Employer Brand Awards for employee satisfaction. In 2018, Apollo Health City, Hyderabad was awarded as the winner of the Golden Peacock-HR Excellence Award.

Intellectual Property

We have registered the "Apollo" name and logo and "Apollo Hospitals," "The Apollo Clinic," "Apollo Pharmacy," "Proton Cancer Centre" and "Apollo Health City" names as trademarks and the "Apollo" name as a service mark, under the Trade Marks Act, 1999, as amended.

Pursuant to a trademark license agreement dated March 31, 2015, our Company has granted Apollo Health and Lifestyle Limited, our subsidiary, a non-exclusive, non-transferable license to use certain trademarks and logo such as "Apollo," "The Apollo Clinic," "Family Health Centre," and "The Cradle" for a term of 10 years commencing from April 1, 2015, automatically renewable for a further term of 10 years unless terminated by either party at the expiry of the initial terms.

Pursuant to a brand licensing agreement dated September 1, 2020, our Company has granted APL an exclusive, non-transferable, non-sub-licensable license to use our "Apollo Pharmacy" name, logo, trademarks, our online pharmacy domain name "www.apollopharmacy.in" and certain business software and databases for a period of

10 years commencing from September 1, 2020, for the business activities of the front-end stand-alone pharmacies and for APL's undertaking and fulfilling of retail sale orders online.

Ethical and Compliance Program

ACE 1 (earlier known as ACE@25) is a comprehensive clinical balance scorecard, which we have implemented throughout our network of hospitals. Through ACE 1, we aim to continuously assess the quality of care and services received by our patients to ensure that we deliver consistently high quality service and achieve clinical excellence throughout our network of hospitals. ACE 1 assesses performance based on 25 clinical parameters including ALOS, complication rates, hospital acquired infection rates, etc. An Apollo Clinical Audit Team has been formed to carry out the audit across our hospitals and review the data, methodology and definitions used by each of the participating hospitals.

To stimulate academic and research activities across our network, we have implemented policies on academics and research, including fellowships, citations and awards.

We have standardized our pain management policy, infection control policies, blood transfusion policy, radiation policy and antimicrobial guidelines policy and implemented such policies throughout our hospitals.

Corporate Social Responsibility

We have undertaken several initiatives as part of our commitment to improving social welfare.

Our corporate social responsibility policy has been approved by our Board of Directors and it is focused principally on the following themes: rural development through our comprehensive program for health and happiness "Total Health," healthcare, education and skill development and research in healthcare.
The following are examples of our recent initiatives:

- We have undertaken rural development projects in Aragonda by providing safe drinking water, extension of sanitation facilities, setting up nutrition centers and vocational training centres for facilitating skill development training, and providing mobile medical units to provide primary and preventive healthcare.

- We have provided free medicines and medical check-ups for poor people by setting up free medical centres at (i) Tirumala Tirupathi Devesthanam, Andhra Pradesh, (ii) Koyambedu Bus Stand, Chennai, (iii) Research Centre at Tambaram, Chennai, (iv) Rural Community Centre, Ayanambakkam, Chennai and (v) Medical Centre at Sabrimala, Kerala.

- We have also provided free medical treatment for children with heart diseases in Chennai, for children with hearing impairment in Hyderabad and for employees of the World Wildlife Fund in addition to providing free medicines at Chennai and New Delhi.

Insurance

We maintain general liability insurance policies on our properties including hospitals, buildings, clinics, medical and other equipment and fixtures, consumables and other inventories covering fire and other contingencies such as flood, fire, other natural and accidental risks. We also have general liability coverage against, burglary and vehicle risks, which we believe are prudent for our business.

We are subject to lawsuits, claims and legal actions by patients in the ordinary course of business. Accordingly, we maintain a professional liability insurance covering liability arising from doctors, consultants, nurses and other professionals in providing medical care services.

We also maintain group medical insurance policy for employees and dependents relating to their hospitalization. In addition, we have an accident insurance policy for employees and their dependents.

Health and Environmental Regulation and Initiatives

We are subject to extensive, evolving and increasingly stringent health and environmental laws and regulations governing our services, processes and facilities. Some of these laws and regulations can broadly be described as follows:

- Healthcare laws (including the Indian Medical Council Act, 1956, Radiation Protection Rules, 1971, Transplantation of Human Organs and Tissues Act, 1994, Drugs and Cosmetics Act, 1940, the Drugs (Control) Act, 1950, the Pharmacy Act, 1948, Medical Termination of Pregnancy Act, 1971, Pre-Conception and Pre-Natal Diagnostic Techniques (Prohibition of Sex Selection) Act, 1994 and the Clinical Establishments (Registration and Regulation) Act, 2010).

- Environmental laws (including the Air (Prevention and Control of Pollution) Act, 1981, the Water (Prevention and Control of Pollution) Act, 1974 and the Environment Protection Act, 1986).

- Safety laws (including the Hazardous Wastes (Management and Handling) Rules, 1989 and the Bio-Medical Waste (Management & Handling) Rules, 1998).

- Labor laws (including the Industrial Disputes Act, 1947 and the Workmen's Compensation Act, 1923).

The various laws and regulations applicable to us address, among other things, waste water discharges, the generation, handling, storage, transportation, treatment and disposal of toxic or hazardous bio-medical materials and waste, workplace conditions and employee exposure to such substances.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

In accordance with our Articles of Association, read with applicable provisions of the Companies Act, our Company is required to have not less than three Directors and not more than 15 Directors. Currently, our Company has 10 Directors.

The following table sets forth details regarding our Board as of the date of this Preliminary Placement Document:

Name, Address, DIN, Term, Occupation and Nationality	Age (in years)	Designation
Dr. Prathap C Reddy *Address:* No. 19, Bishop Garden, Raja Annamalaipuram, Chennai – 600 028, Tamil Nadu, India *DIN:* 00003654 *Term:* Five years with effect from June 25, 2017 *Occupation:* Doctor *Nationality:* Indian	88	Executive Chairman
Preetha Reddy *Address:* No.5, Subba Rao Avenue, II Street, Nungambakkam, Chennai – 600 006, Tamil Nadu, India *DIN:* 00001871 *Term:* Five years with effect from February 3, 2016. Also, re-appointed for a further period of five years with effect from February 3, 2021 pursuant to the shareholders' approval dated September 25, 2020 *Occupation:* Industrialist *Nationality:* Indian	63	Executive Vice Chairperson
Shobana Kamineni *Address:* No. 10-3-316-A, Masab Tank, Hyderabad – 500 028, Telangana, India *DIN:* 00003836 *Term*: Five years with effect from February 1, 2020 *Occupation:* Industrialist *Nationality:* Indian	60	Executive Vice Chairperson
Suneeta Reddy *Address*: No. 14D, Boat Club Road, Raja Annamalaipuram, Chennai – 600 028, Tamil Nadu, India *DIN:* 00001873 *Term:* Five years with effect from February 3, 2016. Also, re-appointed for a further period of five years with effect from February 3, 2021 pursuant to the shareholders' approval dated September 25, 2020	61	Managing Director

Name, Address, DIN, Term, Occupation and Nationality	Age (in years)	Designation
Occupation: Industrialist *Nationality:* Indian		
Sangita Reddy *Address:* Sri Sadan, 8-2-674/B/2/12, Road No. 13, Banjara Hills, Hyderabad – 500 034, Telangana, India *DIN:* 00006285 *Term:* Five years with effect from February 3, 2016. Also, re-appointed for a further period of five years with effect from February 3, 2021 pursuant to the shareholders' approval dated September 25, 2020 *Occupation:* Industrialist *Nationality:* Indian	58	Joint Managing Director
Bhaskara Mandavilli Nageswara Rao *Address:* No. 2 LH 1902, Lanco Hills Residential Towers, Gachibowli, Hyderabad 500 089, Telangana, India *DIN:* 00287260 *Term*: Five years with effect from February 9, 2019 *Occupation:* Retired Bank Executive *Nationality:* Indian	72	Independent Director
Dr. Pudugramam Murali Doraiswamy *Address:* New No.25, Old No. 11, Beasant Avenue, Karpagam Garden, Adyar, Chennai – 600 020, Tamil Nadu, India *DIN:* 08235560 *Term:* Five years with effect from September 27, 2018 *Occupation:* Professor *Nationality:* Indian	57	Independent Director
Dr. Rajgopal Thirumalai *Address*: 2301, Tower 2 (Aqua), Planet Godrej, 30 Keshavrao Khadye Marg, Mahalaxmi, Mumbai 400 011, Maharashtra, India *DIN:* 02253615 *Term:* Five years with effect from May 30, 2017 *Occupation:* Doctor *Nationality:* Indian	65	Independent Director
Velagapudi Kavitha Dutt *Address:* No. 7, 1st Crescent Park Road, Gandhi Nagar, Adyar, Chennai 600 020, Tamil Nadu, India	49	Independent Director

Name, Address, DIN, Term, Occupation and Nationality	Age (in years)	Designation
DIN: 00139274 *Term:* Five years with effect from February 9, 2019 *Occupation:* Business *Nationality:* Indian		
Vinayak Chatterjee *Address:* E – 2278, Palam Vihar, Gurgaon 122 017, Haryana, India *DIN:* 00008933 *Term:* Five years with effect from April 1, 2019 *Occupation:* Businessman *Nationality:* Indian	61	Independent Director

Borrowing Powers of the Board

Pursuant to our Articles of Association, subject to applicable laws and pursuant to a special resolution dated September 27, 2018 passed by our Shareholders, our Board has been authorised to borrow sums (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) in excess of the aggregate of our paid-up share capital, free reserves and securities premium, up to ₹ 38,500 million.

Interests of our Directors

All our Directors may be deemed to be interested to the extent of remuneration, commission, reimbursement of expenses and other benefits to which they are entitled as per their terms of appointment as approved by the Board, including sitting fees payable to our Independent Directors for attending meetings of the Board and/or a committee thereof, see "– ***Remuneration of the Directors***" on page 162. Our Directors may also be deemed to be interested to the extent of their direct or indirect shareholding in our Company, any dividend payable to them and other distributions in respect of such shareholding and any other benefit arising out of such holding and transactions with the companies, firms and trusts with which they are associated as directors, promoters, partners, trustees or members. For details of the Equity Shares held by our Directors, see "– ***Shareholding of Directors***" below.

For details on related party transactions, see "***Related Party Transactions***" on page 31.

Other than Dr. Prathap C Reddy, Preetha Reddy, Shobana Kamineni, Suneeta Reddy and Sangita Reddy, who are our Promoters, our Directors have no interest in the promotion of our Company as on the date of this Preliminary Placement Document.

Other than as disclosed in this Preliminary Placement Document, there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which our Directors are interested. Further, our Company has neither availed of any loans from, nor extended any loans to the Directors which are currently outstanding.

Relationship between Directors

Except as disclosed below, none of the Directors are related to each other.

Name of the Director	Relationship with other Directors
Dr. Prathap C Reddy	Father of Preetha Reddy, Shobana Kamineni, Suneeta Reddy and Sangita Reddy

Name of the Director	Relationship with other Directors
Preetha Reddy	Daughter of Dr. Prathap C Reddy and sister of Shobana Kamineni, Suneeta Reddy and Sangita Reddy
Suneeta Reddy	Daughter of Dr. Prathap C Reddy and sister of Preetha Reddy, Shobana Kamineni and Sangita Reddy
Shobana Kamineni	Daughter of Dr. Prathap C Reddy and sister of Preetha Reddy, Suneeta Reddy and Sangita Reddy
Sangita Reddy	Daughter of Dr. Prathap C Reddy and sister of Preetha Reddy, Shobana Kamineni and Suneeta Reddy

Shareholding of Directors

Other than as set forth below, our Directors do not hold any Equity Shares as on the date of this Preliminary Placement Document:

Name	Designation	Number of Equity Shares
Dr. Prathap C Reddy	Executive Chairman	245,464
Preetha Reddy	Executive Vice Chairperson	2,193,915
Shobana Kamineni	Executive Vice Chairperson	2,239,952
Suneeta Reddy	Managing Director	4,381,695
Sangita Reddy	Joint Managing Director	2,432,508
Bhaskara Mandavilli Nageswara Rao	Independent Director	400
Velagapudi Kavitha Dutt	Independent Director	1,000

Terms of appointment and remuneration of Executive Directors

Dr. Prathap C Reddy

Dr. Prathap C Reddy was last re-appointed on our Board for a period of five years with effect from June 25, 2017 as the Executive Chairman, pursuant to a Board resolution dated May 30, 2017 and a Shareholders' resolution dated September 20, 2017, at such remuneration not exceeding the maximum amount payable to a whole-time director in accordance with Schedule V of the Companies Act, 2013, subject to the requirement that the aggregate remuneration payable to all whole-time directors would be within the maximum permissible limit of 10% of the net profits of our Company as prescribed under the provisions of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013. In the event of absence or inadequacy of profits in any year, he will be paid minimum remuneration as specified in Section II of Part II of Schedule V of the Companies Act, 2013. Further, he is also entitled for a commission not exceeding 1% of standalone net profit before tax subject to improvement in shareholders' returns and enhancement in brand. The remuneration may be paid monthly, quarterly, half-yearly or otherwise as agreed between Dr. Prathap C Reddy and our Company.

Preetha Reddy

Preetha Reddy was re-appointed on our Board for a period of five years with effect from February 3, 2016 as the Executive Vice Chairperson pursuant to a Board resolution dated May 28, 2015 and a Shareholders' resolution dated August 11, 2015.

Pursuant to the Board resolution dated June 25, 2020 and a Shareholders' resolution dated September 25, 2020, Preetha Reddy has been re-appointed for a further period of five years with effect from February 3, 2021, at such remuneration not exceeding the maximum amount payable to a whole-time director in accordance with Schedule V of the Companies Act, 2013, subject to the requirement that the aggregate remuneration payable to all whole-time directors would be within the maximum permissible limit of 10% of the net profits of our Company as prescribed under the provisions of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013, and the limits specified under Regulation 17(6)(e) of the SEBI Listing Regulations, till the end of her tenure on February 2, 2026. In the event of absence or inadequacy of profits in any year, she will be paid minimum remuneration as specified in Section II of Part II of Schedule V of the Companies Act, 2013. The remuneration may be paid monthly, quarterly, half-yearly or otherwise as agreed between Preetha Reddy and our Company.

Shobana Kamineni

Shobana Kamineni was re-appointed on our Board for a period of five years with effect from February 1, 2020 as the Executive Vice Chairperson pursuant to a Board resolution dated May 30, 2019 and a Shareholders' resolution dated September 27, 2019 on a payment of annual remuneration computed in a manner as laid down in Section 198 of the Companies Act, 2013, till the end of her tenure on January 31, 2025, provided the remuneration payable to her should not exceed the individual permissible limit under the applicable provisions of the Companies Act, 2013 and shall be within the maximum overall ceiling limit as prescribed under Schedule V of the Companies Act, 2013 and the limits specified under Regulation 17(6)(e) of the SEBI Listing Regulations, till the end of her tenure on January 31, 2025. In the event of absence or inadequacy of profits in any year, she will be paid minimum remuneration as specified in Section II of Part II of Schedule V of the Companies Act, 2013. The remuneration may be paid monthly, quarterly, half-yearly or otherwise as agreed between Shobana Kamineni and our Company.

Suneeta Reddy

Suneeta Reddy was re-appointed on our Board for a period of five years with effect from February 3, 2016 as the Managing Director pursuant to a Board resolution dated May 28, 2015 and a Shareholders' resolution dated August 11, 2015.

Pursuant to the Board resolution dated June 25, 2020 and a Shareholders' resolution dated September 25, 2020, Suneeta Reddy has been re-appointed for a further period of five years with effect from February 3, 2021, at such remuneration not exceeding the maximum amount payable to a whole-time director in accordance with Schedule V of the Companies Act, 2013, subject to the requirement that the aggregate remuneration payable to all whole-time directors would be within the maximum permissible limit of 10% of the net profits of our Company as prescribed under the provisions of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013, and the limits specified under Regulation 17(6)(e) of the SEBI Listing Regulations, till the end of her tenure on February 2, 2026. In the event of absence or inadequacy of profits in any year, she will be paid minimum remuneration as specified in Section II of Part II of Schedule V of the Companies Act, 2013. The remuneration may be paid monthly, quarterly, half-yearly or otherwise as agreed between Suneeta Reddy and our Company.

Sangita Reddy

Sangita Reddy was re-appointed on our Board for a period of five years with effect from February 3, 2016 as the Joint Managing Director pursuant to a Board resolution dated May 28, 2015 and a Shareholders' resolution dated August 11, 2015.

Pursuant to the Board resolution dated June 25, 2020 and a Shareholders' resolution dated September 25, 2020, Sangita Reddy has been re-appointed for a further period of five years with effect from February 3, 2021, at such remuneration not exceeding the maximum amount payable to a whole-time director in accordance with Schedule V of the Companies Act, 2013, subject to the requirement that the aggregate remuneration payable to all whole-time directors would be within the maximum permissible limit of 10% of the net profits of our Company as prescribed under the provisions of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013, and the limits specified under Regulation 17(6)(e) of the SEBI Listing Regulations, till the end of her tenure on February 2, 2026. In the event of absence or inadequacy of profits in any year, she will be paid minimum remuneration as specified in Section II of Part II of Schedule V of the Companies Act, 2013. The remuneration may be paid monthly, quarterly, half-yearly or otherwise as agreed between Sangita Reddy and our Company.

Remuneration of the Directors

A. Executive Directors

The following tables set forth the compensation paid by our Company to the Executive Directors during Fiscals 2020, 2019 and 2018, and for the period April 1, 2020 to December 31, 2020:

(in ₹ million)

Dr. Prathap C Reddy				
Fiscal/ Period	**Fixed Pay**	**Variable Pay**	**Commission**	**Total**
For the period between April 1, 2020 to December 31, 2020	19.50	-	-	19.50
Fiscal 2020	71.85	21.66	27.83	121.34
Fiscal 2019	64.15	9.27	23.19	96.61

Dr. Prathap C Reddy				
Fiscal/ Period	**Fixed Pay**	**Variable Pay**	**Commission**	**Total**
Fiscal 2018	64.15	12.50	19.21	95.86

(in ₹ million)

Preetha Reddy			
Fiscal/ Period	**Fixed Pay**	**Variable Pay**	**Total**
For the period between April 1, 2020 to December 31, 2020	11.37	-	11.37
Fiscal 2020	36.45	10.99	47.44
Fiscal 2019	29.16	10.47	39.63
Fiscal 2018	29.16	9.06	38.22

(in ₹ million)

Shobana Kamineni			
Fiscal/ Period	**Fixed Pay**	**Variable Pay**	**Total**
For the period between April 1, 2020 to December 31, 2020	11.37	-	11.37
Fiscal 2020	36.45	10.99	47.44
Fiscal 2019	29.16	10.47	39.63
Fiscal 2018	29.16	9.59	38.75

(in ₹ million)

Suneeta Reddy			
Fiscal/ Period	**Fixed Pay**	**Variable Pay**	**Total**
For the period between April 1, 2020 to December 31, 2020	11.37	-	11.37
Fiscal 2020	36.45	10.99	47.44
Fiscal 2019	29.16	10.47	39.63
Fiscal 2018	29.16	9.06	38.22

(in ₹ million)

Sangita Reddy			
Fiscal/ Period	**Fixed Pay**	**Variable Pay**	**Total**
For the period between April 1, 2020 to December 31, 2020	11.37	-	11.37
Fiscal 2020	36.45	10.99	47.44
Fiscal 2019	29.16	10.47	39.63
Fiscal 2018	29.16	8.16	37.32

The variable pay and commission for Dr. Prathap C Reddy and the variable pay for each of the Executive Directors, in respect of Fiscal 2021, will be decided by our Board of Directors in Fiscal 2022. For further details of compensation paid to our Executive Directors for Fiscals 2018, 2019 and 2020, see "***Related Party Transactions***" on page 31.

B. Independent Directors

Pursuant to a resolution passed by our Board on May 30, 2019, our Independent Directors are entitled to receive a sitting fee of ₹ 0.10 million for attending each meeting of our Board of Directors and committees of our Board. Further, pursuant to a resolution passed by our Board on May 30, 2019 and a Shareholders' resolution dated September 27, 2019, our Independent Directors are entitled to receive a commission not exceeding one percent of the net profits of the Company, calculated in accordance with the provisions of Section 198 of the Companies Act, 2013. The Commission shall be distributed between such Independent Directors in such a manner as the Board of Directors may from time to time determine within the overall maximum limit of 1% of the net profits of the Company.

The following table sets forth the compensation paid by our Company to our Independent Directors during Fiscals 2021, 2020, 2019 and 2018:

(in ₹ million)

Director	***Sitting Fees***				***Commission***				***Total***			
	For Fiscal ended March 31,											
	2021*	***2020***	***2019***	***2018***	***2021*#***	***2020***	***2019***	***2018***	***2021****	***2020***	***2019***	***2018***
Bhaskara Mandavilli Nageswara Rao	1.00	1.20	0.15	-	-	1.25	0.17	-	1.00	2.45	0.32	-
Vinayak Chatterjee	0.60	0.70	0.40	0.30	-	1.25	1.25	1.25	0.60	1.95	1.65	1.55
Dr. Rajgopal Thirumalai	0.90	1.00	0.60	0.40	-	1.25	1.25	1.04	0.90	2.25	1.85	1.44
Velagapudi Kavitha Dutt	0.80	0.80	0.10	-	-	1.25	0.17	-	0.80	2.05	0.27	-
Dr. Pudugramam Murali Doraiswamy	0.70	0.60	0.15	-	-	1.25	0.63	-	0.70	1.85	0.78	-

**For the period from April 1, 2020 to December 31, 2020.*
#Commission for Fiscal 2021 will be decided by our Board of Directors in Fiscal 2022.

Corporate Governance

As on the date of this Preliminary Placement Document, we have 10 Directors on our Board, which comprises five Executive Directors and five Independent Directors. Further, we have five women Directors, one of whom is an Independent Director. Our Company is in compliance with the corporate governance requirements prescribed under the SEBI Listing Regulations and Companies Act in relation to the composition of our Board and constitution of committees thereof.

Committees of our Board of Directors

Our Company has constituted the following five committees in terms of the SEBI Listing Regulations and the Companies Act, each of which functions in accordance with the relevant provisions of the Companies Act and the SEBI Listing Regulations, as applicable:

(i) Audit Committee;
(ii) Nomination and Remuneration Committee;
(iii) Stakeholders' Relationship Committee;
(iv) Corporate Social Responsibility Committee; and
(v) Risk Management Committee.

The details of these committees are as follows:

A. Audit Committee

The members of the Audit Committee are:

1. Bhaskara Mandavilli Nageswara Rao (*Chairperson*);
2. Dr. T Rajgopal (*Member*); and
3. V Kavitha Dutt (*Member*).

B. Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Vinayak Chatterjee (*Chairperson*);
2. Bhaskara Mandavilli Nageswara Rao (*Member*);
3. Dr. Rajgopal Thirumalai (*Member*); and
4. Dr. Pudugramam Murali Doraiswamy (*Member*).

C. Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1. Velagapudi Kavitha Dutt (*Chairperson*);
2. Preetha Reddy (*Member*); and
3. Suneeta Reddy (*Member*).

D. Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

1. Dr. Prathap C Reddy (*Chairperson*);
2. Preetha Reddy (*Member*);
3. Sangita Reddy (*Member*);
4. Bhaskara Mandavilli Nageswara Rao (*Member*); and
5. Dr. Pudugramam Murali Doraiswamy (*Member*).

E. Risk Management Committee

The members of the Risk Management Committee are:

1. Suneeta Reddy (*Chairperson*);
2. Preetha Reddy (*Member*);
3. Vinayak Chatterjee (*Member*);
4. Dr. Sathyabhama (*Member*); and
5. Dr. K. Hariprasad (*Member*).

Key Managerial Personnel

In addition to Dr. Prathap C Reddy, Preetha Reddy, Shobana Kamineni, Suneeta Reddy and Sangita Reddy, the details of our other Key Managerial Personnel are set forth below:

S. No.	Name	Designation
1.	Krishnan Akhileswaran	Chief Finance Officer
2.	S.M. Krishnan	Vice President (Finance) & Company Secretary and Compliance Officer

Senior Management

The details of our other senior management, in addition to our Key Managerial Personnel, are set forth below:

S. No.	Name	Designation
1.	Dr. K. Hariprasad	President Apollo Group – Hospitals Division
2.	Dr. Anupam Sibal	Group Medical Director
3.	Arvind Sivaramakrishnan	Chief Information Officer
4.	Dinesh Madhavan	President – Group Oncology and International
5.	S V Kiran	Senior Vice President and Head- Human Resources
6.	Dr Nandini Ali	Head – Branding and Marcom Services
7.	C. Sreethar	CEO - Hospital Based Pharmacies

Shareholding of Senior Management

In addition to the shareholding of Dr. Prathap C Reddy, Preetha Reddy, Suneeta Reddy, Shobana Kamineni and Sangita Reddy as disclosed above in "***– Shareholding of Directors***", our Senior Management holds the following Equity Shares as on the date of this Preliminary Placement Document:

Name	Number of Equity Shares
Krishnan Akhileswaran	4

Interest of Senior Management

Except as stated in "***– Interest of our Directors***" above and in "***Related Party Transactions***" on pages 160 and 31 respectively, and to the extent of their shareholding in our Company, and remuneration or benefits to which they are entitled as per the terms of their appointment and reimbursement of expenses incurred by them in the ordinary course of business, our Senior Management does not have any other interest in our Company.

Other confirmations

Except as otherwise stated above in "***– Interests of our Directors***" and "***– Interest of Senior Management***" on pages 160 and 165 respectively, none of our Promoters or Directors or Senior Management have any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

None of our Promoters or Directors have been identified as wilful defaulters, as defined under the SEBI ICDR Regulations.

None of our Promoters or Directors have been declared as fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

ORGANIZATIONAL STRUCTURE

Corporate History

Our Company was incorporated on December 5, 1979 under the laws of the Republic of India with a certificate of incorporation granted by the Registrar of Companies, Tamil Nadu at Madras. We obtained a certificate of commencement of business on December 27, 1979.

Our Company's CIN is L85110TN1979PLC008035. The registered office of our Company is located at No. 19, Bishop Gardens, Raja Annamalaipuram, Chennai – 600 028, Tamil Nadu, India and our corporate office is located at Sunny Side Building, East Block, 3rd Floor, No. 8/17 Shafee Mohammed Road, Chennai – 600 006, Tamil Nadu, India.

Organizational Structure

Subsidiaries

As on the date of this Preliminary Placement Document, our Company has 18 direct subsidiaries:

(i) A B Medical Centres Limited
(ii) Apollo Health and Lifestyle Limited
(iii) Apollo Home Healthcare (India) Limited*
(iv) Apollo Home Healthcare Limited
(v) Apollo Hospitals International Limited
(vi) Apollo Hospitals Singapore Pte. Limited
(vii) Apollo Hospitals (UK) Limited
(viii) Apollo Lavasa Health Corporation Limited
(ix) Apollo Nellore Hospital Limited
(x) Apollo Rajshree Hospitals Private Limited
(xi) Assam Hospitals Limited
(xii) Future Parking Private Limited
(xiii) Imperial Hospitals and Research Centre Limited
(xiv) Medics International Lifesciences Limited
(xv) Samudra Health Care Enterprises Limited
(xvi) Sapien Biosciences Private Limited
(xvii) Total Health
(xviii) Western Hospitals Corporation Private Limited*

** The Board through its resolution dated February 13, 2020 had approved the amalgamation of Apollo Home Healthcare (India) Limited and Western Hospitals Corporation Private Limited, wholly-owned subsidiaries of the Company, into the Company. The amalgamation is subject to requisite statutory and regulatory approvals and sanctions by the respective shareholders of each of the companies involved in the amalgamation.*

As on the date of this Preliminary Placement Document, our Company has 10 step-down subsidiaries:

(i) AHLL Diagnostics Limited (*subsidiary of Apollo Health and Lifestyle Limited*)
(ii) AHLL Risk Management Private Limited (*subsidiary of Apollo Health and Lifestyle Limited*)
(iii) Alliance Dental Care Limited (*subsidiary of Apollo Health and Lifestyle Limited*)
(iv) Apollo Bangalore Cradle Limited (*subsidiary of Apollo Specialty Hospitals Private Limited which is a subsidiary of Apollo Health and Lifestyle Limited*)
(v) Apollo CVHF Limited (*subsidiary of Apollo Hospitals International Limited*)
(vi) Apollo Dialysis Private Limited (*subsidiary of Apollo Health and Lifestyle Limited*)
(vii) Apollo Specialty Hospitals Private Limited (*subsidiary of Apollo Health and Lifestyle Limited*)
(viii) Apollo Sugar Clinics Limited (*subsidiary of Apollo Health and Lifestyle Limited*)
(ix) Kshema Healthcare Private Limited (*subsidiary of Apollo Specialty Hospitals Private Limited which is a subsidiary of Apollo Health and Lifestyle Limited*)
(x) Surya Fertility Centre Private Limited (*subsidiary of Apollo Specialty Hospitals Private Limited which is a subsidiary of Apollo Health and Lifestyle Limited*)

Associates

As on the date of this Preliminary Placement Document, our Company has four associate companies:

(i) Apollo Medicals Private Limited
(ii) Family Health Plan Insurance TPA Limited
(iii) StemCyte India Therapeutics Private Limited
(iv) Indraprastha Medical Corporation Limited

Joint ventures

As on the date of this Preliminary Placement Document, our Company has three joint ventures:

(i) ApoKos Rehab Private Limited
(ii) Apollo Gleneagles Hospital Limited*
(iii) Apollo Gleneagles PET-CT Private Limited

** Consequent to the acquisition of 50% equity stake held by Gleneagles Development Pte. Ltd. ("**GDPL**") in Apollo Gleneagles Hospital Limited ("**AGHL**") pursuant to the share purchase agreement dated November 11, 2020 executed among our Company, GDPL and AGHL for an aggregate purchase consideration of ₹ 4,100 million, AGHL, which is currently a Joint Venture, will become a wholly-owned subsidiary of our Company.*

SHAREHOLDING PATTERN OF OUR COMPANY

The shareholding pattern of our Company, as on December 31, 2020 is set forth below:

Table I: Summary statement holding of specified securities

Category	Category of Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no of shares (As a % of (A+B+C2))	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class X	Class Y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
(A)	Promoter and Promoter Group	23	42,875,002	0	0	42,875,002	30.82	42,875,002	0	42,875,002	30.82	0	0.00	0	0	12,922,350	30.14	42,875,002
(B)	Public	67,588	96,117,190	0	132,967	96,250,157	69.18	96,250,157	0	96,250,157	69.18	0	0.00	0	0	NA	0.00	94,115,005
(C)	Non Promoter-Non Public	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	0.00	0
(C1)	Shares underlying DRs	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	0.00	0
(C2)	Shares held by Employees Trusts	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	0.00	0
	Total:	67,611	138,992,192	0	132,967	139,125,159	100.00	139,125,159	0	139,125,159	100.00	0	0.00	0	0	12,922,350	30.14	136,990,007

Table II: Statement showing shareholding pattern of the Promoters and Promoter Group

Category	Category & Name of the Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (III+IV+V)	Shareholding as a % of total no of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VI)+(IX) As a % of (A+B+C2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class X	Class Y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)				(IX)	(X)	(XI)		(XII)		(XIII)
(1)	Indian																	
(a)	Individuals/ Hindu undivided Family	20	15,578,974	0	0	15,578,974	11.20	15,578,974		15,578,974	11.20	0	11.20	0	0	7,777,350	49.92	15,578,974
1.	Dr. Prathap C Reddy	1	245,464	0	0	245,464	0.18	245,464		245,464	0.18	0	0.18	0	0	0	0.00	245,464
2.	Ms. Sucharitha P Reddy	1	169,800	0	0	169,800	0.12	169,800		169,800	0.12	0	0.12	0	0	0	0.00	169,800
3.	Ms. Preetha Reddy	1	2,193,915	0	0	2,193,915	1.58	2,193,915		2,193,915	1.58	0	1.58	0	0	2,039,626	92.97	2,193,915
4.	Ms. Suneeta Reddy	1	4,381,695	0	0	4,381,695	3.15	4,381,695		4,381,695	3.15	0	3.15	0	0	4,160,374	94.95	4,381,695
5.	Ms. Shobana Kamineni	1	2,239,952	0	0	2,239,952	1.61	2,239,952		2,239,952	1.61	0	1.61	0	0	0	0.00	2,239,952
6.	Ms. Sangita Reddy	1	2,432,508	0	0	2,432,508	1.75	2,432,508		2,432,508	1.75	0	1.75	0	0	0	0.00	2,432,508
7.	Mr. Karthik Anand	1	345,238	0	0	345,238	0.25	345,238		345,238	0.25	0	0.25	0	0	0	0.00	345,238
8.	Mr. Harshad Reddy	1	327,900	0	0	327,900	0.24	327,900		327,900	0.24	0	0.24	0	0	0	0.00	327,900
9.	Ms. Sindoori Reddy	1	318,600	0	0	318,600	0.23	318,600		318,600	0.23	0	0.23	0	0	0	0.00	318,600
10.	Mr. Aditya Reddy	1	10,200	0	0	10,200	0.01	10,200		10,200	0.01	0	0.01	0	0	0	0.00	10,200
11.	Ms. Upasana Kamineni	1	217,276	0	0	217,276	0.16	217,276		217,276	0.16	0	0.16	0	0	0	0.00	217,276
12.	Mr. Puansh Kamineni	1	212,201	0	0	212,201	0.15	212,201		212,201	0.15	0	0.15	0	0	0	0.00	212,201
13.	Ms. Anuspala Kamineni	1	259,174	0	0	259,174	0.19	259,174		259,174	0.19	0	0.19	0	0	0	0.00	259,174
14.	Mr. Konda Anindith Reddy	1	230,200	0	0	230,200	0.17	230,200		230,200	0.17	0	0.17	0	0	0	0.00	230,200
15.	Mr. Konda Vishwajit Reddy	1	222,300	0	0	222,300	0.16	222,300		222,300	0.16	0	0.16	0	0	0	0.00	222,300
16.	Mr. Konda Viraj Madhav Reddy	1	168,224	0	0	168,224	0.12	168,224		168,224	0.12	0	0.12	0	0	0	0.00	168,224
17.	Mr. Vijay Kumar Reddy	1	8,957	0	0	8,957	0.01	8,957		8,957	0.01	0	0.01	0	0	0	0.00	8,957
18.	Mr. Dwaraknath Reddy	1	18,000	0	0	18,000	0.01	18,000		18,000	0.01	0	0.01	0	0	0	0.00	18,000

Category	Category & Name of the Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (III+IV+V)	Shareholding as a % of total no of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VI)+(IX) As a % of (A+B+C2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class X	Class Y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)				(IX)	(X)	(XI)		(XII)		(XIII)
19.	Mr. Anil Kamineni	1	20	0	0	20	0.00	20		20	0.00	0	0.00	0	0	0	0.00	20
20.	Mr. K Vishweshwar Reddy	1	1,577,350	0	0	1,577,350	1.13	1,577,350		1,577,350	1.13	0	1.13	0	0	1,577,350	100.00	1,577,350
(b)	Central Government/ State Government(s)	0	0	0	0	0	0.00	0		0	0.00	0	0.00	0	0	0	0.00	0
(c)	Financial Institutions/ Banks	0	0	0	0	0	0.00	0		0	0.00	0	0.00	0	0	0	0.00	0
(d)	Any Other	3	27,296,028	0	0	27,296,028	19.62	27,296,028		27,296,028	19.62	0	19.62	0	0	5,145,000	18.85	27,296,028
	Body Corporate	3	27,296,028	0	0	27,296,028	19.62	27,296,028		27,296,028	19.62	0	19.62	0	0	5,145,000	18.85	27,296,028
1.	M/s. PCR Investments Ltd	1	27,223,124	0	0	27,223,124	19.57	27,223,124		27,223,124	19.57	0	19.57	0	0	5,145,000	18.90	27,223,124
2.	M/s. Obul Reddy Investments Pvt Ltd	1	11,200	0	0	11,200	0.01	11,200		11,200	0.01	0	0.01	0	0	0	0.00	11,200
3.	M/s. Indian Hospitals Corporation Ltd	1	61,704	0	0	61,704	0.04	61,704		61,704	0.04	0	0.04	0	0	0	0.00	61,704
	Sub-Total (A)(1)	23	42,875,002	0	0	42,875,002	30.82	42,875,002		42,875,002	30.82	0	30.82	0	0	12,922,350	30.14	42,875,002
(2)	Foreign																	
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0	0	0.00	0		0	0.00	0	0.00	0	0	0	0.00	0
(b)	Government	0	0	0	0	0	0.00	0		0	0.00	0	0.00	0	0	0	0.00	0
(c)	Institutions	0	0	0	0	0	0.00	0		0	0.00	0	0.00	0	0	0	0.00	0
(d)	Foreign Portfolio Investor	0	0	0	0	0	0.00	0		0	0.00	0	0.00	0	0	0	0.00	0
(e)	Any Other	0	0	0	0	0	0.00	0		0	0.00	0	0.00	0	0	0	0.00	0
	Sub-Total (A)(2)	0	0	0	0	0	0.00	0		0	0.00	0	0.00	0	0	0	0.00	0
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	23	42,875,002	0	0	42,875,002	30.82	42,875,002		42,875,002	30.82	0	30.82	0.00	0	12,922,350	30.14	42,875,002

Table III: Statement showing shareholding pattern of the public shareholders

Category	Category & Name of the Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (III+IV+V)	Shareholding as a % of total no of shares (A+B+C2)	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class X	Class Y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)				(IX)	(X)	(XI)		(XII)		(XIII)
(1)	Institutions																	
(a)	Mutual Funds	90	10,206,979	0	0	10,206,979	7.34	10,206,979		10,206,979	7.34	0	7.34	0	0	NA		10,206,979
1.	Aditya Birla Sun Life Trustee Pvt Ltd		2,036,224	0	0	2,036,224	1.46	2,036,224		2,036,224	1.46	0	1.46	0	0	NA		2,036,224
2.	Franklin India Fund		1,645,097	0	0	1,645,097	1.18	1,645,097		1,645,097	1.18	0	1.18	0	0	NA		1,645,097
(b)	Venture Capital Funds	0	0	0	0	0	0.00	0		0	0.00	0	0.00	0	0	NA		0
(c)	Alternate Investment Funds	3	129,320	0	0	129,320	0.09	129,320		129,320	0.09	0	0.09	0	0	NA		129,320
(d)	Foreign Venture Capital Investors	0	0	0	0	0	0.00	0		0	0.00	0	0.00	0	0	NA		0
(e)	Foreign Portfolio Investors	647	71,926,444	0	0	71,926,444	51.70	71,926,444		71,926,444	51.70	0	51.70	0	0	NA		71,926,444
1.	Schroder International Selection Fund Asian Opportunities		3,928,809	0	0	3,928,809	2.82	3,928,809		3,928,809	2.82	0	2.82	0	0	NA		3,928,809
2.	Veritas Funds Plc on Behalf of Veritas Asian Fund		3,606,329	0	0	3,606,329	2.59	3,606,329		3,606,329	2.59	0	2.59	0	0	NA		3,606,329
3.	Touchstone Strategic Trust - Touchstone Sands Capital Emerging Markets Growth Fund		3,161,487	0	0	3,161,487	2.27	3,161,487		3,161,487	2.27	0	2.27	0	0	NA		3,161,487
4.	Copthall Mauritius Investment Ltd		2,551,169	0	0	2,551,169	1.83	2,551,169		2,551,169	1.83	0	1.83	0	0	NA		2,551,169
5.	Sands Capital Funds Plc-Sands Capital Emerging Markets Growth Fund		1,683,632	0	0	1,683,632	1.21	1,683,632		1,683,632	1.21	0	1.21	0	0	NA		1,683,632
(f)	Financial Institutions/ Banks	7	99,260	0	0	99,260	0.07	99,260		99,260	0.07	0	0.07	0	0	NA		95,722
(g)	Insurance Companies	28	4,653,943	0	0	4,653,943	3.35	4,653,943		4,653,943	3.35	0	3.35	0	0	NA		4,653,943
1.	HDFC Life Insurance Company Ltd		2,119,053	0	0	2,119,053	1.52	2,119,053		2,119,053	1.52	0	1.52	0	0	NA		2,119,053
2.	Life Insurance Corporation of India		1,545,160	0	0	1,545,160	1.11	1,545,160		1,545,160	1.11	0	1.11	0	0	NA		1,545,160
(h)	Provident Funds/ Pension Funds	0	0	0	0	0	0.00	0		0	0.00	0	0.00	0	0	NA		0
(i)	Any Other	0	0	0	0	0	0.00	0		0	0.00	0	0.00	0	0	NA		0

Category	Category & Name of the Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (III+IV+V)	Shareholding as a % of total no of shares (A+B+C2)	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class X	Class Y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)				(IX)	(X)	(XI)		(XII)		(XIII)
	Sub Total (B)(1)	775	87,015,946	0	0	87,015,946	62.55	87,015,946		87,015,946	62.55	0	62.55	0	0	NA		87,012,408
(2)	Central Government/ State Government(s)/ President of India	1	323,708	0	0	323,708	0.23	323,708		323,708	0.23	0	0.23	0	0	NA		323,708
	Sub Total (B)(2)	1	323,708	0	0	323,708	0.23	323,708		323,708	0.23	0	0.23	0	0	NA		323,708
(3)	Non-Institutions																	
(a)	i. Individual shareholders holding nominal share capital up to Rs.2 lakhs	63,009	5,580,480	0	0	5,580,480	4.01	5,580,480		5,580,480	4.01	0	4.01	0	0	NA		4,354,892
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 Lakhs	12	633,947	0	0	633,947	0.46	633,947		633,947	0.46	0	0.46	0	0	NA		593,697
(b)	NBFCs Registered with RBI	0	0	0	0	0	0.00	0		0	0.00	0	0.00	0	0	NA		0
(c)	Employee Trusts	0	0	0	0	0	0.00	0		0	0.00	0	0.00	0	0	NA		0
(d)	Overseas Depositories (Holding DRs) (Balancing figure)	1	0	0	132,967	132,967	0.10	132,967		132,967	0.10	0	0.10	0	0	NA		132,967
(e)	Any Other	3,790	2,563,109	0	0	2,563,109	1.84	2,563,109		2,563,109	1.84	0	1.84	0	0	NA		1,697,333
(e-i)	Body Corporate	456	431,575	0	0	431,575	0.31	431,575		431,575	0.31	0	0.31	0	0	NA		388,425
(e-ii)	Clearing Member	205	174,949	0	0	174,949	0.13	174,949		174,949	0.13	0	0.13	0	0	NA		174,949
(e-iii)	Employees	2	125	0	0	125	0.00	125		125	0.00	0	0.00	0	0	NA		125
(e-iv)	Foreign Portfolio Investor (Category III)	1	8,800	0	0	8,800	0.01	8,800		8,800	0.01	0	0.01	0	0	NA		8,800
(e-v)	HUF	981	60,913	0	0	60,913	0.04	60,913		60,913	0.04	0	0.04	0	0	NA		60,913
(e-vi)	IEPF	1	431,889	0	0	431,889	0.31	431,889		431,889	0.31	0	0.31	0	0	NA		431,889
(e-vii)	L L P	25	9,203	0	0	9,203	0.01	9,203		9,203	0.01	0	0.01	0	0	NA		9,203
(e-viii)	Non-Resident Indian (NRI)	2,090	1,149,283	0	0	1,149,283	0.83	1,149,283		1,149,283	0.83	0	0.83	0	0	NA		444,367
(e-ix)	Trusts	28	136,462	0	0	136,462	0.10	136,462		136,462	0.10	0	0.10	0	0	NA		18,752
(e-x)	Unclaimed or Suspense or Escrow Account	1	159,910	0	0	159,910	0.11	159,910		159,910	0.11	0	0.11	0	0	NA		159,910
	Sub Total (B)(3)	66,812	8,777,536	0	132,967	8,910,503	6.40	8,910,503		8,910,503	6.40	0	6.40	0	0	NA		6,778,889
	Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)	67,588	96,117,190	0	132,967	96,250,157	69.18	96,250,157		96,250,157	69.18	0	69.18	0	0	NA		94,115,005

Table IV: Statement showing shareholding pattern of the non-promoter non-public shareholders

Category	Category & Name of the Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (A+B+C2)	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class X	Class Y	Total								
	(I)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
(1)	Custodian/ DR Holder	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Total Non-Promoter-Non Public Shareholding (C) = (C)(1)+(C)(2)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

ISSUE PROCEDURE

*The following is a summary intended to present a general outline of the procedure relating to the Bidding, payment of Application Amount, Allocation and Allotment of the Equity Shares. The procedure followed in the Issue may differ from the one mentioned below and Bidders are assumed to have apprised themselves of the same from our Company or the Book Running Lead Managers. Bidders are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisers in this regard. Also see "**Selling Restrictions**" and "**Transfer Restrictions**" on pages 190 and 198, respectively. Bidders that apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the BRLMs and their respective directors, officers, agents, employees, counsels, shareholders, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares.*

Our Company, the BRLMs and their respective directors, shareholders, employees, counsels, officers, agents, advisors, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Bidders are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Bidders are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the Insider Trading Regulations, and other applicable laws.

Qualified Institutions Placement

THIS ISSUE IS MEANT ONLY FOR ELIGIBLE QIBs ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

This Preliminary Placement Document has not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

This Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Section 42 and other applicable provisions of the Companies Act, 2013 and rules thereunder, through the mechanism of a QIP. Under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, our Company, being a listed company in India may issue Equity Shares through a QIP, provided that:

- the Shareholders have passed a special resolution approving the Issue. Such special resolution must specify (a) that the Allotment of Equity Shares is proposed to be made pursuant to the QIP; and (b) the Relevant Date;
- the explanatory statement to the notice to the Shareholders for convening the general meeting must disclose among other things, the particulars of the issue and the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;
- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the Equity Shares of the same class of our Company, which are proposed to be Allotted through this Issue, are listed on the Stock Exchanges, for a period of at least one year prior to the date of issuance of notice to our Shareholders for convening the meeting to adopt the above-mentioned special resolution;
- this Issue must be made through a private placement offer letter (i.e., this Preliminary Placement Document) and an application form serially numbered and addressed specifically to the Eligible QIBs to whom this Issue is made;
- in accordance with the SEBI ICDR Regulations, issuance and allotment of Equity Shares shall be made only in dematerialized form;

- the Promoters and Directors of our Company are not fugitive economic offenders;
- our Company shall have completed allotments with respect to any previous offer or invitation made by our Company or has withdrawn or abandoned any such invitation or offer, however, our Company may, at any time, make more than one issue of securities to such class of identified persons as may be prescribed;
- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer cum application letter (i.e., this Preliminary Placement Document), our Company must prepare and record a list of Eligible QIBs to whom this Issue will be made. This Issue must be made only to such Eligible QIBs whose names are recorded by our Company prior to the invitation to subscribe; and
- our Company acknowledges that the offering of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about this Issue is prohibited.

Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue.

At least 10% of the Equity Shares issued to Eligible QIBs shall be Allotted to Mutual Funds, provided that, if this portion or any part thereof to be Allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

Bidders are not allowed to withdraw or revise downwards their Bids after the Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price of the Equity Shares issued under this Issue shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares of the same class quoted on the stock exchanges during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. The "Relevant Date" referred to above means the date of the meeting in which the Board or the Fund Raising Committee decides to open the Issue and "stock exchange" means any of the recognized stock exchanges on which the Equity Shares of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. Further, in accordance with the approval of the Shareholders on January 9, 2021 by way of postal ballot, our Company may offer a discount of not more than 5% on the Floor Price in accordance with the SEBI ICDR Regulations.

The Equity Shares will be Allotted within 365 days from the date of the Shareholders' resolution approving this Issue and within 60 days from the date of receipt of Application Amount from the Successful Bidders. For details of Allotment, see "***– Pricing and Allocation – Designated Date and Allotment of Equity Shares***" below.

The Equity Shares issued pursuant to this Issue must be issued on the basis of this Preliminary Placement Document and the Placement Document. This Preliminary Placement Document and the Placement Document shall contain all material information required under applicable law including the information specified in Schedule VII of SEBI ICDR Regulations and the requirements prescribed under PAS Rules and Form PAS-4. This Preliminary Placement Document and the Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of this Preliminary Placement Document addressed to you, you may not rely on this Preliminary Placement Document or Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue.

This Issue was authorized and approved by our Board of Directors on November 11, 2020 and approved by our Shareholders on January 9, 2021 by way of postal ballot.

The minimum number of Allottees with respect to the QIP shall not be less than:

- two, where the issue size is less than or equal to ₹ 2,500 million; and

- five, where the issue size is greater than ₹ 2,500 million.

No single Allottee shall be Allotted more than 50% of the Issue Size.

Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of this Issue. For details of what constitutes "same group" or "common control", see the section "***— Bid Process—Application Form***" below.

Equity Shares being Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on a recognised stock exchange. Allotments made to VCFs and AIFs in this Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this Preliminary Placement Document as "U.S. QIBs". For the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Preliminary Placement Document as "QIBs") in transactions exempt from or not subject to the registration requirements of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. For further information, see the sections "*Selling Restrictions*" and "*Transfer Restrictions*" beginning on pages 190 and 198, respectively. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Our Company has filed a copy of this Preliminary Placement Document with each of the Stock Exchanges. We shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act and the PAS Rules. Our Company has received in-principle approvals from each of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for the listing of the Equity Shares on the BSE and NSE, each dated January 18, 2021.

Issue Procedure

1. On the Issue Opening Date, our Company in consultation with the Book Running Lead Managers shall circulate serially numbered copies of this Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form, to Eligible QIBs and the Application Form will be specifically addressed to each such Eligible QIB. In terms of Section 42(3) of the Companies Act, 2013, our Company shall maintain records of the Eligible QIBs in the form and manner as prescribed under the PAS Rules, to whom this Preliminary Placement Document and the serially numbered Application Form have been dispatched. Our Company will make the requisite filings with the RoC within the stipulated time periods as required under the Companies Act, 2013 and the PAS Rules.

2. **The list of QIBs to whom this Preliminary Placement Document cum Application Form will be delivered, shall be determined by our Company in consultation with the BRLMs, at their sole discretion. Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Application Amount is to be deposited, is addressed to a particular Eligible QIB, no invitation to make an offer to subscribe shall be deemed to have been made to such Eligible QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

3. Eligible QIBs may submit the Application Form, including any revisions thereof along with the Application Amount and a copy of the PAN card or PAN allotment letter, during the Issue Period to the Book Running Lead Managers.

4. Bidders will be required to indicate the following in the Application Form:

- full official name of the Bidder to whom Equity Shares are to be Allotted, complete address, phone number, permanent account number, e-mail address and bank account details;
- number of Equity Shares Bid for;
- price at which they are agreeable to subscribe for the Equity Shares and the aggregate Application Amount for the number of Equity Shares Bid for;
- an undertaking that they will deliver an offshore transaction letter to our Company prior to any sale of Equity Shares confirming that they will not re-offer, re-sell, pledge or otherwise transfer the Equity Shares, except in an offshore transaction on a recognized Indian stock exchange in compliance with Regulation S under the Securities Act;
- details of the depository account to which the Equity Shares should be credited; and
- a representation that it is either (i) outside the United States acquiring the Equity Shares in an offshore transaction under Regulation S, or (ii) it has agreed to certain other representations set forth in the "***Representations by Investors***" on page 6 and "***Transfer Restrictions***" on page 198 and certain other representations made in the Application Form.

5. Each Bidder shall be required to make the entire payment of the Application Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account within the Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Application Amount for the Equity Shares shall be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. No payment shall be made in the Issue by the Bidders in cash. Application Amount payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application Form. Pending Allotment, and the filing of return of Allotment by our Company with the RoC or receipt of final listing and trading approval from the Stock Exchanges, whichever is later, Application Amount received for subscription of the Equity Shares shall be kept by our Company in the Escrow Account, *i.e.*, a separate bank account with a scheduled bank, and shall be utilised only for the purposes permitted under the Companies Act, 2013. Notwithstanding the above, in the event, among others, a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to the Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or a Bidder lowers or withdraws the Bid prior to the Issue Closing Date, or the Application Amount is in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to the Bidder and the Issue Price, the excess Application Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in "***- Refunds***" below.

6. Once a duly completed Application Form is submitted by a Bidder, whether signed or not, and the Application Amount is transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Issue Closing Date. In case of upward revision before the Issue Closing Date, an additional amount shall be required to be deposited towards the Application Amount in the Escrow Account along with the submission of such revised Bid. In case of Bids being made on behalf of the Eligible QIB where the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

7. The Bidder acknowledge that in accordance with the requirements of the Companies Act, upon Allocation, our Company will be required to disclose the names of proposed Allottees and the percentage of their post Issue shareholding in the Placement Document and consents to such disclosure, if any Equity Shares are allocated to it.

8. Eligible FPIs are required to indicate their SEBI FPI registration number in the Application Form. The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids

clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.

9. Upon receipt of the duly completed Application Form and the Application Amount in the Escrow Account, after the Issue Closing Date, our Company shall, in consultation with the Book Running Lead Managers, determine the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue and Allocation. Upon such determination, the Book Running Lead Managers, on behalf of our Company, will send the serially numbered CAN to the Eligible QIBs who have been Allocated the Equity Shares. The dispatch of a CAN, and the Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated and the Refund Amount (if any) due to the Successful Bidders. Please note that the Allocation will be at the absolute discretion of our Company, in consultation with the Book Running Lead Managers.

10. Upon determination of the Issue Price and the issuance of CAN and before Allotment of Equity Shares to the Successful Bidders, the Book Running Lead Managers, shall, on our behalf, send a serially numbered Placement Document (either in electronic form or through physical delivery) to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

11. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. We will inform the Stock Exchanges of the details of the Allotment.

12. After passing the resolution for Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the depository participant, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to this Issue.

13. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

14. Our Company will then apply for the final trading approvals from the Stock Exchanges.

15. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Successful Bidders shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.

16. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Company and the Book Running Lead Managers shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

Qualified Institutional Buyers

Only Eligible QIBs are eligible to invest in the Equity Shares pursuant to this Issue, provided that with respect to FPIs, only Eligible FPIs applying under Schedule II of the FEMA Non-Debt Rules will be considered as Eligible QIBs. FVCIs are not permitted to participate in the Issue. Currently, QIBs, who are eligible to participate in this Issue and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

- alternate investment funds registered with SEBI;
- Eligible FPIs;
- insurance companies registered with Insurance Regulatory and Development Authority of India;

- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India;
- multilateral and bilateral development financial institutions;
- Mutual Funds registered with SEBI;
- pension funds with minimum corpus of ₹ 2,500 million;
- provident funds with minimum corpus of ₹ 2,500 million;
- public financial institutions;
- scheduled commercial banks;
- state industrial development corporations;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India;
- venture capital funds registered with SEBI; and
- systemically important non-banking financial companies,

subject to such QIB not being excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations.

Eligible FPIs are permitted to participate through the portfolio investment scheme under Schedule II of the FEMA Non-Debt Rules, in this Issue. Eligible FPIs are permitted to participate in the Issue subject to compliance with all applicable laws and such that the shareholding of the FPIs do not exceed specified limits as prescribed under applicable laws in this regard.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means common ownership of more than fifty per cent or common control) is not permitted to exceed 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Non-Debt Rules, the total holding by each FPI including its investor group shall be below 10% of the total paid-up Equity Share capital of our Company. In case the holding of an FPI including its investor group increases to 10% or more of the total paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done, the total investment made by such FPI together with its investor group will be re-classified as FDI as per procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in the Company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (a) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable. Further, the aggregate permissible limit of all FPIs investments, with effect from April 1, 2020, is the sectoral cap applicable to the sector in which our Company operates. The existing aggregate investment limit for FPIs in our Company is 100% of the paid up capital of our Company.

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In terms of the FEMA Non-Debt Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed NSDL as the designated depository to monitor the level of FPI/ NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3% below the overall limit a red flag shall be activated. The depository is then required to inform the Stock Exchanges about the activation of the red flag. The Stock Exchanges are then required to issue the necessary circulars/ public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.

Subject to receipt of valid Bids, a minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of undersubscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Restriction on Allotment

Under Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any QIB being, our Promoters or any person related to our Promoters. QIBs which have all or any of the following rights shall be deemed to be persons related to our Promoters:

- rights under a shareholders' agreement or voting agreement entered into with our Promoters or members of our Promoter Group;
- veto rights; or
- a right to appoint any nominee director on our Board.

Provided, however, that a QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to our Promoters.

Our Company and the Book Running Lead Managers and any of their respective shareholders, employees, counsels, officers, directors, advisors, representatives, agents or affiliates are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not eventually result in triggering an open offer under the SEBI Takeover Regulations.

Note: Affiliates or associates of the Book Running Lead Managers who are Eligible QIBs may participate in the Issue in compliance with applicable laws.

Bid Process

Application Form

Eligible QIBs shall only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and/ or the Book Running Lead Managers in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of this Preliminary Placement Document. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Application Amount is paid along with submission of the Application Form within the Issue Period, and in such case, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this Preliminary Placement Document, the Eligible QIB will be deemed to have made the following representations, warranties, acknowledgements and undertakings and under the sections "***Notice to Investors***", "***Representations by Investors***", "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 2, 6, 190 and 198, respectively:

- The Eligible QIB confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;
- The Eligible QIB confirms that it is not a Promoter and is not a person related to the Promoters, either directly or indirectly and its Application Form does not directly or indirectly represent the Promoters or Promoter Group or persons related to the Promoters;

- The Eligible QIB confirms and consents to its name and percentage of post-Issue shareholding (assuming full subscription in the Issue) will be included as a 'proposed allottee' in the Issue in the Placement Document;

- The Eligible QIB confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India and is eligible to invest in India under applicable law, including the FEMA Rules, or a multilateral or bilateral development financial institution, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets, and is not an FVCI;

- The Eligible QIB confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender which shall not be deemed to be a person related to the Promoters;

- The Eligible QIB acknowledges that it has no right to withdraw or revise its Bid downwards after the Issue Closing Date;

- The Eligible QIB confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the Stock Exchanges;

- The Eligible QIB confirms that it is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to this Issue, if any. The Eligible QIB further confirms that its holding of the Equity Shares, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Eligible QIB;

- The Eligible QIB confirms that its Bids would not result in triggering an open offer under the SEBI Takeover Regulations;

- The Eligible QIB agrees that although the Application Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act, 2013 and rules made thereunder, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the Book Running Lead Managers. The Eligible QIB further acknowledges and agrees that the payment of Application Amount does not guarantee Allocation and/ or Allotment of Equity Shares Bid for in full or in part;

- The Eligible QIB acknowledges that in terms of the requirements of the Companies Act, 2013 upon Allocation, our Company will be required to disclose the names of proposed Allottees and the percentage of their post-Issue shareholding in the Placement Document and consents to such disclosure, if any Equity Shares are Allocated to it. However, the Eligible QIB further acknowledges and agrees that the disclosure of such details in relation to it in the Placement Document will not guarantee Allotment to it, as Allotment in the Issue shall continue to be at the sole discretion of our Company;

- The Eligible QIB confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

    a. QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIB, its subsidiary (ies) or holding company and any other QIB; and

    b. "Control" shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the SEBI Takeover Regulations;

- The Eligible QIB confirms that:

    a. If it is within the United States, it is a U.S. QIB who is, or are acquiring the Equity Shares for its own account or for the account of an institutional investor who also meets the requirement of a U.S. QIB, for investment purposes only and not with a view to, or for resale in connection with, the distribution (within the meaning of any United States securities laws) thereof, in whole or in part and are not our affiliate or a person acting on behalf of such an affiliate; and

b. If it is outside the United States, it is subscribing to the Equity Shares in an offshore transaction in reliance upon Regulation S, and is not our affiliate or a person acting on behalf of such an affiliate; and

c. It has agreed to certain other representations set forth in the "***Representations by Investors***" and "***Transfer Restrictions***" on pages 6 and 198, respectively, and certain other representations made in the Application Form.

- The Eligible QIB acknowledge that no Allocation shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price.

- The Eligible QIB confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations.

- The Eligible QIBs confirm that they shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route.

ELIGIBLE QIBs MUST PROVIDE THEIR NAME, COMPLETE ADDRESS, PHONE NUMBER, EMAIL ID, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN (IF APPLICABLE), DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBs MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, THE ELIGIBLE QIBs SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE BOOK RUNNING LEAD MANAGERS TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, ESCROW BANK OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER ISSUE CLOSURE, THE ELIGIBLE QIBs SUBMITTING A BID AND/ OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Application Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Application Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

Once a duly completed Application Form is submitted by a Bidder, whether signed or not, the submission of such Application Form and payment of the Application Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder and shall become a binding contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Company in favour of the Successful Bidder.

Submission of Application Form

All Application Forms must be duly completed with information including the number of Equity Shares applied for along with payment and a copy of the PAN card or PAN allotment letter. Additionally, the Application Form will include details of the relevant Escrow Account into which the Application Amounts will have to be deposited. The Application Amount shall be deposited in the Escrow Account as is specified in the Application Form and the Application Form shall be submitted to the Book Running Lead Managers either through electronic form or through physical delivery at either of the following addresses:

BofA Securities India Limited
Ground Floor, "A" Wing, One BKC, "G" Block
Bandra Kurla Complex
Bandra (East), Mumbai – 400 051
Maharashtra, India
Contact Person: Gautam Dhaliwal
E-mail: dg.gcib_in_project_prana@bofa.com
Phone No.: +91 22 66328000

Axis Capital Limited
Axis House, Level 1
C-2 Wadia International Centre
P.B. Marg, Worli, Mumbai – 400 025
Maharashtra, India
Contact Person: Mr. Sanjay Kathale
Email: Sanjay.kathale@axiscap.in
Phone No.: +91 22 4325 5585

J. P. Morgan India Private Limited
J.P. Morgan Tower
Off. C.S.T. Road
Kalina, Santacruz (East), Mumbai – 400 098
Maharashtra, India
Contact Person: Shagun Gupta
Email: Investorsmb.jpmipl@jpmorgan.com
Phone No.: +91 22 61575083

Kotak Mahindra Capital Company Limited
1st Floor, 27 BKC, Plot No. C-27
G Block, Bandra Kurla Complex
Bandra (East), Mumbai – 400 051
Maharashtra, India
Contact Person: Karl Sahukar
Email: apollohospitals.qip@kotak.com
Phone No.: +91 22 4336 0000

The Book Running Lead Managers shall not be required to provide any written acknowledgement of the receipt of the Application Form and the Application Amount.

All Bidders submitting a Bid in the Issue, shall pay the entire Application Amount within the Issue Period.

Payment of Application Amount

Our Company has opened the "APOLLO HOSPITALS ENTERPRISE LIMITED – QIP ESCROW ACCOUNT" with Axis Bank Limited, the Escrow Bank, in terms of the arrangement among our Company, the Book Running Lead Managers and the Escrow Bank. Bidders will be required to deposit the entire Application Amount payable for the Equity Shares applied for through the Application Form submitted by it in accordance with the applicable laws.

Payments are to be made only through electronic fund transfer.

Note: Payments through cheque or demand draft or cash shall be rejected.

If the payment is not made favouring the Escrow Account within the Issue Period stipulated in the Application Form, the Application Form of the QIB is liable to be cancelled.

Pending Allotment, our Company undertakes to utilise the amount deposited in the Escrow Account only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) refund of Application Amount if our Company is not able to Allot Equity Shares in the Issue. Notwithstanding the above, in the event a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, the excess Application Amount will be refunded to the same bank account from which Application Amount was remitted, in the form and manner set out in "- ***Refunds***" below.

Permanent Account Number or PAN

Each Bidder should mention its PAN allotted under the IT Act in the Application Form. Applications without this information will be considered incomplete and are liable to be rejected. Bidders should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank Account Details

Each Bidder shall mention the details of the bank account from which the payment of Application Amount has been made along with confirmation that such payment has been made from such account.

Pricing and Allocation

Build-up of the Book

The Eligible QIBs shall submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the Book Running Lead Managers. Such Bids cannot be withdrawn or revised downwards after the Issue Closing Date. The book shall be maintained by the Book Running Lead Managers.

Price Determination and Allocation

Our Company, in consultation with the Book Running Lead Managers, shall determine the Issue Price, which shall be at or above the Floor Price. However, our Company, in consultation with the BRLMs, may offer a discount of not more than 5% on the Floor Price in terms of Regulation 176 of the SEBI ICDR Regulations as approved by our Shareholders pursuant to a resolution adopted on January 9, 2021 by way of postal ballot.

After finalisation of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Method of Allocation

Our Company shall determine the Allocation on a discretionary basis in consultation with the Book Running Lead Managers and in compliance with Chapter VI of the SEBI ICDR Regulations.

Bids received from the Eligible QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Eligible QIBs will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL ELIGIBLE QIBS. ELIGIBLE QIBS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND ELIGIBLE QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE APPLICATION AMOUNT AT OR ABOVE THE ISSUE PRICE. NEITHER OUR COMPANY NOR THE BOOK RUNNING LEAD MANAGERS ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

CAN

Based on receipt of the Application Forms and Application Amount, our Company in their sole and absolute discretion, in consultation with the Book Running Lead Managers, shall decide the Successful Bidders to whom the serially numbered CAN shall be dispatched, pursuant to which the details of the Equity Shares Allocated to them, the Issue Price and the Application Amount for the Equity Shares Allotted shall be notified to such Successful Bidders.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue shareholding in the Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and the Placement Document (when dispatched), to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the QIB to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. Subsequently, our Board will approve the Allotment of the Equity Shares to the Allottees.

QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

By submitting the Application Form, the Eligible QIB would be deemed to have made the representations and warranties as specified in "***Notice to Investors***" on page 2 and such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by the Stock Exchanges.

Designated Date and Allotment of Equity Shares

The Equity Shares in the Issue will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013 and the Depositories Act. However, no transfer in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.

Our Company, at its sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares pursuant to the Issue into the QIBs' beneficiary accounts maintained with the Depository Participant, our Company will apply for final trading and listing approvals from the Stock Exchanges.

Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in this Issue, viz, the names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with the Placement Document. Our Company shall make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules. Further, as required in terms of the PAS Rules, names of the proposed Allottees, and the percentage of their post-Issue shareholding in our Company is required to be disclosed in the Placement Document.

The Escrow Bank shall release the monies lying to the credit of the Escrow Account to our Company upon receipt of notice from the Book Running Lead Managers and the trading and listing approvals of the Stock Exchanges for Equity Shares offered in the Issue and after filing return of Allotment under Form PAS-3 with the RoC.

After finalization of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Successful Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Successful Bidder, or the Application Amount paid by a Successful Bidder is in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to such Successful Bidder and the Issue Price, or a Bidder does not receive any Allocation in the Issue, or a Bidder withdraws the Application Form prior to the Issue Closing Date, or the Issue is cancelled prior to Allocation, the excess Application Amount paid by such Successful Bidder will be refunded to the same bank account from which the Application Amount was remitted, in the form and manner set out in the Refund Intimation issued to such Successful Bidder. The Refund Amount will be transferred to the relevant Successful Bidders within two Working Days from the date of issuance of the CAN.

In the event that Equity Shares have been Allocated to Successful Bidders and our Company is unable to issue and Allot the Equity Shares offered in the Issue within 60 days from the date of receipt of the Application Amount, or the Issue is cancelled post Allocation, or where our Company has Allotted the Equity Shares but final listing and trading approvals are refused by the Stock Exchanges, our Company shall repay the Application Amount within 15 days from expiry of 60 days or such other time period as applicable under applicable law, failing which our Company shall repay that money with interest at such rate and in such manner as prescribed under the Companies Act, 2013.

Other Instructions

Right to Reject Applications

Our Company, in consultation with the Book Running Lead Managers, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the Book Running Lead Managers in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Application Amount paid by the bidder shall be refunded to the same bank account from which the Application Amount was remitted by such Bidder. For details see – "***Bid Process***" and – "***Refund***" above.

Equity Shares in Dematerialised form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a successful QIB will be credited in electronic form directly to the specified beneficiary account (with the Depository Participant) of the QIB.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the Book Running Lead Managers will not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the QIBs.

Release of Funds to our Company

The Escrow Bank shall not release the monies lying to the credit of the Escrow Account to our Company until receipt of notice from the Book Running Lead Managers, the trading and listing approvals of the Stock Exchanges for Equity Shares offered in the Issue and filing of return of Allotment under Form PAS-3 with the RoC.

PLACEMENT AND LOCK-UP

Placement Agreement

The Book Running Lead Managers and our Company have entered into the Placement Agreement dated January 18, 2021 ("**Placement Agreement**"), pursuant to which each Book Running Lead Manager has agreed, subject to certain conditions, to use its reasonable efforts to place the Equity Shares with Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations, the Companies Act read with Rule 14 of the PAS Rules, and other applicable provisions of the Companies Act and the rules made thereunder.

The Placement Agreement contains customary representations and warranties, as well as indemnity from our Company and the Issue is subject to the satisfaction of certain conditions and subject to the termination of the Placement Agreement in accordance with the terms contained therein.

In connection with the Issue, the Book Running Lead Managers (or their respective affiliates) may, for its own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and sale of the Equity Shares or in secondary market transactions. As a result of such transactions, the Book Running Lead Managers may hold long or short positions in the Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Book Running Lead Managers may purchase Equity Shares. See "***Offshore Derivative Instruments***" on page 12.

From time to time, the Book Running Lead Managers and their respective affiliates may engage in transactions with and perform services for our Company or its affiliates in the ordinary course of business and have engaged, or may in the future engage, in commercial banking, investment banking and other banking transactions with our Company, its affiliates or shareholders, for which they have received compensation and may in the future receive compensation.

Lock-up

Our Company will not, for a period of 75 days from the date of the Placement Agreement, without the prior written consent of the BRLMs, directly or indirectly (a) issue, offer, contract to issue or otherwise dispose of or grant options, issue warrants or offer rights, in each case, entitling person to subscribe or purchase any interest in the Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares which may be deemed to be beneficially owned); (b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of the Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares, regardless, whether any of the transaction is to be settled by the delivery of Equity Shares or other securities convertible into or exercisable or exchangeable for the Equity Shares, in cash or otherwise; (c) enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale or deposit of the Equity Shares in any depository receipt facility; (d) contract to issue any option or contract to grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares or interest in an entity which holds any Equity Shares; or (e) publicly announce any intention to enter into any of the foregoing described in (a), (b), (c) or (d) above, provided however, that the foregoing restrictions shall not be applicable to (i) the Issue; (ii) conversion of existing GDRs into underlying Equity Shares; (iii) conversion of Equity Shares referred under (ii) back to GDRs; (iv) any issuance of securities by the Company in nature of a preferential issue basis to select investors, in furtherance to the authorization granted by the Board through its resolution dated November 11, 2020 and subject to compliance with the applicable law in relation to such issuance. Any securities issued pursuant to (i) and (iv) above shall not in any event collectively exceed ₹ 15,000 million.

Promoters' Lock-up

The Promoters shall not, during the period commencing on the Closing Date and ending 75 days after the date of the Placement Agreement (the "**Lock-up Period**"), without the prior written permission of the BRLMs, directly or indirectly: (a) purchase, offer, lend, sell, pledge, encumber, contract to purchase, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling any person to subscribe or purchase any interest in any Equity Shares held by the Promoters as on the date of the Placement Agreement ("**Promoter Shares**"); (b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of the Promoter Shares, whether any such transaction is to be settled by the delivery of Promoter Shares or otherwise; (c) sell, lend, contract to sell, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares or interest in an entity which holds any of the Promoter Shares; or (d) publicly announce any intention to enter into any of the foregoing described in (a), (b) or (c) above; provided however, that the foregoing restrictions shall not be applicable, if any of the actions mentioned in (a), (b) or (c) above are required to be undertaken pursuant to any change in applicable law, or a direction of a court of law or the RBI, SEBI or any other regulatory or governmental authority, after the date of the Placement Agreement. However, there is no restriction on the inter-se transfer of any Equity Shares between Promoters and any member of the Promoter Group, provided that a transferee shall be bound by the same restrictions as applicable to the Promoters, for the residual period of the Lock-up Period upon such transfer.

SELLING RESTRICTIONS

The distribution of this Preliminary Placement Document and the offer, sale or delivery of the Equity Shares in this Issue is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Preliminary Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Preliminary Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

General

No action has been taken or will be taken that would permit an offering of the Equity Shares to occur in any jurisdiction, or the possession, circulation or distribution of this Preliminary Placement Document or any other material relating to the Company or the Equity Shares in any jurisdiction where action for such purpose is required, except in India. The Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

Each subscriber of the Equity Shares offered in the Issue will be deemed to have made the representations, warranties, acknowledgments and agreements as described in this section and in "***Notice to Investors***", "***Representations by Investors***", and "***Transfer Restrictions***" on pages 2, 6 and 198, respectively.

Republic of India

The Issue will be made in compliance with the applicable SEBI ICDR Regulations, Section 42 of the Companies Act, read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act and the rules made thereunder.

This Preliminary Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public or any other class of investors other than Eligible QIBs. This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC, or an advertisement and will not be circulated or distributed to the public in India or any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction.

Australia

This Preliminary Placement Document does not constitute a prospectus or other disclosure document under the Corporations Act 2001 (Cth) ("**Australian Corporations Act**") and does not purport to include the information required of a disclosure document under the Australian Corporations Act. This Preliminary Placement Document has not been lodged with the Australian Securities and Investments Commission ("**ASIC**") and no steps have been taken to lodge it as such with ASIC. Any offer in Australia of the Equity Shares under this Preliminary Placement Document may only be made to persons who are "sophisticated investors" (within the meaning of section 708(8) of the Australian Corporations Act), to "professional investors" (within the meaning of section 708(11) of the Australian Corporations Act) or otherwise pursuant to one or more exemptions under section 708 of the Australian Corporations Act so that it is lawful to offer the Equity Shares in Australia without disclosure to investors under Part 6D.2 of the Australian Corporations Act.

If you are acting on behalf of, or acting as agent or nominee for, an Australian resident and you are a recipient of this Preliminary Placement Document, and any offers made under this Preliminary Placement Document, you represent to the Issuer and the Managers that you will not provide this Preliminary Placement Document or communicate any offers made under this Preliminary Placement Document to, or make any applications or receive any offers for Equity Shares for, any Australian residents unless they are a "sophisticated investor" or a "professional investor" as defined by section 708 of the Australian Corporations Act. Any offer of the Equity Shares for on-sale that is received in Australia within 12 months after their issue by the Company, or within 12 months after their sale by a selling security holder (or the Managers) under the Issue, as applicable, is likely to need prospectus disclosure to investors under Part 6D.2 of the Australian Corporations Act, unless such offer for on-sale in Australia is conducted in reliance on a prospectus disclosure exemption under section 708 of the

Australian Corporations Act or otherwise. Any persons acquiring the Equity Shares should observe such Australian on-sale restrictions.

British Virgin Islands

The Equity Shares are not being, and may not be offered to the public or to any person in the British Virgin Islands for purchase or subscription by or on behalf of the Issuer. The Equity Shares may be offered to companies incorporated under the BVI Business Companies Act, 2004 (British Virgin Islands), ("**BVI Companies**"), but only where the offer will be made to, and received by, the relevant BVI Company entirely outside of the British Virgin Islands.

Cayman Islands

No offer or invitation to subscribe for Equity Shares may be made to the public in the Cayman Islands.

European Economic Area

In relation to each Member State of the European Economic Area (each a "Relevant State"), no Shares have been offered or will be offered pursuant to the Offering to the public in that Relevant State prior to the publication of a prospectus in relation to the Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that it may make an offer to the public in that Relevant State of any Shares at any time under the following exemptions under the Prospectus Regulation:

(a) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation), subject to obtaining the prior consent of BRLMs for any such offer; or

(c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the Shares shall require the Issuer or any BRLM to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to the Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

People's Republic of China

This Preliminary Placement Document does not constitute a public offer of the Equity Shares, whether by way of sale or subscription, in the People's Republic of China (the "**PRC**"). The Equity Shares are not being offered and may not be offered or sold, directly or indirectly, in the PRC to or for the benefit of, legal or natural persons of the PRC. According to legal and regulatory requirements of the PRC, the Equity Shares may, subject to the laws and regulations of the relevant jurisdictions, only be offered or sold to non-PRC natural or legal persons in any country other than the PRC.

Hong Kong

The Equity Shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the Equity Shares has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Japan

The Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law. No. 25 of 1948 as amended) (the "FIEA") and disclosure under the FIEA has not been and will not be made with respect to the Equity Shares. No Equity Shares have, directly or indirectly, been offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Law of Japan ("Japanese Resident") or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree does not fall under a "qualified institutional investor" (tekikaku kikan toshika), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (the "**Qualified Institutional Investor**"), the Equity Shares will be offered in Japan by a private placement to small number of investors (shoninzu muke kanyu), as provided under Article 23-13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

If an offeree falls under the Qualified Institutional Investor, the Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investors (tekikaku kikan toshikamuke kanyu), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. To subscribe the Equity Shares (the "**QII Equity Shares**") such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring the QII Equity Shares other than to another Qualified Institutional Investor.

Jordan

The Equity Shares have not been and will not be offered, sold or delivered at any time, directly or indirectly, in the Hashemite Kingdom of Jordan in a manner that would constitute a public offering. This Preliminary Placement Document has not been and will not be reviewed or approved by, or registered with, the Jordan Securities Commission in accordance with its regulations and any other regulations in the Hashemite Kingdom of Jordan. The Equity Shares are not and will not be traded on the Amman Stock Exchange.

Each Book Running Lead Manager has represented and agreed that the Equity Shares have not been and will not be offered, sold or promoted or advertised by it in Jordan other than in compliance with the Securities Law No. (76) of 2002, as amended, the Law Regulating Dealings in Foreign Exchange No. (50) of 2008, and regulations issued pursuant to them governing the issue of offering and sale of securities. Without limiting the foregoing, each Book Running Lead Manager has represented and agreed that the Equity Shares have not been and will not, in any manner, be offered, sold, promoted or advertised to more than thirty (30) persons in Jordan, without complying with the required approval and notification requirements set-out under the above-referenced laws and the regulations issued pursuant to them.

Republic of Korea

The Equity Shares have not been and will not be registered under the Financial Investments Services and Capital Markets Act of Korea and the decrees and regulations thereunder (the "**FSCMA**"), and the Equity Shares have been and will be offered in Korea as a private placement under the FSCMA. None of the Equity Shares may be offered, sold or delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder (the "**FETL**"). Furthermore, the purchaser of the Equity Shares shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the Equity Shares. By the purchase of the Equity Shares, the relevant holder thereof will be deemed to represent and warrant that if it is in Korea or is a resident of Korea, it purchased the Equity Shares pursuant to the applicable laws and regulations of Korea.

Kuwait

The Equity Shares have not been authorised or licensed for offering, marketing or sale in the State of Kuwait. The distribution of the Preliminary Placement Document and the offering and sale of the Equity Shares in the State of Kuwait is restricted by law unless a license is obtained from the Kuwaiti Ministry of Commerce and Industry in accordance with Law 31 of 1990.

Malaysia

No prospectus or other offering material or document in connection with the offer and sale of the Equity Shares has been or will be registered with the Securities Commission of Malaysia ("**Commission**") for the Commission's approval pursuant to the Capital Markets and Services Act 2007. Accordingly, this Preliminary Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia other than (i) a closed end fund approved by the Commission; (ii) a holder of a Capital Markets Services Licence; (iii) a person who acquires the Equity Shares, as principal, if the offer is on terms that the Equity Shares may only be acquired at a consideration of not less than RM250,000 (or its equivalent in foreign currencies) for each transaction; (iv) an individual whose total net personal assets or total net joint assets with his or her spouse exceeds RM3 million (or its equivalent in foreign currencies), excluding the value of the primary residence of the individual; (v) an individual who has a gross annual income exceeding RM300,000 (or its equivalent in foreign currencies) per annum in the preceding twelve months; (vi) an individual who, jointly with his or her spouse, has a gross annual income of RM400,000 (or its equivalent in foreign currencies), per annum in the preceding twelve months; (vii) a corporation with total net assets exceeding RM10 million (or its equivalent in a foreign currencies) based on the last audited accounts; (viii) a partnership with total net assets exceeding RM10 million (or its equivalent in foreign currencies); (ix) a bank licensee or insurance licensee as defined in the Labuan Financial Services and Securities Act 2010; (x) an Islamic bank licensee or takaful licensee as defined in the Labuan Financial Services and Securities Act 2010; and (xi) any other person as may be specified by the Commission; provided that, in the each of the preceding categories (i) to (xi), the distribution of the Equity Shares is made by a holder of a Capital Markets Services Licence who carries on the business of dealing in securities. The distribution in Malaysia of this Preliminary Placement Document is subject to Malaysian laws. This Preliminary Placement Document does not constitute and may not be used for the purpose of public offering or an issue, offer for subscription or purchase, invitation to subscribe for or purchase any securities requiring the registration of a prospectus with the Commission under the Capital Markets and Services Act 2007.

Mauritius

The Equity Shares may not be offered or sold, directly or indirectly, to the public in Mauritius. Neither this Preliminary Placement Document nor any offering material or information contained herein relating to the offer of Equity Shares may be released or issued to the public in Mauritius or used in connection with any such offer. This Preliminary Placement Document does not constitute an offer to sell Equity Shares to the public in Mauritius and is not a prospectus as defined under the Companies Act 2001.

New Zealand

This Preliminary Placement Document is not a prospectus. It has not been prepared or registered in accordance with the Securities Act 1978 of New Zealand (the "**New Zealand Securities Act**"). This Preliminary Placement Document is being distributed in New Zealand only to persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money, within the meaning of section 3(2)(a)(ii) of the New Zealand Securities Act ("**Habitual Investors**"). By accepting this Preliminary Placement Document, each investor represents and warrants that if they receive this Preliminary Placement Document in New Zealand they are a Habitual Investor and they will not disclose this Preliminary Placement Document to any person who is not also a Habitual Investor.

Norway

The Preliminary Placement Document has not been approved by or registered with any Norwegian securities regulators pursuant to the Norwegian Securities Trading Act 1997. Accordingly, neither the Preliminary Placement Document nor any other offering material relating to the Equity Shares constitutes, or shall be deemed to constitute, an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act 1997 and is only made to qualified professional investors pursuant to the Norwegian Regulation of December 9, 2005 regarding exemption from the obligation to publish a prospectus or otherwise only in circumstances where an exemption from the obligation to publish a prospectus under the Norwegian Securities Trading Act 1997 is available.

Sultanate of Oman

This Preliminary Placement Document and the Equity Shares to which it relates may not be advertised, marketed, distributed or otherwise made available to any person in Oman without the prior consent of the Capital Market Authority ("**CMA**") and then only in accordance with any terms and conditions of such consent. In connection with the offering of Equity Shares, no prospectus has been filed with the CMA. The offering and sale of Equity Shares described in the Preliminary Placement Document will not take place inside Oman. The Preliminary Placement Document is strictly private and confidential and is being issued to a limited number of sophisticated investors, and may neither be reproduced, used for any other purpose, nor provided to any other person than the intended recipient hereof.

Qatar (excluding the Qatar Financial Centre)

The Equity Shares have not been offered, sold or delivered, and will not be offered, sold or delivered at any time, directly or indirectly, in the State of Qatar in a manner that would constitute a public offering. This Preliminary Placement Document has not been reviewed or registered with Qatari Government Authorities, whether under Law No. 25 (2002) concerning investment funds, Central Bank resolution No. 15 (1997), as amended, or any associated regulations. Therefore, this Preliminary Placement Document is strictly private and confidential, and is being issued to a limited number of sophisticated investors, and may not be reproduced or used for any other purposes, nor provided to any person other than the recipient thereof.

The Capital Market Authority does not make any representation as to the accuracy or completeness of this Preliminary Placement Document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Preliminary Placement Document. Prospective purchasers of the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Equity Shares. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorized financial adviser.

Qatar Financial Centre

This Preliminary Placement Document does not, and is not intended to, constitute an invitation or offer of securities from or within the Qatar Financial Center ("**QFC**"), and accordingly should not be construed as such. This Preliminary Placement Document has not been reviewed or approved by or registered with the Qatar Financial Centre Authority, the Qatar Financial Centre Regulatory Authority or any other competent legal body in the QFC. This Preliminary Placement Document is strictly private and confidential, and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof. The Company has not been approved or licensed by or registered with any licensing authorities within the QFC.

Saudi Arabia

This Preliminary Placement Document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations as issued by the board of the Saudi Arabian Capital Market Authority ("**CMA**") pursuant to resolution number 2-11-2004 dated October 4, 2004 as amended by resolution number 1-28-2008, as amended (the "**CMA Regulations**"). The CMA does not make any representation as to the accuracy or completeness of this Preliminary Placement Document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Preliminary Placement Document. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorized financial adviser.

Singapore

This Preliminary Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

i. a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
ii. a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

(a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
(b) where no consideration is or will be given for the transfer;
(c) where the transfer is by operation of law;
(d) as specified in Section 276(7) of the SFA; or
(e) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Notification under Sections 309B(1)(a) and 309B(1)(c) of the SFA: We have determined, and hereby notify all relevant persons (as defined in Section 309A of the SFA) that the Equity Shares are: (A) prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and (B) Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment: Notice on Recommendations on Investment Products).

South Africa

Due to restrictions under the securities laws of South Africa, the Equity Shares are not offered, and the offer shall not be transferred, sold, renounced or delivered, in South Africa or to a person with an address in South Africa, unless one or other of the following exemptions applies:

i. the offer, transfer, sale, renunciation or delivery is to:
   (a) persons whose ordinary business is to deal in securities, as principal or agent;
   (b) the South African Public Investment Corporation;
   (c) persons or entities regulated by the Reserve Bank of South Africa;
   (d) authorised financial service providers under South African law;
   (e) financial institutions recognised as such under South African law;
   (f) a wholly-owned subsidiary of any person or entity contemplated in (c), (d) or (e), acting as agent in the capacity of an authorised portfolio manager for a pension fund or collective investment scheme (in each case duly registered as such under South African law); or
   (g) any combination of the person in (a) to (f); or

ii. the total contemplated acquisition cost of the securities, for any single addressee acting as principal is equal to or greater than ZAR1,000,000.

No “offer to the public” (as such term is defined in the South African Companies Act, No. 71 of 2008 (as amended or re-enacted) (the “**South African Companies Act**”)) in South Africa is being made in connection with the issue of the Equity Shares. Accordingly, this Preliminary Placement Document does not, nor is it intended to, constitute a “registered prospectus” (as that term is defined in the South African Companies Act) prepared and registered under the South African Companies Act and has not been approved by, and/or filed with, the South African Companies and Intellectual Property Commission or any other regulatory authority in South Africa. Any issue or offering of the Equity Shares in South Africa constitutes an offer of the Equity Shares in South Africa for subscription or sale in South Africa only to persons who fall within the exemption from “offers to the public” set out in section 96(1)(a) of the South African Companies Act. Accordingly, this Preliminary Placement Document must not be acted on or relied on by persons in South Africa who do not fall within section 96(1)(a) of the South African Companies Act (such persons being referred to as “**SA Relevant Persons**”). Any investment or investment activity to which this Preliminary Placement Document relates is available in South Africa only to SA Relevant Persons and will be engaged in South Africa only with SA relevant persons.

Switzerland

The Equity Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (“**SIX**”) or on any other stock exchange or regulated trading facility in Switzerland. This Preliminary Placement Document does not constitute a prospectus within the meaning of, and has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Equity Shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Preliminary Placement Document nor any other offering or marketing material relating to the offering, the Company, the Equity Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of Equity Shares will not be supervised by, the Swiss Financial Market Supervisory Authority and the offer of Equity Shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes (“**CISA**”). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Equity Shares.

Taiwan

The Equity Shares have not been and will not be registered or filed with, or approved by, the Financial Supervisory Commission of Taiwan and/or any other regulatory authorities of Taiwan pursuant to relevant securities laws and regulations of Taiwan and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitute an offer or a solicitation of an offer within the meaning of the Securities and Exchange Act or relevant laws and regulations of Taiwan that requires a registration, filing or approval of the Financial Supervisory Commission of Taiwan and/or any other regulatory authorities of Taiwan. No person or entity in Taiwan has been authorized to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the Equity Shares in Taiwan.

United Arab Emirates (excluding the Dubai International Financial Centre)

This document does not constitute or contain an offer of securities to the general public in the UAE. No offering, marketing, promotion, advertising or distribution (together, “Promotion”) of this document or the Equity Shares may be made to the general public in the United Arab Emirates (the “**UAE**”) unless: (a) such Promotion has been approved by the UAE Securities and Commodities Authority (the “**SCA**”) and is made in accordance with the laws and regulations of the UAE, including SCA Board of Directors’ Chairman Decision no. (3/R.M.) of 2017 (the “**Promotion and Introduction Regulations**”), and is made by an entity duly licensed to conduct such Promotion activities in the UAE; or (b) such Promotion is conducted by way of private placement made: (i) only to “Qualified Investors” (excluding “**High Net Worth Individuals**”) (as such terms are defined in the Promotion and Introduction Regulations); or (ii) otherwise in accordance with the laws and regulations of the UAE; or (c) such Promotion is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE. None of the SCA, the UAE Central Bank, the UAE Ministry of Economy or any other regulatory authority in the UAE has reviewed or approved the contents of this document nor does any such entity accept any liability for the contents of this document.

Dubai International Financial Centre

This Preliminary Placement Document relates to an Exempt Offer in accordance with the Markets Rules 2012 of the Dubai Financial Services Authority ("**DFSA**"). This Preliminary Placement Document is intended for distribution only to persons of a type specified in the Markets Rules 2012 of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus supplement nor taken steps to verify the information set forth herein and has no responsibility for this Preliminary Placement Document. The securities to which this Preliminary Placement Document relates may be illiquid and/ or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this Preliminary Placement Document you should consult an authorized financial advisor. In relation to its use in the DIFC, this Preliminary Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

United Kingdom

No Shares have been offered or will be offered pursuant to the Offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the Shares which is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provisions in Article 74 (transitional provisions) of the Prospectus Amendment etc (EU Exit) Regulations 2019/1234, except that it may make an offer to the public in the United Kingdom of any Shares at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the BRLMs for any such offer; or

(c) in any other circumstances falling within Article 1(4) of the UK Prospectus Regulation,

provided that no such offer of the Shares shall require the Issuer or any BRLM to publish a prospectus pursuant to Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to the Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

United States of America

The Equity Shares have not been and will not be registered under the Securities Act, or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Please see the section entitled "***Transfer Restrictions***" on page 198.

TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult their legal counsel prior to purchasing Equity Shares or making any resale, pledge or transfer of the Equity Shares.

Pursuant to Chapter VI of the SEBI ICDR Regulations, any resale of Equity Shares, except on the Stock Exchange, is not permitted for a period of one year from the date of Allotment. In addition to the above, allotments made to Eligible QIBs, including VCFs and AIFs, in the Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, see "***Selling Restrictions***" on page 190.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Until the expiry of 40 days after the commencement of the Issue, an offer or sale of the Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.
The Equity Shares are only being offered and sold:

(i) in the United States or to, or for the account or benefit of, to U.S. QIBs in transactions exempt from or not subject to the registration requirements of the Securities Act; and

(ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur,

and, in each case, to purchasers who are deemed to have made the representations set forth immediately below.

Equity Shares Offered and Sold within the United States

Each purchaser that is acquiring the Equity Shares offered pursuant to this Issue within the United States, by its acceptance of this Preliminary Placement Document and of the Equity Shares, will be deemed to have acknowledged, represented to and agreed with the Company and the Book Running Lead Managers that it has received a copy of this Preliminary Placement Document and such other information as it deems necessary to make an informed investment decision and that:

(i) the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to this Issue in compliance with all applicable laws and regulations;

(ii) the purchaser acknowledges that the Equity Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;

(iii) the purchaser (i) is a U.S. QIB, (ii) is aware that the sale to it is being made in a transaction exempt from or not subject to the registration requirements of the Securities Act, and (iii) is acquiring such Equity Shares for its own account or for the account of a U.S. QIB with respect to which it exercises sole investment discretion;

(iv) the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;

(v) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (a) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A, (b) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the Securities Act, (c) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder, if available, (d) pursuant to another available exemption from the registration requirements of the Securities Act, or, (e) pursuant to an effective registration statement under the Securities Act, and (B) in accordance with all applicable laws, including the securities laws of the states of the United States;

(vi) the Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resale of any such Equity Shares;

(vii) the purchaser will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act;

(viii) The purchaser agreed, that on behalf of itself and on behalf of any accounts for which it is acting, that it will not reoffer, resell, pledge or otherwise transfer the Equity Shares, except in an offshore transaction on a recognized Indian stock exchange in compliance with Regulation S, or pursuant to an applicable exemption from the registration requirements of the Securities Act.

(ix) the purchaser is not acquiring the Equity Shares as a result of any form of "general solicitation" or "general advertising" (within the meaning of Rule 502(c) under the Securities Act) or any "directed selling efforts" (as that term is defined in Regulation S);

(x) the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless the Company determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

"THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE US SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, OR (4) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 FOR RESALE OF ANY SUCH EQUITY SHARES. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THESE EQUITY SHARES MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF THE EQUITY SHARES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK";

(xi) the purchaser acknowledges that the Company, the Book Running Lead Managers, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account; and

(xii) the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions

All Other Equity Shares Offered and Sold in this Issue

Each purchaser that is acquiring the Equity Shares offered pursuant to this Issue outside the United States, by its acceptance of this Preliminary Placement Document and of the Equity Shares offered pursuant to this Issue, will be deemed to have acknowledged, represented to and agreed with the Company and the Book Running Lead

Managers that it has received a copy of this Preliminary Placement Document and such other information as it deems necessary to make an informed investment decision and that:

(i) the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to this Issue in compliance with all applicable laws and regulations;

(ii) the purchaser acknowledges that the Equity Shares offered pursuant to this Issue have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered, resold, pledged or transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;

(iii) the purchaser is purchasing the Equity Shares offered pursuant to this Issue from outside the United States in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the Securities Act;

(iv) the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares offered pursuant to this Issue, was located outside the United States at the time (i) the offer was made to it and (ii) when the buy order for such Equity Shares was originated and continues to be located outside the United States and has not purchased such Equity Shares for the account or benefit of any person in the United Sates or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any person in the United States;

(v) the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;

(vi) the purchaser is not acquiring the Equity Shares as a result of any form of "general solicitation" or "general advertising" (within the meaning of Rule 502(c) under the Securities Act) or any "directed selling efforts" (as that term is defined in Regulation S);

(vii) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, it will only do so pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act, and in each case in accordance with any applicable securities laws of any state of the United States or other applicable jurisdiction;

(viii) the purchaser acknowledges that the Company, the Book Running Lead Managers, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account;

(ix) the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and

(x) the purchaser agreed, that on behalf of itself and on behalf of any accounts for which it is acting, that it will not reoffer, resell, pledge or otherwise transfer the Equity Shares, except in an offshore transaction on a recognized Indian stock exchange in compliance with Regulation S, or pursuant to an applicable exemption from the registration requirements of the Securities Act.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the Book Running Lead Managers or any of their respective affiliates or advisors.

India has a long history of organized securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE are the significant stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the Securities Contracts (Regulation) Act, 1956 (the "**SCRA**") and the SCRR. On October 3, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "**SCR (SECC) Rules**"), which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalisation requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Rules along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign institutional investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

BSE

Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of the SEBI, with effect from August 19, 2005, the BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017.

NSE

The NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. The NSE was recognised as a stock exchange under the SCRA in April 1993.

Listing and Delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, 2013 the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by the SEBI including the SEBI ICDR Regulations and the SEBI Listing Regulations. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

Further the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 govern the voluntary and compulsory delisting of equity shares from the stock exchanges. These regulations were significantly modified in 2015. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

All listed companies (except public sector undertakings) are required to maintain a minimum public shareholding of 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Where the public shareholding in a listed company falls below 25% at any time, such company shall bring the public shareholding to 25% within a maximum period of 12 months from the date of such public shareholding having fallen below the 25% threshold. Our Company is in compliance with this minimum public shareholding requirement.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the CNX NIFTY of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of 20% movements either up or down. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stock brokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. Internet trading is possible on both the “equities” as well as the “derivatives” segments of the NSE.

Trading Hours

Trading on both, the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with the BSE On-line Trading facility in 1995. This totally automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work.

The NSE has introduced a fully automated trading system called National Exchange for Automated Trading (“**NEAT**”), which operates on strict time/ price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management’s discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

SEBI Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the SEBI Takeover Regulations, which provides for specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the SEBI Takeover Regulations will apply to any acquisition of the company's shares/ voting rights/ control. The SEBI Takeover Regulations prescribes certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the SEBI Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The SEBI Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition. SEBI has amended the SEBI Takeover Regulations on June 16, 2020 to increase the threshold for creeping acquisitions from 5% to 10% for the financial year 2021 in respect of acquisition by a promoter pursuant to preferential issue of equity shares by the target company. The SEBI Takeover Regulations were further amended on June 22, 2020 to exempt any acquisitions by way of preferential issue from the obligation to make an open offer.

Prohibition of Insider Trading Regulations

The SEBI Insider Trading Regulations were notified on January 15, 2015 and came into effect on May 15, 2015. The SEBI Insider Trading Regulations prohibit and penalize insider trading in India and impose certain restrictions on the communication of information by listed companies. An insider is, among other things, prohibited from dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**"), subject to certain limited exceptions. Further, the SEBI Insider Trading Regulations make it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the SEBI Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders.

The SEBI Insider Trading Regulations also provide disclosure obligations for shareholders holding more than a pre-defined percentage, and directors and officers, with respect to their shareholding in the company, and the changes therein. The definition of "insider" includes any person who has received or has had access to unpublished price sensitive information in relation to securities of a company or any person reasonably expected to have access to unpublished price sensitive information in relation to securities of a company and who is or was connected with the company or is deemed to have been connected with the company. On July 17, 2020, SEBI amended the SEBI (Prohibition of Insider Trading) Regulations, 2015 to prescribe that the board of directors or head(s) of listed companies shall ensure that a structured digital database containing the nature of unpublished price sensitive information, the names and details of persons who have shared the information and the names and details persons with whom information is shared shall be maintained.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI has framed regulations in relation to the registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI.

DESCRIPTION OF THE EQUITY SHARES

Set out below is certain information relating to the share capital of our Company, including a brief summary of certain provisions of our Company's Memorandum and Articles of Association and the Companies Act, 2013 and certain related legislations of India, all as currently in effect. Prospective investors are urged to read the Memorandum and Articles of Association carefully, and consult with their advisers, as the Memorandum and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

General

The authorized share capital of our Company as of the date of this Preliminary Placement Document is ₹ 1,100,000,000 divided into 200,000,000 Equity Shares of ₹ 5 each and 1,000,000 preference shares of ₹ 100 each. Our issued share capital as of the date of this Preliminary Placement Document is ₹ 698,290,885 divided into 139,658,177 Equity Shares of ₹ 5 each. Our subscribed and paid up equity share capital as of the date of this Preliminary Placement Document is ₹ 695,625,795 divided into 139,125,159 Equity Shares of ₹ 5 each.

Dividends

Under the Companies Act, 2013, an Indian company pays dividend upon a recommendation by its board of directors and subject to approval by a majority of the shareholders. Unless the board of directors of a company recommends the payment of a dividend, the shareholders at a general meeting have no power to declare any dividend. Subject to certain conditions laid down by Section 123 of the Companies Act, 2013, no dividend can be declared or paid by a company for any fiscal except, among other things, out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act, 2013 or out of the profits of the company for any previous fiscal arrived at as laid down by the Companies Act, 2013. Further, under the Companies Act, 2013, a company is not permitted to declare any dividends unless carried over previous losses and depreciation not provided in previous year or years are set off against the profit of the company for the current year.

According to the Articles of Association, the Shareholders of our Company may declare dividends in a general meeting to be paid to the Shareholders, which shall not exceed the amount of the dividend recommended by our Board. Subject to the provisions of Section 123 of the Companies Act, our Board may from time to time pay to the Shareholders such interim dividends as appear to it to be justified by the profits of our Company. Our Board may, before recommending any dividend, set aside out of the profits of our Company, such sums as it thinks fit for reserves which shall at the discretion of our Board be applicable for any purpose to which the profits of our Company may be properly applied, including provision for meeting contingencies or for equalizing dividends, and pending such action, such amounts may either be employed in the business of our Company or be invested in such investment (other than shares of our Company) as our Board deems fit. Our Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

Subject to the rights of persons, if any, who are entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited, as paid on the Equity Shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the Equity Shares in our Company, dividends may be declared and paid according to the amounts of the Equity Shares. All dividends shall be apportioned and paid proportionately to the amounts paid or credited, as paid on the Equity Shares during any portion or portions of the period in respect of which the dividend is paid. But, if any Equity Share is issued on terms providing that it shall rank for dividend, as from a particular date, such Equity Share shall rank for dividend accordingly. Our Board may deduct from any dividend payable to any Shareholder all sums of money, if any, presently payable by him to our Company on account of calls or otherwise in relation to the Equity Shares of our Company. No dividend shall bear interest against our Company.

Under the Companies Act, 2013, dividends must be paid within 30 days from the date of its declaration. Where our Company has declared dividend but which has not been paid or claimed within 30 days from the date of declaration, our Company shall, within seven days from the date of expiry of the said period of 30 days, transfer the total amount of the unpaid or unclaimed dividend to the unpaid dividend account. All Equity Shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by our Company in the name of Investor Education and Protection Fund, established by the Central Government.

Issue of Bonus Shares and Capitalization of Reserves

In addition to permitting dividends to be paid out of current or retained earnings, the Companies Act, 2013 permits the board of directors, if so approved by the shareholders in a general meeting, to distribute an amount transferred in the free reserves, the securities premium account or the capital redemption reserve account, to its shareholders, in the form of fully paid up bonus shares. Bonus shares are distributed to shareholders in the proportion of the number of ordinary shares owned by them as recommended by the board of directors. The shareholders on record on a fixed record date are entitled to receive such bonus shares. Any issue of bonus shares is subject to regulations issued by SEBI. Further, as per the Companies Act, 2013, bonus shares can only be issued if the company has not defaulted in payments of statutory dues of the employees, such as, contribution to provident fund, gratuity and bonus or principal/ interest payments on fixed deposits or debt securities issued by it. The bonus issue must be made out of free reserves built out of profits or share premium account collected in cash only and not from reserves created by revaluation of fixed assets. Further, bonus shares cannot be issued in lieu of dividend.

Pre-Emptive Rights and Alteration of Share Capital

Under Section 62(1)(a) of the Companies Act, 2013, the shareholders have the pre-emptive right to subscribe for new shares in proportion to the amount paid up on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. The offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any person, and the notice shall contain a statement of this right. The board of directors is authorized to distribute any new shares not purchased by the pre-emptive rights holders in a manner which is not disadvantageous to the shareholders and the company.

Under Section 62(1)(c) of the Companies Act, 2013, new shares may be offered to any persons whether or not those persons include existing shareholders, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed, if a special resolution to that effect is passed by a company's shareholders in a general meeting.

Our Articles of Association provide that our Company may, from time to time, by ordinary resolution:

- consolidate and divide all or any of its share capital into shares of larger amount than the existing shares;
- convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association;
- cancel any shares which, at the date of passing of the resolution, have not been taken or agreed to be taken by any person; and
- reclassify the shares in the authorized share capital of our Company, subject to a resolution passed by the Shareholders of the Company.

Preference Shares

Subject to Section 55 of the Companies Act, 2013, any new shares may be issued as preference shares which are liable to be redeemed within a period not exceeding 20 years from the date of their issue, and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption subject to the conditions provided in the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014.

Our Articles of Association provide that our Company shall have the power to issue preference shares in accordance with Section 55 of the Companies Act, 2013, with the sanction of a special resolution, on the terms that they are to be redeemed on such terms and in such manner as our Company, before the issue of the shares may, by special resolution, determine.

General Meetings of Shareholders

There are two types of general meetings of the Shareholders:

(i) Annual General Meeting, and
(ii) Extraordinary General Meeting.

As per the provisions of our Articles of Association, all general meetings other than Annual General Meetings shall be called Extraordinary General Meetings.

In accordance with Section 96 of the Companies Act, 2013, a company must hold its annual general meeting within six months after the expiry of each fiscal provided that not more than 15 months shall elapse between the annual general meeting and the next one, unless extended by the Registrar of Companies at its request for any special reason for a period not exceeding three months. Our Company shall, in addition to any other meetings, hold a general meeting which shall be styled as an Annual General Meeting at intervals and in accordance with the following provisions: (a) our Company shall hold an Annual General Meeting within six months after the expiry of each financial year subject however to the power of the Registrar to extend the time within which such a meeting can be held for a period not exceeding six months and (subject thereto) not more than 15 months shall elapse from the date of one Annual General Meeting and that of the next; and (b) every Annual General Meeting shall be called for at a time during business hours on a day that is not a national holiday and shall be held either at the Registered Office of our Company or at some other place within Chennai and the notice calling such meeting shall specify it as the Annual General Meeting.

Our Board may, whenever it thinks fit, call an Extraordinary General Meeting. If at any time Directors who are sufficient in number to form a quorum are not within India, any Director or any two Shareholders of our Company may call an Extraordinary General Meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board. Further, our Board may call an Extraordinary General Meeting on requisition in compliance with the provisions of the Companies Act, 2013.

Whenever our Company proposes to undertake any action that statutorily requires the approval of the Shareholders of our Company, our Company shall call for an Extraordinary General Meeting by serving at least 21 days' written notice to all Shareholders, with an explanatory statement containing all relevant information relating to the agenda for the Extraordinary General Meeting. Unless waived in writing by all the Shareholders, any item not specifically included in the agenda of a Shareholders' meeting shall not be considered or voted upon at that meeting of the Shareholders (including at any adjournments thereof).

In accordance with Section 110 of the Companies Act, a company intending to pass a resolution relating to matters such as, but not limited to, amendments to the objects clause of the Memorandum, a variation of the rights attached to a class of shares or debentures or other securities, buy-backs of shares, giving loans or extending guarantees in excess of limits prescribed, is required to obtain the resolution passed by means of a postal ballot. However, such matters can also be transacted in our Company's general meeting. A notice to all the shareholders shall be sent along with a draft resolution explaining the reasons thereof and requesting them to send their assent or dissent in writing on a postal ballot within a period of 30 days from the date of posting the notice. Postal ballot includes voting by electronic mode.

In view of the prevailing lock down enforced across India, due to the outbreak of COVID-19 pandemic and the restrictions imposed on gathering of people through social distancing norms, the MCA, by way of its, General Circular No. 14/ 2020 dated 8 April 2020, General Circular No. 17/2020 dated 13 April 2020 and General Circular No. 20/2020 dated 5 May 2020, Circular No. 33/2020 dated September 28, 2020 and Circular No. 39/2020 dated December 31, 2020, has permitted companies to hold annual general meetings through video conferencing or other audio visual means, till June 30, 2021.

Voting Rights

Subject to the provisions of the Companies Act, 2013 and our Articles of Association, votes may be given either personally or by proxy, and in the case of a body corporate, a duly authorized representative under Section 113 of the Companies Act, 2013 shall be entitled to exercise the same powers on behalf of the corporation as if it were an individual member of the company.

On a show of hands, every member holding Equity Shares and present in person shall have one vote. On a poll, every member holding Equity Shares in our Company shall have voting rights in proportion to his share of the paid-up equity share capital. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may on a poll, vote by proxy.

Any business other than upon which a poll has been demanded may be proceeded with, pending the taking the poll. No Shareholder shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of the shares in the Company have been paid. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairperson of the meeting, whose decision shall be final and conclusive.

The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the Registered Office of our Company at least 48 hours before the time of holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in the case of a poll, not less than 24 hours before the time appointed for taking the poll and in default, the instrument of proxy shall not be treated as valid. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the prior death or insanity of the principal, or revocation of the instrument, or transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death, insanity, revocation or transfer shall have been received by our Company at the Registered Office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Transfer and Transmission of Equity Shares

Equity shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the depository participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are subject to securities transaction tax (levied on and collected by the stock exchanges on which such equity shares are sold).

Except in case of transmission or transposition of Equity Shares, requests for effecting transfer of Equity Shares shall not be processed unless the Equity Shares are held in dematerialized form with a depository.

According to our Articles of Association, on the death of a Shareholder, the survivor or survivors where the Shareholder was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by our Company as having any title to his interest in the Equity Shares, however the above stated shall not release the estate of a deceased joint holder from any liability in respect of any Equity Share which had been jointly held by him with other persons.

Any person becoming entitled to Equity Shares in consequence of the death or insolvency of a Shareholder may, upon such evidence being produced as may from time to time properly be required by our Board, elect either: (a) to be registered himself as holder of the Equity Share(s); or (b) to make such transfer of the Equity Share(s) as the deceased or insolvent shareholder could have made. Our Board shall, in either case, have the same right to decline or suspend registration as it would have had if the deceased or insolvent shareholder had transferred the Equity Share(s) before his death or insolvency. Our Company shall be fully indemnified by such person from all liability, if any, by actions taken by our Board to give effect to such registration or transfer. If the person so becoming entitled shall elect to be registered as holder of the Equity Shares himself, he shall deliver or send to our Company a notice in writing signed by him stating that he so elects. If the person so becoming entitled shall elect to transfer the Equity Share(s), he shall testify his election by executing a transfer of the Equity Share(s).

Any person becoming entitled to Equity Shares by reason of the death or insolvency of the Shareholder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the Equity Share(s), except that he shall not, before being registered as a Shareholder in respect of the Equity Shares, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of our Company, provided that our Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Equity Shares, and if the notice is not complied with within 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Share(s), until the requirements of the notice have been complied with.

Acquisition by our Company of its own Equity Shares

Sections 68, 69 and 70 of the Companies Act, 2013 read with Rule 17 of the Companies (Share Capital and Debentures) Rules, 2014 relate to the power of a company to purchase its own shares or other specified securities out of its free reserves, or the securities premium account or the proceeds of the issue of any shares or other specified securities (other than from the proceeds of an earlier issue of the same kind of shares or other specified securities proposed to be bought back) subject to certain conditions, including:

- the buy-back has been authorized by the articles of association of the company;
- a special resolution has been passed in a general meeting of the company authorizing the buy-back;
- the buy-back is for less than 25% of the total paid-up capital and free reserves of the company, provided that the buy-back of equity shares in any financial year shall not exceed 25% of its total paid-up equity capital in that financial year;
- the ratio of the aggregate of secured and unsecured debts owed by the company after buy-back is not more than twice the paid-up capital and its free reserves;
- all the shares or other specified securities for buy-back are fully paid-up; and
- the buy-back is in accordance with the regulations made by SEBI in this behalf.

The requirement of special resolution mentioned above would not be applicable if the buy-back is for less than 10% of the total paid-up equity capital and free reserves of the company and provided that such buy-back has been authorized by the board of directors of the company. A company buying back its securities is required to extinguish and physically destroy the securities so bought back within seven days of the last date of completion of the buy-back. Further, a company buying back its securities is not permitted to buy back any securities for a period of one year from the buy-back or to issue the same kind of securities for six months subject to certain exceptions. Every buy-back must be completed within a period of one year from the date of passing of the special resolution or resolution of the board of directors, as the case may be. Under Section 70 of the Companies Act, 2013, a company is also prohibited from purchasing its own shares or other specified securities through any subsidiary company, including its own subsidiary companies, or through any investment company or group of investment companies or if the company is defaulting on the repayment of deposit or interest, redemption of debentures or preference shares or payment of dividend to a shareholder or repayment of any term loan or interest payable thereon to any financial institution or bank, or in the event of non-compliance with certain other provisions of the Companies Act, 2013. Subject to certain conditions, a company is also prohibited from giving, whether directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of, or in connection with, a purchase or subscription made or to be made, by any person for any shares in the company or its holding company.

Winding up and Liquidation Rights

The Company shall be wound up in accordance with the Companies Act, 2013 and the Insolvency and Bankruptcy Code, 2016 (to the extent applicable).

As per the provisions of our Articles of Association, if our Company is wound up, the liquidator may, with the sanction of a special resolution of our Company and any other sanction required by the Companies Act, 2013, divide amongst the members, in specie or kind, the whole or part of the assets of our Company, whether they shall consist of property of the same kind or not. For this purpose, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders of different classes. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no Shareholder shall be compelled to accept any shares or other securities whereon there is any liability.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following discussion describes certain U.S. federal income tax consequences to U.S. Holders (as defined below) of an investment in the Equity Shares. This summary applies only to U.S. Holders that acquire Equity Shares in exchange for cash in the Issue, hold Equity Shares as capital assets within the meaning of Section 1221 of the Code (as defined below) and have the U.S. dollar as their functional currency.

This discussion is based on the tax laws of the United States as in effect on the date of this Preliminary Placement Document, including the Internal Revenue Code of 1986, as amended (the "**Code**"), and U.S. Treasury regulations in effect or, in some cases, proposed, as of the date of this Preliminary Placement Document, as well as judicial and administrative interpretations thereof available on or before such date. All of the foregoing authorities are subject to change, and any such change could apply retroactively and could affect the U.S. federal income tax consequences described below. The statements in this Preliminary Placement Document are not binding on the U.S. Internal Revenue Service (the "**IRS**") or any court, and thus the Company can provide no assurance that the U.S. federal income tax consequences discussed below will not be challenged by the IRS or will be sustained by a court if challenged by the IRS. Furthermore, this summary does not address any estate or gift tax consequences, any state, local or non-U.S. tax consequences or any other tax consequences other than U.S. federal income tax consequences.

The following discussion does not describe all the tax consequences that may be relevant to any particular investor or to persons in special tax situations such as:

- banks and certain other financial institutions;
- regulated investment companies;
- real estate investment trusts;
- insurance companies;
- broker-dealers;
- traders that elect to mark the Equity Shares to market;
- tax-exempt entities;
- persons liable for alternative minimum tax or the Medicare contribution tax on net investment income;
- U.S. expatriates;
- persons holding Equity Shares as part of a straddle, hedging, constructive sale, conversion or integrated transaction;
- persons that actually or constructively own 10% or more of the Company's stock by vote or value;
- persons that are resident or ordinarily resident in or have a permanent establishment in a jurisdiction outside the United States;
- persons who acquired Equity Shares pursuant to the exercise of any employee share option or otherwise as compensation; or

- persons holding Equity Shares through partnerships or other pass-through entities or arrangements.

PROSPECTIVE PURCHASERS ARE URGED TO CONSULT THEIR TAX ADVISORS ABOUT THE APPLICATION OF THE U.S. FEDERAL TAX RULES TO THEIR PARTICULAR CIRCUMSTANCES AS WELL AS THE STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF EQUITY SHARES.

As used herein, the term "**U.S. Holder**" means a beneficial owner of Equity Shares that, for U.S. federal income tax purposes, is or is treated as:

- an individual who is a citizen or resident of the United States;
- a corporation created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate whose income is subject to U.S. federal income taxation regardless of its source; or
- a trust that (1) is subject to the supervision of a court within the United States and the control of one or more U.S. persons or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

The tax treatment of a partner in an entity or arrangement treated as a partnership for U.S. federal income tax purposes that holds Equity Shares generally will depend on such partner's status and the activities of the partnership. A U.S. Holder that is a partner in such partnership should consult its tax advisor.

Dividends and Other Distributions on Equity Shares

Subject to the passive foreign investment company considerations discussed below, the gross amount of distributions made by the Company with respect to Equity Shares (including the amount of any non-U.S. taxes withheld therefrom, if any) generally will be includible as dividend income in a U.S. Holder's gross income in the year received, to the extent such distributions are paid out of the Company's current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Because the Company does not maintain calculations of its earnings and profits under U.S. federal income tax principles, a U.S. Holder should expect all cash distributions will be reported as dividends for U.S. federal income tax purposes. Such dividends will not be eligible for the dividends-received deduction allowed to U.S. corporations with respect to dividends received from other U.S. corporations. Dividends received by non-corporate U.S. Holders may be "qualified dividend income," which is taxed at the lower applicable capital gains rate, provided that (1) the Company is eligible for the benefits of the tax treaty between the United States and India (the "**Treaty**"), (2) the Company is not a passive foreign investment company (as discussed below) for either the taxable year in which the dividend was paid or the preceding taxable year, (3) the U.S. Holder satisfies certain holding period requirements and (4) the U.S. Holder is not under an obligation to make related payments with respect to positions in substantially similar or related property. U.S. Holders should consult their tax advisors regarding the availability of the lower rate for dividends paid with respect to Equity Shares.

The amount of any distribution paid in foreign currency will be equal to the U.S. dollar value of such currency, translated at the spot rate of exchange on the date such distribution is received, regardless of whether the payment is in fact converted into U.S. dollars at that time. If the dividend is converted into U.S. dollars on the date of receipt, a U.S. Holder should not be required to recognize foreign currency gain or loss in respect of the dividend income. A U.S. Holder may have foreign currency gain or loss if the dividend is converted into U.S. dollars after the date of receipt. In general, foreign currency gain or loss will be treated as U.S.-source ordinary income or loss.

Dividends on the Equity Shares generally will constitute foreign source income for foreign tax credit limitation purposes. Subject to certain complex conditions and limitations, Indian taxes withheld on any distributions on the Equity Shares may be eligible for credit against a U.S. Holder's federal income tax liability or, at such holder's election, may be eligible for a deduction in computing such holder's U.S. federal taxable income. If a refund of the tax withheld is available under the laws of India or under the Treaty, the amount of tax withheld that is refundable will not be eligible for such credit against a U.S. Holder's U.S. federal income tax liability (and will not be eligible for the deduction against U.S. federal taxable income). If the dividends constitute qualified dividend income as discussed above, the amount of the dividend taken into account for purposes of calculating the foreign tax credit limitation will generally be limited to the gross amount of the dividend, multiplied by the reduced rate applicable to the qualified dividend income, divided by the highest rate of tax normally applicable to dividends. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, dividends distributed by the Company with respect to Equity Shares will generally constitute "passive category income." A U.S. Holder may not be able to claim a U.S. foreign tax credit for any dividend distribution tax payable by the Company. The rules relating to the determination of the U.S. foreign tax credit are complex, and U.S. Holders should consult their tax advisors regarding the availability of a foreign tax credit in their particular circumstances and the possibility of claiming an itemized deduction (in lieu of the foreign tax credit) for any foreign taxes paid or withheld.

Sale or Other Taxable Disposition of Equity Shares

Subject to the passive foreign investment company considerations discussed below, upon a sale or other taxable disposition of Equity Shares, a U.S. Holder will recognize capital gain or loss in an amount equal to the difference between the amount realized and the U.S. Holder's adjusted tax basis in such Equity Shares. Any such gain or loss generally will be treated as long-term capital gain or loss if the U.S. Holder's holding period in the Equity Shares exceeds one year. Non-corporate U.S. Holders (including individuals) generally will be subject to U.S. federal income tax on long-term capital gain at preferential rates. The deductibility of capital losses is subject to significant limitations.

Gain or loss, if any, realized by a U.S. Holder on the sale or other disposition of Equity Shares generally will be treated as U.S. source gain or loss for U.S. foreign tax credit limitation purposes. The use of U.S. foreign tax credits relating to any Indian tax imposed upon the sale or other disposition of Equity Shares may be unavailable or limited. U.S. Holders should consult their tax advisors regarding the tax consequences if Indian taxes are imposed on or in connection with a sale or other disposition of Equity Shares and their ability to credit any Indian tax against their U.S. federal income tax liability.

If the consideration received upon the sale or other disposition of Equity Shares is paid in foreign currency, the amount realized will be the U.S. dollar value of the payment received, translated at the spot rate of exchange on the date of taxable disposition. The Equity Shares will be listed and traded on the NSE and the BSE. If the Equity Shares are treated as traded on an established securities market for U.S. federal income tax purposes and the relevant U.S. Holder is either a cash basis taxpayer or an accrual basis taxpayer who has made a special election (which must be applied consistently from year to year and cannot be changed without the consent of the IRS), such holder will determine the U.S. dollar value of the amount realized in foreign currency by translating the amount received at the spot rate of exchange on the settlement date of the sale. An accrual basis taxpayer that does not make the special election will recognize exchange gain or loss to the extent attributable to the difference between the exchange rates on the sale date and the settlement date, and such exchange gain or loss generally will constitute U.S.-source ordinary income or loss.

A U.S. Holder's initial tax basis in Equity Shares generally will equal the cost of such Equity Shares. If a U.S. Holder used foreign currency to purchase the Equity Shares, the cost of the Equity Shares generally will be the U.S. dollar value of the foreign currency purchase price on the date of purchase, translated at the spot rate of exchange on that date. If the Equity Shares are treated as traded on an established securities market for U.S. federal income tax purposes and the relevant U.S. Holder is either a cash basis taxpayer or an accrual basis taxpayer who has made the special election described above, the U.S. Holder will determine the U.S. dollar value of the cost of such Equity Shares by translating the amount paid at the spot rate of exchange on the settlement date of the purchase.

Passive Foreign Investment Company Considerations

The Company will be classified as a passive foreign investment company (a "**PFIC**") for any taxable year if either: (a) at least 75% of its gross income is "passive income" for purposes of the PFIC rules or (b) at least 50% of the value of its assets (determined on the basis of a quarterly average) is attributable to assets that produce or are held for the production of passive income. For this purpose, passive income includes interest, dividends and other investment income, with certain exceptions. The PFIC rules also contain a look-through rule whereby the Company will be treated as owning its proportionate share of the gross assets and earning its proportionate share of the gross income of any other corporation in which it owns, directly or indirectly, 25% or more (by value) of the stock.

Under the PFIC rules, if the Company were considered a PFIC at any time that a U.S. Holder holds Equity Shares, the Company would continue to be treated as a PFIC with respect to such investment unless (i) the Company ceases to be a PFIC and (ii) the U.S. Holder made a "deemed sale" election under the PFIC rules.

Based on the current and anticipated composition of the income, assets and operations of the Company and the expected price of the Equity Shares in the Issue, the Company does not expect to be treated as a PFIC for the current taxable year or in the foreseeable future. However, whether the Company is treated as a PFIC is a factual determination that is made on an annual basis after the close of each taxable year. This determination will depend on, among other things, the ownership and the composition of the Company's income and assets, as well as the relative value of the Company's assets (which may fluctuate with the Company's market capitalization), at the relevant time. Moreover, the application of the PFIC rules is unclear in certain respects. The IRS or a court may disagree with the Company's determinations, including the manner in which the Company determines the value of the Company's assets and the percentage of the Company's assets that are passive assets under the PFIC rules. Therefore there can be no assurance that the Company will not be classified as a PFIC for the current taxable year or for any future taxable year.

If the Company is considered a PFIC at any time that a U.S. Holder holds Equity Shares, any gain recognized by the U.S. Holder on a sale or other disposition of the Equity Shares, as well as the amount of any "excess distribution" (defined below) received by the U.S. Holder, would be allocated ratably over the U.S. Holder's holding period for the Equity Shares. The amounts allocated to the taxable year of the sale or other disposition (or the taxable year of receipt, in the case of an excess distribution) and to any year before the Company became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, for that taxable year, and an interest charge would be imposed. For the purposes of these rules, an excess distribution is the amount by which any distribution received by a U.S. Holder on Equity Shares exceeds 125% of the average of the annual distributions on the Equity Shares received during the preceding three years or the U.S. Holder's holding period, whichever is shorter. Certain elections may be available that would result in alternative treatments (such as mark-to-market treatment) of the Equity Shares if the Company is considered a PFIC.

If the Company is considered a PFIC, a U.S. Holder will also be subject to annual information reporting requirements. U.S. Holders should consult their tax advisors about the potential application of the PFIC rules to an investment in Equity Shares.

Information Reporting and Backup Withholding

Dividend payments with respect to Equity Shares and proceeds from the sale, exchange or redemption of Equity Shares may be subject to information reporting to the IRS and U.S. backup withholding. A U.S. Holder may be eligible for an exemption from backup withholding if the U.S. Holder furnishes a correct taxpayer identification number and makes any other required certification or is otherwise exempt from backup withholding. U.S. Holders who are required to establish their exempt status may be required to provide such certification on IRS Form W-9. U.S. Holders should consult their tax advisors regarding the application of the U.S. information reporting and backup withholding rules.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a U.S. Holder's U.S. federal income tax liability, and such U.S. Holder may obtain a refund of any excess amounts withheld under the backup withholding rules by timely filing an appropriate claim for refund with the IRS and furnishing any required information.

Additional Information Reporting Requirements

Certain U.S. Holders who are individuals (and certain entities) that hold an interest in "specified foreign financial assets" (which may include the Equity Shares) are required to report information relating to such assets, subject to certain exceptions (including an exception for Equity Shares held in accounts maintained by certain financial institutions). Penalties can apply if U.S. Holders fail to satisfy such reporting requirements. U.S. Holders should consult their tax advisors regarding the applicability of these requirements to their acquisition and ownership of Equity Shares.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE IMPORTANT TO YOU. EACH PROSPECTIVE PURCHASER SHOULD CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES OF AN INVESTMENT IN EQUITY SHARES UNDER THE INVESTOR'S OWN CIRCUMSTANCES.

TAXATION

STATEMENT OF TAX BENEFITS AVAILABLE TO APOLLO HOSPITALS ENTERPRISE LIMITED ("THE COMPANY") AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

To,
The Board of Directors
Apollo Hospitals Enterprise Limited
19, Bishop Gardens
Raja Annamalaipuram
Chennai – 600 028

Dear Sirs/ Madam,

Sub: STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

We refer to the proposed qualified institutions placement of equity shares (**"Issue"**) of Apollo Hospitals Enterprise Limited (the **"Company"**). We enclose herewith the statement (the **"Annexure"**) showing the current position of tax benefits available to the Company and its shareholders as per the provisions of the Indian tax laws, including the Income Tax Act 1961 and the rules thereunder, each as amended (**"Income Tax Act 1961**"), relevant to the financial year 2020-21 for inclusion in the preliminary placement document and placement document (together as the **"Placement Documents"**) for the Issue, as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (**" SEBI ICDR Regulations"**).

Several of these benefits/consequences are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the taxation laws, including the Income-tax Act 1961. Hence, the ability of the Company or its shareholders to derive these benefits are dependent upon their fulfilling such conditions.

The benefits discussed in the enclosed **Annexure** are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to specific tax implications arising out of their participation in the issue particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. Neither are we suggesting nor are we advising the investor to invest money based on this statement.

We accept no responsibility to the investors or any third party and this should be stated in the Placement Documents. The contents of the Annexure are based on the representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We do not express any opinion or provide any assurance as to whether:
The Company or its shareholders will continue to obtain these benefits in future; and
The conditions prescribed for availing the benefits have been/would be met.
The revenue authorities/courts will concur with the views expressed herein.

This statement is provided solely for the purpose of assisting the Company in discharging its responsibilities under the Securities and Exchange Board of India Regulations.

We hereby give our consent to include this statement and the enclosed Annexure regarding the tax benefits available to the Company and to its shareholders in the Placement Documents for the Issue, which the Company intends to submit to the Securities and Exchange Board of India and the stock exchanges where the equity shares of the Company are proposed to be listed, provided that the below statement of limitation is included in the Placement Documents.

LIMITATIONS

Our views expressed in the enclosed Annexure are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the Annexure is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed Issue relying on the Annexure.

This statement is addressed to you solely for the use of the Company in relation to the proposed Issue and, except with our prior written consent, is not to be transmitted or disclosed to or used or relied upon by any other person or used or relied upon by you for any other purpose, save that you may disclose this statement to the BofA Securities India Limited, Axis Capital Limited, J.P. Morgan India Private Limited and Kotak Mahindra Capital Company Limited (the "**Book Running Lead Managers**") on the basis that (i) the Book Running Lead Managers cannot rely on this statement, (ii) we do not assume any duty or liability to the Book Running Lead Managers, (iii) the Book Running Lead Managers have no recourse on M/s. Basha and Narasimhan Chartered Accountants and its employees/partners/staff.

For Basha and Narasimhan
Chartered Accountants
Firm's Registration No: 006031S

CA SK Phyaji Basha Saheb
Partner
Membership No: 023417
UDIN: 21023417AAAABB2575

Place: Chennai
Date: January 17, 2021

ANNEXURE TO THE STATEMENT OF TAX BENEFITS AVAILABLE TO APOLLO HOSPITALS ENTERPRISE LIMITED ("THE COMPANY") AND THE COMPANY'S SHAREHOLDERS

The information provided below sets out the possible tax benefits available to the Company and the shareholders of the Company in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of equity shares of the Company, under the current tax laws presently in force in India. Several of these benefits are dependent on the shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence the ability of the shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on commercial imperatives a shareholder faces, may or may not choose to fulfil. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. We do not express any opinion or provide any assurance as to whether the Company or its shareholders will continue to obtain these benefits in future. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to specific tax implications arising out of their participation in the issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX CONSULTANT WITH RESPECT TO THE TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN THEIR PARTICULAR SITUATION.

STATEMENT OF POSSIBLE DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY AND TO ITS SHAREHOLDERS

Under the Income Tax Act, 1961 (the Act)

i. Tax benefits available to the Company

a) Section 115BAA of the Act provides that domestic company can opt for a rate of 22% (plus applicable surcharge and education cess) for the Financial Year 2019-20 onwards, provided the Total Income of the company is computed without claiming certain specified deductions or set–off of losses, depreciation etc., and claiming depreciation determined in the prescribed manner. In case a company opts for Section 115BAA, provisions of Minimum Alternate Tax (MAT) would not be applicable and earlier year MAT credit will not be available for set-off. The options need to be exercised on or before the due date of filing the Income Tax Return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year.

   The company has represented to us that they will not opt to apply Section 115BAA for the Assessment Year 2021-22.

b) Subject to Compliance of certain conditions laid down in Section 32 of the Income Tax Act, 1961 (the "Act") the Company will be entitled to a deduction for depreciation in respect of tangible assets; intangible assets being in the nature of know-how, patents, copyrights, trademarks, licenses, franchises or any other business or commercial rights of similar nature acquired on or after 1st day of April, 1998 at the rates prescribed under the Income Tax Rules, 1962;

c) The Company will be entitled to amortise preliminary expenditure, being expenditure incurred on public issue of shares under Section 35D of the Act, subject to the limit specified therein.

d) As per Section 115JAA(1A) of the Act, credit is allowed in respect of any MAT paid under Section 115JB of the Act for any assessment year commencing on or after 1st day of April 2006. Tax credit to be allowed shall be the difference between MAT paid and the tax computed as per the normal provisions of the Act for that assessment year. MAT credit is allowed to be set-off in the subsequent years to the extent of difference between MAT payable and the tax payable as per the normal provisions of the Act for that assessment year. MAT credit shall not be allowed to be carried forward beyond fifteenth assessment year immediately succeeding the assessment year in which tax credit become allowable.

   The benefit of MAT credit shall not be available to the Company, if it opts for the new regime of taxation at concessional rate of tax provided under The Taxation Laws (Amendment) Act, 2019 enacted on December 12, 2019.

e) The Company is eligible to claim deduction (as per option exercised) in respect of any capital expenditure incurred for setting up a new hospital with minimum 100 bed capacity in the previous year in which operation commences.

f) As per Section 115BBD of the Act, the dividend received from a company outside India (i.e. where Indian company holds 26% or more of the equity share capital) is taxable at the rate of 15% plus applicable surcharge and Health and Education Cess (cess) under the Act.

g) As per the provisions of Section 112 of the Act, other Long-Term Capital Gains (LTCG) arising to the company are subject to tax at the rate of 20% (plus applicable surcharge and cess). In case of gains arising on long term capital assets referred to in Section 112A i.e. transfer of specified assets subject to Securities Transaction Tax (STT), the gains are chargeable to tax at 10% (plus applicable surcharge and cess) on income exceeding one lakh rupees.

h) As per the provisions of Section 111A of the Act, Short-Term Capital Gains (STCG) arising to the company from transfer of specified assets subject to STT, the gains are chargeable to tax at 15% (plus applicable surcharge and cess).

i) In accordance with and subject to the conditions specified in Section 54EC of the Act, the company would be entitled to exemption from tax on LTCG if such capital gain is invested in any of the long-term specified assets (herein the manner prescribed in the said Section) for investment made on or after 01 April 2007 or 01 April 2018 (as the case may be), the exemption would be restricted to the amount which does not exceed Rupees Fifty Lacs during the fiscal year. Presently, bonds issued by National Highway Authority of India (NHAI), Rural Electrification Corporation Limited (REC), Power Finance Corporation Ltd. (PFC) and Indian Railways Finance Corporation Ltd. (IRFC) are eligible for exemption under this section.

j) ***Deduction from Gross Total Income***

<u>Deduction in respect of employment of new employees:</u>

Subject to the fulfilment of prescribed conditions, the Company is entitled to claim deduction of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided under Section 80JJAA of the Act.

<u>Deduction in respect of donations in certain funds, charitable institution etc.:</u>

Donations made by the company towards certain specified funds and charitable institutions as prescribed under Section 80G of the Act shall be eligible for 100%/50% deduction subject to the condition as prescribed.

<u>Section 80M: Deduction on inter-corporate dividends:</u>

The Dividend Distribution Tax (DDT) applicable to Companies on declaration of dividend has been abolished by the Finance Act, 2020 with effect from April 01, 2020. Dividend income shall be taxable in the hands of shareholders with effect from Assessment Year 2021-22.

The Finance Act, 2020 has inserted Section 80M effective April 01, 2020 to eliminate the cascading tax effect in case of inter-corporate dividends by providing a deduction in respect of dividends received by a domestic company, to the extent such dividend is distributed by it on or before the due date of filing return of income.

ii. Tax benefits available to the Shareholders

<u>For shareholders who are resident</u>

a) Under Section 54EC of the Act and subject to the conditions and to the extent specified therein, LTCG arising on the transfer of shares of the Company would be entitled to exemption from tax on LTCG if such capital gain is invested in any of the long-term specified assets (herein the manner prescribed in the said Section) for investment made on or after 01 April 2007 or 01 April 2018 (as the case may be), the exemption would be restricted to the amount which does not exceed Rupees Fifty Lacs during the fiscal year. Presently, bonds issued by NHAI, REC, PFC and IRFC are eligible for exemption under this Section.

b) Under Section 54F of the Act and subject to the conditions and to the extent specified therein, LTCG arising to an individual or Hindu Undivided Family (HUF) on transfer of shares of the Company will be exempt from capital gains tax subject to other conditions specified thereunder, if the net sales consideration from such shares are used for purchase of residential house property within a period of one year before or two year after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer.

c) As per Section 74 of the Act, short term capital loss suffered during the year is allowed to be set-off against short-term as well as long term capital gain of the said year. Balance loss, if any, could be carried forward for eight years for claiming set off against subsequent years short- term as well as long-term capital gains. Long term capital loss suffered during the year is allowed to be set-off against long term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set off against subsequent years long term capital gains.

d) As per the provisions of Section 112 of the Act, other LTCG arising to the shareholders are subject to tax at the rate of 20% (plus applicable surcharge and cess). In case of gains arising on long term capital assets referred to in Section 112A i.e. transfer of specified assets subject to STT, the gains are chargeable to tax at 10% (plus applicable surcharge and cess) on income exceeding one lakh rupees.

e) As per the provisions of Section 111A of the Act, STCG arising to the shareholders from transfer of specified assets subject to STT, the gains are chargeable to tax at 15% (plus applicable surcharge and cess).

For shareholders who are Foreign Institutional Investors/Portfolio Investors (FII/FPIs):

a) Section 2(14) of the Act defining capital asset, specifically includes any securities held by an FII which has invested in such securities in accordance with the SEBI Regulations.

b) In accordance with and subject to the provisions of Section 115AD of the Act, LTCG on transfer of shares by FIIs/FPIs are taxable at 10% (plus applicable surcharge and cess). In case of LTCG arising on long term capital assets referred to in Section 112A i.e. transfer of listed shares subject to securities transaction tax, the gains are chargeable to tax at 10% (plus applicable surcharge and cess) on income exceeding one lakh rupees. The benefit of cost indexation and foreign currency fluctuations is not available to FIIs/FPIs.

c) In accordance with and subject to the provisions of Section 115AD of the Act, STCG on transfer of shares by FIIs/FPIs are taxable at 30% (plus applicable surcharge and cess). However, STCG arising on transfer of listed shares are chargeable to tax at the rate of 15% (plus applicable surcharge and cess) if such transaction is chargeable to STT under Section 111A.

d) Under Section 196D(2) of the Act, no deduction of tax at source will be made in respect of income by way of capital gains arising to FIIs/FPIs from the transfer of securities referred in Section 115AD.

e) The provision of the Agreement for Avoidance of Double Taxation entered by the Government of India with the country of residence of the non-resident shareholder will be applicable to the extent more beneficial to the non-resident investor. Accordingly, taxability of capital gains in India in the hands of FIIs/FPIs shall be governed by the provisions of the relevant tax treaty subject to fulfilment of the conditions provided under the Act or the applicable tax treaty. Under the Act, tax treaty benefit is available subject to conditions which inter alia include furnishing of the Tax Residency Certificate issued by the government of that country of which the non-resident shareholder may be a resident and a self-declaration in form 10F, if required to be furnished.

f) The Central Board of Direct Taxes (CBDT) has issued a Notification No. 9 dated 22 January 2014 which provides that Foreign Portfolio Investors (FPIs) registered under SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be treated as FII for the purpose of Section 115AD of the Act.

<u>For shareholders who are Mutual Funds:</u>

Under Section 10(23D) of the Act, exemption is available in respect of income (including capital gains arising on transfer of shares of the company) of a Mutual Fund registered under the Securities and Exchange Board of India Act, 1992 or such other Mutual fund set up by a public sector bank or a public financial institution or authorized by the Reserve Bank of India and subject to the conditions as the Central Government may specify by notification.

Further, as per the provisions of Section 196 of the Act, no deduction of tax shall be made by any person from any sums payable to mutual funds specified under Section 10(23D) of the Act, where such sum is payable to it by way of interest or dividend in respect of any securities or shares owned by it or in which it has full beneficial interest, or any other income accruing or arising to it.

<u>For shareholders who are Venture Capital Companies/Funds:</u>

In terms of Section 10(23FB) of the Act, income of:

- Venture Capital company which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992; and
- Venture Capital Fund, operating under a registered trust deed or a venture capital scheme made by Unit trust of India, which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992, from investment in a Venture Capital Undertaking, is exempt from income tax,

As per Section 115U of the Act, any income accruing or arising to or received by a person from his investment in venture capital funds is taxable in his hands in the same manner as if it were the income accruing/ arising/ received by such person had he directly made the investments.

<u>For shareholders who are Investment Funds:</u>

a) Under Section 10(23FBA) of the Act, any income except for income under the head “Profits and Gains of Business/ Profession” of Investment Funds, registered as category-I or category-II Alternative Investment Fund under the Securities and Exchange Board of India (Alternate Investment Fund) regulations, 2012 is exempt from income tax, subject to conditions specified therein.

b) As per Section 115UB (1) of the Act, any income accruing/arising/received by a person from his investment in the Investment Fund is taxable in the hands of such person in the same manner as if it were the income accruing/arising/received by such person had the investments been made directly by him.

c) Under Section 115UB (4), the total income of an Investment Fund is charged at the rate or rates as specified in the Finance Act of the relevant year where the Investment Fund is a company or a firm and at maximum marginal rate in any other case.

d) Further, as per Section 115UB (6) of the Act, the income accruing or arising to or received by the Investment Fund if not paid or credited to a person (who has made investments in an Investment Fund) shall be deemed to have been credited to the account of the said person on the last day of the previous year in the same proportion in which such person would have been entitled to receive the income had it been paid in the previous year.

e) Taxation of income of AIF Category III and its investors are governed by the other / normal provisions of the Act.

f) Investment Funds have withholding tax obligation under Section 194LBB while making distribution to unit holders at the rate of 10% where the payee is resident and at the rates in force where payee is non-resident.

Notes:

1. The above statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares

2. The tax benefits discussed in the statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences aid the changing tax laws, each investor is advised to consult his/her own tax consultant with respect to the specific tax implications arising out of their participation in this issue.

3. The above statement covers only certain relevant benefits under the Act and does not cover benefits under any other law.

4. The above statement of possible tax benefits is as per the current direct tax laws relevant for the Assessment Year 2021-22 (considering the amendments made by Finance Act, 2020)

5. This statement does not discuss any tax consequences in the country outside India of an investment in the shares. The shareholders / investors in the country outside India are advised to consult their own professional advisors regarding possible Income tax consequences that apply to them.

Several of the above tax benefits are dependent on the security holders fulfilling the conditions prescribed under the relevant tax laws and subject to General Anti Avoidance Rules covered under Chapter X-A of the Act.

LEGAL PROCEEDINGS

We are, from time to time, involved in various litigation proceedings in the ordinary course of our business. These legal proceedings are in the nature of, amongst others, civil suits, criminal proceedings, tax proceedings, land and labour disputes.

As on the date of this Preliminary Placement Document, except as disclosed below, there is no outstanding legal proceeding which has been considered material in accordance with our Company's policy in relation to disclosure of material events framed in accordance with Regulation 30 of the SEBI Listing Regulations. Solely for the purpose of the Issue, in accordance with the resolution passed by the Fund Raising Committee on January 18, 2021, the following legal proceedings have additionally been disclosed in this section: (i) all outstanding criminal proceedings against our Company and/ or our Subsidiaries; (ii) all outstanding civil proceedings involving our Company and/ or our Subsidiaries, which involve an amount equivalent to or above ₹ 217.45 million, which is 5% of our Company's profit after tax on a consolidated basis for Fiscal 2020; (iii) any other civil proceedings involving our Company and/or our Subsidiaries, wherein a monetary liability is not determinable or quantifiable, or which does not exceed the threshold as specified in (ii) above, however, the outcome of which if results in an adverse outcome would have a material adverse effect on the financial position, business, operations, prospects or reputation of our Company, on a consolidated basis; (iv) all material outstanding actions alleging violation of statutory regulations or regulatory requirements by our Company and/or our Subsidiaries, and any show cause notices received by the Company and/or our Subsidiaries pertaining to material violations of statutory regulations or regulatory requirements, an adverse outcome of which action would have a material effect on the financial position, business, operations, prospects of reputation of our Company and/or our Subsidiaries; (v) all claims related to direct and indirect taxes involving our Company and / or our Subsidiaries, on a consolidated basis in respect of each entity; and (vi) all outstanding litigations involving our Directors, Joint Ventures and Associates, an adverse outcome of which could materially and adversely affect the financial position, business, operations, prospects or reputation of our Company.

Further, as on the date of this Preliminary Placement Document, other than as disclosed in this section: (i) there is no litigation or regulatory action pending or taken by any ministry or department of the government or a statutory authority against our Promoters during the last three years immediately preceding the year of this Preliminary Placement Document and no directions have been issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action; (ii) there are no inquiries, inspections or investigations initiated or conducted under the Companies Act or the Companies Act, 1956 in the last three years immediately preceding the year of this Preliminary Placement Document involving our Company and our Subsidiaries, and further, there were no prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document for our Company and our Subsidiaries; (iii) there are no defaults by our Company in the repayment of statutory dues, dues payable to holders of any debentures and interest thereon, in respect of deposits and interests thereon, or in repayment of any loan obtained from any bank or financial institution and interest thereon, as of the date of this Preliminary Placement Document; (iv) there are no material frauds committed against our Company in the last three years; (v) there are no defaults in the annual filings of our Company under the Companies Act and the rules made thereunder; (vi) there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations; and (vii) there are no reservations, qualifications or adverse remarks of our auditors in their respective reports on our audited financial statements for the last five Fiscals preceding the date of this Preliminary Placement Document.

A. *Litigation involving our Company*

<u>Litigation against our Company</u>

Criminal proceedings

1. A first information report ("**FIR**") dated July 31, 2015 was filed against our Company (represented by the Managing Director), Dr. P Anand and others ("**Accused**") by the Central Bureau of Investigation ("**CBI**"), alleging offences, *inter-alia*, under, Sections 420 and 120-B of the Indian Penal Code, 1860 and certain provisions of the Prevention of Corruption Act, 1988, and claiming that our Company had paid illegal gratification to Dr. P Anand for referring patients from Rare Metal Plant ("**RMP**"), a unit of Bhabha Atomic Research Centre, Mysore ("**BARC**"), to our Company. In this regard, it was alleged that during the years 2012 to 2014, one of our hospitals, Apollo BGS Hospital, Mysore ("**Hospital**"), was an empanelled hospital for BARC and during the years 2013 to 2014, an aggregate of 549 referrals were

made by BARC to the Hospital and an aggregate amount of approximately ₹ 0.36 million was paid to the Hospital. All these referrals had been verified by Dr. P Anand who was the scientific officer at BARC. Separately, Dr. P Anand accepted a part time assignment of our Company for conducting private health camps for the Hospital, on call on need basis against the government rules. During this period, it was alleged that Dr. P Anand, a public servant obtained illegal gratification to the extent of approximately ₹ 0.08 million from the Hospital through his bank account on the pretext of attending private camps organised by the Hospital. Pursuant to the FIR, a charge sheet was filed in the Court of City Civil and Session Judge and Principal Special Judge for CBI Cases, Bangalore ("**Court**") against the Accused on January 1, 2017 alleging abetment in cheating and criminal conspiracy and contravention of the Prevention of Corruption Act, 1988. The matter is currently pending.

2. N Shashank Reddy (the "**Respondent**") has filed a complaint before the Andhra Pradesh State Consumer Disputes Redressal Commission ("**State Commission**") claiming compensation from our Company, S.S.V.S. Prasad (a medical oncologist with our Company) and Vijayanand Reddy (Director of Department of Oncology in our Company) (collectively, the "**Appellants**"), alleging medical negligence leading to the death of the Respondent's mother. The Appellants were directed by the State Commission to pay an amount of ₹ 0.70 million as compensation and ₹ 0.01 million as a reimbursement of medical expenses to Respondent vide order dated January 13, 2013 (the "**Impugned Order**"). The Appellants filed an appeal before the National Consumer Disputes Redressal Commission ("**NCDRC**") for setting aside the Impugned Order on the grounds that appropriate medical protocols were undertaken for the treatment of the deceased, and the Impugned Order was stayed by the order of the NCRDC dated April 8, 2013. Subsequently, based on the findings of the State Commission, the Respondent filed a criminal complaint before the Additional Chief Metropolitan Magistrate ("**ACMM**") against the Appellants alleging commission of offences covered under Sections 418 and 420 of the Indian Penal Code, 1860. S.S.V.S. Prasad has filed a petition for quashing the proceedings before the High Court of Hyderabad as well as a stay order on the aforesaid criminal proceedings pending disposal of such petition. The matter is currently pending before the High Court of Hyderabad.

3. The District Appropriate Authority has filed a complaint dated April 27, 2012 with the Additional Chief Metropolitan Magistrate, City Criminal Courts, Hyderabad ("**ACMM**") against our Company under the Pre-Conception and Pre-Natal Diagnostic Techniques (Prohibition of Sex-Selection) Act, 1994 ("**PCPNDT Act**"). Pursuant to an inspection conducted on March 16, 2012 by the National Inspection and Monitoring Committee, our Company was found to be in violation of certain provisions of the PCPNDT Act which recommended the seizure and confiscation of certain machines and initiation of legal action for cancelling the registration. The matter is currently pending in the court of ACMM.

4. The manager of National Aluminium Company Limited ("**NALCO**") hospital at Angul, lodged a First Information Report ("**FIR**") dated July 17, 2015 under Sections 34, 467, 468 and 420 of the Indian Penal Code, 1860 in the Saheed Nagar Police Station, Bhubaneswar, Odisha ("**Police Station**"), against the staff of Apollo Hospital Bhubaneswar ("**Hospital**"), a hospital owned by our Company. The facts of the matter are that the Hospital is an empanelled hospital, as a part of NALCOS's welfare initiative for its employees and enabling better medical treatment for critical patients. On April 19, 2015, Mini Das, a relative of one of the NALCO's employees was referred to the Hospital and underwent coronary angiogram & PTCA. In relation to the aforesaid, the Hospital raised a credit bill to NALCO for the treatment and the said credit bill included 'Cathlab Consumables' for ₹ 0.42 million against a tax invoice from Vista Enterprises, Kolkata. During a routine scrutiny of high value medical equipment, NALCO found out from Vista Enterprises that they do not supply any Cathlab Consumables to the Hospital. Subsequently, Vista Enterprises confirmed to the vigilance department of NALCO that the bill was not generated by them. Thereafter, the FIR was lodged and the investigating officer ("**IO**") of the Police Station wrote a letter to the general manager ("**GM**") of the Hospital instructing that the relevant documents for investigation of the case be provided. On August 4, 2015, the deputy general manager – finance and accounts ("**DGM**") requested for more time to furnish the relevant documents. On August 8, 2015, the IO arrested the DGM and the concerned junior supervisor ("**JS**") and subsequently seized the relevant documents. On September 9, 2015, the High Court of Odisha at Cuttack ("**High Court**") granted bail to the DGM and JS. Further, a letter dated October 10, 2015 was sent by Suresh Reddy, deputy general manager – human resources of the Hospital, to the IO, informing that no Cathlab Consumables were purchased from Vista Enterprises towards treatment of Mini Das. The said letter further stated that the DGM has exclusive charge of finance and accounts and all the affairs of credit billing and submissions are done under his supervision alone. The matter is currently pending at the investigation stage.

Actions by statutory or regulatory authorities

5. The Directorate of Enforcement ("**ED**") by a directive issued to our Company pursuant to Section 37 of Foreign Exchange Management Act, 1999 ("**FEMA**"), dated March 18, 2020, sought from our Company certain information and documents in relation to the investments made by our Company in the joint venture, namely, AMG Healthcare Destination Private Limited ("**AMG**"), along with two other entities, GMR Holdings Private Limited ("**GMR**") and Mayo Clinic GBS, Mauritius ("**Mayo Clinic**"). Our Company was directed to furnish, among other things, details regarding involvement of our Subsidiaries in incorporating AMG and its financial transactions with GMR and Mayo Clinic. Our Company filed a reply dated June 30, 2020 with the ED, stating that the AMG was created for establishing a multi-speciality global tertiary hospital at Hyderabad ("**Project**"). However, since AMG could not commence its business due to certain amendments to the Indian Medical Council Act, whereby foreign directors were not permitted to render medical services in India (which was a pre-requisite for the Project), Mayo Clinic exited the joint venture by transferring its equity shares in AMG to our Company and GMR. Our Company also submitted that neither of its Subsidiaries nor any offshore entities were involved in this Project. Subsequently, the ED issued summons on August 14, 2020 ("**Summon**") to our Company, along with a request for personal appearance to submit certain details such as a break-up of transactions in AMG, and details of bank accounts and bank details related to our Company in Mauritius. Our Company sent a reply dated September 22, 2020 to the queries raised in the Summons. We have not received any further communication from ED in relation to the matter.

Other Litigation

6. A public interest litigation ("**PIL**") has been filed by Sachin Jain against the Union of India and others, dated April 14, 2020 before the Supreme Court of India ("**Supreme Court**"), alleging that private and corporate hospitals are commercially exploiting the patients suffering from COVID-19 by charging exorbitant charges, and for directing the Central Government to, *inter-alia,* (i) regulate the cost of treatment of patients infected with COVID-19 at private or corporate hospitals across the country, and (ii) mandate the private hospitals operating on public land allotted at concessional rates, or as charitable institutions to treat COVID-19 patients either pro-bono or on a nonprofit basis, and (iii) direct the Central Government to combat the commercialization of the health care by private health sector. The Supreme Court by way of its order dated July 14, 2020, directed the petitioners to make representations to the Secretary of the Government of India, Ministry of Health and Family Welfare ("**Secretary**") and directed the Secretary to hear the parties and come up with a solution. Thereafter, the Supreme Court by way of its order dated August 31, 2020, directed the Union of India to: (a) convene a meeting of the health ministers or secretaries from all states and union territories; (b) in this meeting, all states and union territories may be advised to come up with a masterplan, both legislative and executive, within two weeks of the first meeting, taking cue from the already existing public health acts of various states, and also from the National Health Bill, 2009, which focuses on marginalized sections of society; (c) a second meeting of the health ministers or secretaries from all states and union territories may be convened for the purpose of collating the information received from them; (d) after receipt of the information from all the states and union territories, the government may file a comprehensive report with a compilation of the information received from the states and union territories; and (e) the states that already have public health acts may be advised to fine-tune their existing enactments on the model of the National Health Bill, 2009. The matter is currently pending before the Supreme Court.

7. Our Company had filed a writ petition before the High Court of Orissa, Cuttack ("**High Court**") against the arbitrary exercise of power by the National Human Rights Commission ("**NHRC**"). The facts of the case are that a complaint was filed by the crime branch against Raghaba Ram Dora ("**Accused**") under the Transplantation of Human Organs & Tissues Act, 1994 ("**THOT Act**") in relation to a kidney transplantation case, wherein the Accused had, through misrepresentation and impersonation managed to cheat the donor in obtaining his kidney. The kidney transplantation was processed by Apollo Hospital Bhubaneswar Odisha ("**Hospital**") after being prima facie satisfied about the identity and willingness of the donor from various public documents and after an approval was issued in relation thereto by the State Authorization Committee. The crime branch after being convinced with the documents and video recordings presented by the Company, ruled out the involvement of the Company and registered a complaint against Accused. However, the donor filed a complaint dated January 22, 2016 against our Company with the NHRC, seeking compensation. The NHRC, by its order dated August 8, 2019 ("**Impugned Order 1**") directed the State Government to take action against the Hospital and cancel its

license under the THOT Act. Our Company, filed a writ petition against Impugned Order 1, before the High Court which was dismissed by the order of the High Court dated September 12, 2019 ("**High Court Order**"), wherein the High Court kept the Impugned Order 1 in abeyance until the NHRC gave our Company an opportunity to show cause and be heard. The High Court Order observed that while the crime branch had exonerated our Company in the kidney transplantation case, the NHRC passed an order for cancellation/suspension of our registration without giving our Company an opportunity to be heard. Despite the High Court Order, NHRC passed an order dated November 25, 2019 ("**Impugned Order 2**"), which directed the Chief Secretary of the Government of Odisha to submit an action taken report under Section 16 of the THOT Act with regard to suspension/cancellation of license of the Hospital, without appropriate show cause notice or an opportunity for us to be heard. Aggrieved by Impugned Order 2, our Company has filed the present writ petition. The matter is currently pending before the High Court.

8. Our Company filed a writ petition dated June 9, 2017 ("**Writ Petition**"), before the High Court of Odisha, Cuttack ("**High Court**") against the Odisha Human Rights Commission ("**OHRC**") and A. Acharya ("**Respondent**"), challenging the jurisdiction of the OHRC in a matter related to medical negligence. The facts of the case are that the wife of the Respondent had undergone treatment at our hospital, Apollo Hospitals Bhubaneshwar ("**Hospital**"), prior to succumbing to various ailments leading to her death, while undergoing treatment, on February 4, 2017. The Respondent sent a complaint addressed to the Chairman of our Company, alleging medical negligence. Thereafter, after conducting an enquiry, a reply dated April 8, 2017, clarifying the position of our hospital and denying the claim for compensation, was sent to the Respondent. Meanwhile, the Respondent had also submitted the same complaint before the OHRC on April 5, 2017 ("**Complaint**"). The OHRC admitted the Complaint and issued a notice to the Commissioner-cum-Secretary, Health and Family Welfare Department, Bhubaneswar ("**Commissioner**") and Director, Medical Education and Training, Bhubaneswar ("**Director**") to conduct an enquiry. Our Company through its Writ Petition has contended that the OHRC is not vested with the jurisdiction to take any action as a medical negligence case cannot be termed as a violation of human rights and the alleged acts/omissions do not relate to a public servant. The matter is currently pending before the High Court.

9. Ms. Bhanu Priya ("**Complainant**") filed a consumer complaint against our Company and certain others (collectively, the "**Respondents**") before the National Consumer Dispute Redressal Commission ("**NCDRC**") alleging medical negligence in a diagnosis, thereby causing the death of Ganesh Gururaja ("**Deceased**"). The facts of the matter are that the Deceased was suffering from gas farming anaerobic infection along with septicaemia. His relatives had told our Company about the intramuscular injection which had been given to the Deceased three days before being brought to our hospital. Subsequently thereafter, the Deceased developed pain and swelling at injection site. The Deceased was known diabetic for 10 years and was on medication and on examination he was found to have had tachypnoea and tachycardia with low pulse volume. His relatives were informed about his critical condition and the increased risk of systemic complications. Thereafter, a pre anaesthetic check-up was done and after taking due consent of the Deceased and his relatives, he was taken for emergency surgery. The Complainant has sought a compensation of approximately ₹ 270 million. Due to the premedical condition of the Deceased and the resultant complications involved, our Company has denied the allegations and has stated that diagnosis and the treatment were done as per medical standards. The matter is currently pending before the NCDRC.

10. Masram Rannjana and certain others ("**Complainants**"), filed a consumer complaint dated February 4, 2019 against our Company, Chairman and certain other private hospitals ("**Respondents**"), before the National Consumer Dispute Redressal Commission ("**NCDRC**"), alleging medical negligence leading to the death of the husband of Masram Rannjana ("**Deceased**"). The Complainants have alleged that recklessness and gross medical negligence on the part of the Respondents has caused the death of the Deceased, and have claimed a compensation of approximately ₹ 145 million and interest thereon up to the realization of the compensation amount. Our Company has denied all the allegations and has stated in its response dated July 30, 2019 that the Deceased was already undergoing treatment from different hospitals, i.e., certain other Respondents, before being brought to our hospital, and that our diagnosis and treatment was done in accordance with applicable medical standards. The matter is currently pending before the NCDRC.

11. Rosaline Flora D. Souza and certain others (the "**Complainants**") have filed a complaint dated October 11, 2017 against our Company before the National Consumer Disputes Redressal Commission

("**NCDRC**") alleging gross negligence in the medical treatment provided to the deceased husband of Rosaline Flora D. Souza. It has been alleged by the Complainants that there was a deficiency of service in respect of diagnostic procedure, pre-operative procedure and post-operative procedure by our Company, and also contended that the cause of the deceased's demise is due to the lack of care provided post-surgery due to which there was severe sepsis causing systematic organ failure and cardiac arrest. The Complainants have sought a compensation of approximately ₹ 350 million. Our Company has denied these allegations primarily on the grounds that the matter is barred by limitation, and that diagnosis and treatment was undertaken in accordance with prescribed medical standards and utmost care and responsibility. The matter is currently pending before the NCDRC.

12. Anup Kumar Samui ("**Complainant**") filed a consumer complaint dated March 27, 2017 before the National Consumer Dispute Redressal Commission ("**NCDRC**") against two private hospitals, which included our Company (through our Managing Director) and certain of our doctors ("**Respondents**") alleging medical negligence in conducting a diagnosis, leading to the death of the daughter of the Complainant ("**Deceased**"). The Deceased suffered from *kikuchi* disease, which according to the Complainant, is a self-limiting disease, curable within months and has low mortality rate. The Respondents have claimed that it is a disease with no specific treatment and for which only supportive treatment is available, and our Company has denied the allegations stating that the diagnosis and treatment was undertaken in accordance with medical standards. The Complainant has claimed a compensation of approximately ₹ 280 million and interest thereon from the date of demise of the Deceased. The matter is currently pending before the NCDRC.

13. Manish Chaudhary ("**Complainant**") filed a consumer complaint dated November 9, 2016 before the National Consumer Dispute Redressal Commission ("**NCDRC**"), against our Company and certain of our doctors ("**Respondents**"), alleging medical negligence that caused the persistent vegetative state of the father of the Complainant ("**Patient**"). The Complainant has sought a compensation of approximately ₹ 274 million and interest thereon from the date of the complaint up to the realization of the compensation amount. The Complainant has alleged that due to the acts and omissions of the Respondents, and lack of due care during the Patient's cervical spine surgery and post-surgery treatment, the Patient has been in a persistent vegetative state and is unresponsive to oral commands. The Respondents have denied all the allegations and have submitted, among other things, that the Patient was a heavy smoker and had a medical history of chronic obstructive pulmonary disease and asthma and the Complainant had been duly made aware of all the complications and risk involved in the surgery given the lifestyle and medical history of the Patient. The surgery had been undertaken after getting the consent form signed by the Patient and his family, and after appraising them of all the risks involved. The matter is currently pending before the NCDRC.

14. A Special Leave Petition ("**SLP**") dated April 9, 2019 was filed by our Company before the Supreme Court of India ("**Supreme Court**"), against the judgement dated April 4, 2019 ("**Impugned Judgement**") of the Madras High Court ("**High Court**"). The facts of the matter are that the Government of Tamil Nadu had constituted a commission headed by Justice Thiru A Armughaswamy ("**Armughaswamy Commission**") on September 25, 2017 for conducting an inquiry into the death of J. Jayalalithaa, the erstwhile Chief Minister of Tamil Nadu ("**Chief Minister**"). The matter was referred to the Armughaswamy Commission, among other things, in order to conduct an inquiry into the correctness, adequacy/inadequacy of medical treatment given to the Chief Minister. Our Chairman was called as a witness before the Armughaswamy Commission and he had filed an affidavit dated January 11, 2018 stating that all necessary treatment was given to the Chief Minister after due consultation with specialist doctors nationally and internationally. Subsequently, on account of certain errors which occurred while recording the deposition of certain doctors by the Amughaswamy Commission, owing to the lack of expertise in understanding medical terms, our Company filed an application dated December 28, 2018 before the Armughaswamy Commission seeking the constitution of a medical board. The Armughaswamy Commission disallowed the constitution of a medical board through its order dated January 22, 2019. Our Company filed a writ petition dated February 5, 2019 before the High Court claiming that the Armughaswamy Commission lacked the expertise to understand the medical terminologies referenced in the reports and documents, and the nature of treatment provided to the Chief Minister by the doctors. The Armughaswamy Commission responded stating, among other things, that a medical board could not be constituted to perform a supervisory role, and that the writ petition was premature and intended to thwart the continuance of the inquiry. The High Court passed the Impugned Judgement dismissing our petition and stating that the Armughaswamy Commission had the power to

investigate the appropriateness and the adequacy of treatment provided to the Chief Minister. The matter is currently pending in the Supreme Court.

15. Dr. Ramesh Ranganathan ("**Respondent**") was associated with the Apollo BGS Hospital Mysore ("**Hospital**"), a hospital owned by our Company, from March 2004 to June 2014. The Respondent, during the year 2014, started having some differences with the staff and reception of the Hospital owing to the low frequency of patients being referred to him, after which the Respondent gave a request letter dated January 9, 2014 to M.N.G. Bharateesh Reddy ("**Petitioner**"), the general manager of the Hospital, to look into the matter. On May 30, 2014, the Hospital terminated the services of Respondent, with a 30 days' notice, on the grounds of unsatisfactory contribution and inconsistent performance in the department of neurosurgery. Thereafter, dissatisfied with the termination, the Respondent filed a private complaint dated October 10, 2014, before the Lead Additional Civil Judge & Judicial Magistrate First Class, Mysuru ("**Magistrate**") alleging that there were gross billing irregularities and misappropriation of funds due to which the Respondent had to bear certain loss in his professional fees. The Magistrate passed an order dated March 3, 2015 taking cognizance under Sections 405, 499, 415, 120A and 420 read with Section 500 of Indian Penal Code. The Petitioner, aggrieved by the Magistrate's order, preferred a petition to the Additional Sessions Judge, Mysuru ("**Sessions Judge**"). The Sessions Judge, by an order dated December 15, 2015 ("**Impugned Order**"), set aside the order of the Magistrate dated March 3, 2015. On January 19, 2016, the Respondent filed a criminal petition before the High Court of Karnataka at Bengaluru ("**High Court**"), challenging the Impugned Order of the Sessions Judge. The High Court allowed the petition in part, and set aside the Impugned Order. The Petitioner thereafter filed a special leave petition ("**SLP**") before the Supreme Court of India on September 9, 2019 against the Impugned Order. The matter is currently pending before the Supreme Court of India.

16. A public interest litigation ("**PIL**") dated December 2, 2016 has been filed by Namita Pattanaik (the "**Applicant**") against Union of India, our Company and others (the "**Respondents**"), before the High Court of Orissa ("**High Court**"). The Applicant's mother was admitted in our hospital, Apollo Hospitals Bhubaneshwar. It is alleged that during the treatment of her mother, the Applicant was not informed about the status of treatment of her mother and was asked to pay huge amount of bills every alternate day and her mother was discharged when her condition was precarious. Through the PIL, the Applicant sought, among others, (i) to issue a show cause notice to the Union of India why a direction should not be passed to constitute an expert committee to supervise the Hospital and furnish a report before the High Court; and (b) to direct the Union of India to direct all clinical establishments to display the rates charged for all the services provided and available for the benefit of the patients. The matter is currently pending before the High Court.

17. A public interest litigation ("**PIL**") dated July 11, 2016 has been filed by Narendar Kazipeta (the "**Applicant**") against, among others, the State of Telangana, Medical Council of India and our hospital Apollo Hospital Jubilee Hills (the "**Respondents**") before the High Court of Judicature at Hyderabad ("**High Court**"), alleging exploitation along with illegal, unethical activities by the private hospitals. The Applicant, based on his independent research, alleged that our Company has been facing serious charges relating to illegal kidney transplantation and that our hospital in Delhi is under investigation for the same. Through the PIL, the Applicant sought (a) the constitution of an expert committee to conduct an enquiry on the private hospitals' illegalities and suggest remedies for brining accountability in private health system; and (b) direction to the Respondents to investigate all the complaints in a time bound manner. Our Company has filed a reply denying the allegations that the alleged illegal kidney transplantation charges by the Applicant are false and baseless. The matter is pending before the High Court.

Further, there are certain writ petitions that have been filed (a) by our Company challenging the arbitrary powers of Odisha Council of Medical Registration by setting-up a committee upon a complaint claiming medical negligence and by our Company and one of our Subsidiaries, separately, against the labour court's order directing to reinstate certain workmen and pay compensation for wrongful termination; and (b) against our Company for allegedly detaining a minor child on the grounds of non-payment of bills. Additionally, our Company has also been impleaded as a party to a writ petition filed against a governmental authority for issuing a wrong death certificate and against an insurance company for denying the claims. All these writ petitions are currently pending in various state High Courts.

B. *Litigation involving our Subsidiaries*

Other Litigation

18. Our Subsidiary, Imperial Hospital and Research Centre Limited ("**Imperial Hospital**") operates its hospital from a land measuring 5 acres that was originally allotted by the State Government of Karnataka through a grant order dated October 5, 1991, which was subject to compliance with certain terms and conditions. Imperial Hospital obtained approval from the Karnataka Udyog Mitra, for setting up a cancer hospital and research centre on the property in Bengaluru and had a sanctioned plan to construct a hospital from the Bangalore Development Authority in 2004. On December 12, 2005, our Company and Imperial Hospital entered into a subscription cum shareholders agreement pursuant to which our Company acquired 51% of the total paid up equity share capital of Imperial Hospital. On March 19, 2015, our Company received an order ("**Impugned Order**") from the Special Deputy Commissioner – 2, Bengaluru City ("**Special Deputy Commissioner**") alleging non-compliance of certain conditions associated with the allotment of the land, and directing handover of the land along with the building constructed thereon in favor of a Government run Hospital. Subsequently, on April 19, 2018, a notice was issued by the Directorate of Medical Education, Government of Karnataka ("**Impugned Notice**") seeking handover of the property along with operations of the hospital to the Kidwai Institute of Oncology. On receipt of this Impugned Notice, our Company filed a writ petition dated April 23, 2018, before the High Court, challenging the Impugned Order and the Impugned Notice. The High Court vide its order dated April 27, 2018, stayed the operation of the Impugned Order and the Impugned Notice. The matter is currently pending in the High Court.

19. Prabhu Dayal Deorah and Hiramani Drorah ("**Applicants**") obtained a decree by an order of the trial court dated August 23, 2007 ("**Impugned Order**") against Md. Safique Saikia ("**Opposite Party 1**") for registration of a sale deed for a property in Kamrup, Assam ("**Property**"). The Opposite Party 1, aggrieved by the Impugned Order, thereafter filed an appeal ("**First Appeal**") challenging it before the High Court of Assam, Nagaland, Mizoram and Arunachal Pradesh at Gauhati ("**High Court**") and the Impugned Order was stayed. The Applicants in the meantime filed an application on September 03, 2019 for issuing a temporary injunction against Opposite Party 1, among others, from disposing off the Property. Opposite Party 1 and its counsel did not appear in the injunction proceedings and the court issued notice to Opposite Party 1 by *dasti* service. Thereafter, when the Applicants were effecting the *dasti* service, it came to their knowledge that the Opposite Party 1 and Assam Hospitals Limited, a subsidiary of our Company, had executed a sale deed dated May 14, 2018 ("**Sale Deed**") for the Property. The Applicants were able to obtain a certified copy of the Sale Deed. As the sale was made during the First Appeal, which was in continuation of the suit, the Applicants filed an Interim Application ("**IA**") dated April 22, 2019 before the High Court for amending the plaint in T.S. 91/2007. The Applicants seek to implead Assam Hospitals Limited as a party to the suit and pray for cancellation of the Sale Deed. The matter is currently pending before the High Court.

C. *Tax proceedings involving our Company and our Subsidiaries*

Set out in the table below are details of number of cases and total amount involved in claims relating to direct and indirect taxes involving our Company and Subsidiaries, in a consolidated manner.

Nature of cases	Number of cases	Amount involved (in ₹ million)
Company		
Direct tax	12	257.36
Indirect tax	5	103.54
Total	**17**	**360.90**
Subsidiaries		
Direct tax	5	224.82
Indirect tax	14	96.43
Total	**19**	**321.25**

D. *Legal Proceedings involving the Directors, Joint Ventures and Associates, an adverse outcome of which could materially and adversely affect the financial position, business, operations, prospects or reputation of the Company*

20. The All India Lawyers Association ("**Lawyers Association"**) filed a writ petition in the year 1997 ("**WP**") against the Government of Delhi (**"Government"**) and the management of Indraprastha Apollo Hospital (the "**Hospital**"), an Associate of our Company, before the High Court of Delhi ("**High Court**"), seeking to direct the Government and the management of the Hospital to ensure free medical

treatment and medicines for the economically weaker section at the Hospital, and directing the Government to take action against the Hospital for failure to comply with the terms of the lease agreement dated March 16, 1994 ("**Agreement**") executed with Indraprastha Medical Corporation Limited (a joint venture established pursuant to an agreement dated March 11, 1988, entered into between our Company and the Government) ("**IMCL**"). Further, the Lawyers Association alleged the Hospital, has failed to comply with the terms of Agreement requiring free treatment to be provided to 1/3rd of the indoor patients and not less than 40% of outdoor patients and thus was affecting the fundamental rights of those belonging to the economically weaker section. The High Court through its judgement dated September 22, 2009 ("**Impugned Judgement"**) held that the WP is maintainable as the Hospital was entrusted with public duties for providing free treatment to patients belonging to economically weaker section. Further, the High Court held that the interpretation of the expression "free medical diagnostic and other facilities" must be extended to free medicines and consumables also. The High Court directed the Hospital to ensure that proper arrangements for free facility service are undertaken and submission of necessary information to the Director General of Health Service were made.

Subsequently, IMCL filed a Special Leave Petition ("**SLP**") before the Supreme Court of India ("**Supreme Court**") against the Impugned Judgment on November 6, 2009. IMCL contended, among other things, that there were ongoing disputes between the Government and the Hospital in relation to the interpretation of the Agreement, which provides for an arbitration and is not amenable to writ jurisdiction. IMCL sought that the Supreme Court stay the operation of the Impugned Judgement as an interim relief. The Supreme Court through its order dated November 30, 2009, stayed the operation of the Impugned Judgement.

Later, in 2019, IMCL filed an interim application before the Supreme Court, seeking a direction that the Hospital be brought at par with other hospitals in Delhi which are obligated to provide free treatment to poor patients to the extent of 10% IPD and 25% OPD pursuant to the Supreme Court order dated September 1, 2011, as opposed to the terms of the Agreement which require free treatment to be provided to 1/3rd of indoor patients and at least 40% outdoor patients. The matter is currently pending at the Supreme Court.

E. ***Litigation or legal action pending or taken by any ministry or department of the government or a statutory authority against our Promoters during the last three years***

There are no litigation or legal actions pending or taken by any ministry or department of the government or any statutory authority and there are no directions issued by such ministry or department of the government or statutory authority upon conclusion of such litigation or legal action against our Promoters during the last three years immediately preceding the year of the issue of this Preliminary Placement Document.

F. ***Inquiries, inspections, or investigations under the Companies Act initiated or conducted in the last three years***

There have been no inquiries, inspections or investigations initiated or conducted against our Company or our Subsidiaries under the Companies Act or the Companies Act, 1956 in the last three years immediately preceding the year of issue of this Preliminary Placement Document, nor have there been any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document involving our Company or our Subsidiaries.

G. ***Details of acts of material frauds committed against our Company in the last three years, if any, and if so, the action taken by our Company***

There have been no material frauds committed against our Company in the last three years preceding the date of this Preliminary Placement Document.

H. ***Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues; debentures and interests thereon; deposits and interest thereon; and loan from any bank or financial institution and interest thereon***

Our Company has no outstanding defaults dues payable to holders of any debentures and interest thereon, deposits and interest thereon and loans and interest thereon from any bank or financial institution.

Except as disclosed below, our Company has no outstanding statutory dues:

Nature of Due*	Amount Unpaid (in ₹ million)
Customs Duty	342.93
Provident Fund	22.40
Value Added Tax	0.68
Income Tax	182.14
Total	548.15

**These disputes are pending for more than a year.*

I. *Details of defaults in annual filing of our Company under the Companies Act, 2013 and the rules made thereunder*

As on the date of this Preliminary Placement Document, our Company has not made any default in annual filings of our Company under the Companies Act, 2013 and the rules made thereunder.

J. *Details of significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations*

There are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations.

K. *Reservations, qualifications or adverse remarks of auditors in the last five Fiscals immediately preceding the year of this Preliminary Placement Document and their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remarks*

There are no reservations, qualifications or adverse remarks of our statutory auditors in their respective reports on our audited financial statements for the last five Fiscals preceding the date of this Preliminary Placement Document.

OUR STATUTORY AUDITORS

In terms of the provisions of Section 139 of the Companies Act, 2013, Deloitte Haskins & Sells LLP, Chartered Accountants, were appointed as our Company's Statutory Auditors pursuant to a resolution adopted by our Shareholders at the AGM held on September 20, 2017, for a period of five years.

Deloitte Haskins & Sells LLP, Chartered Accountants, have performed limited review of the Interim Consolidated Financial Statements for the six months ended September 30, 2020 (including the comparative financial information with respect to the six months ended September 30, 2019) and have issued a review report dated November 11, 2020, thereon, which is included in this Preliminary Placement Document in "***Financial Information***" on page 231. Deloitte Haskins & Sells LLP, Chartered Accountants, have also audited the Audited Consolidated Financial Statements for Fiscal 2020, Fiscal 2019 and Fiscal 2018 and their audit reports on those financial statements are included in this Preliminary Placement Document in "***Financial Information***" on page 231.

FINANCIAL INFORMATION

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INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF
APOLLO HOSPITALS ENTERPRISE LIMITED

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **APOLLO HOSPITALS ENTERPRISE LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the net loss after tax and the total comprehensive loss of its associates and joint ventures for the three and six months ended September 30, 2020, ("the Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:

Name of the Company	Relationship
Apollo Hospitals Enterprise Limited	Parent
Apollo Home Healthcare (India) Limited	Subsidiary
Apollo Home Healthcare Limited	Subsidiary
AB Medical Centres Limited	Subsidiary

Name of the Company	Relationship
Samudra Health Care Enterprises Limited	Subsidiary
Imperial Hospitals & Research Centre Limited	Subsidiary
Apollo Hospitals (UK) Limited	Subsidiary
Apollo Health and Lifestyle Limited (AHLL)	Subsidiary
Alliance Dental Care Limited	Subsidiary of AHLL
Apollo Dialysis Private Limited	Subsidiary of AHLL
Apollo Sugar Clinics Limited	Subsidiary of AHLL
Apollo Specialty Hospitals Private Limited	Subsidiary of AHLL
AHLL Diagnostics Limited	Subsidiary of AHLL
AHLL Risk Management Private Limited	Subsidiary of AHLL
Apollo Bangalore Cradle Limited	Stepdown Subsidiary of AHLL
Kshema Healthcare Private Limited	Stepdown Subsidiary of AHLL
Apollo Nellore Hospital Limited	Subsidiary
Sapien Bio-sciences Private Limited	Subsidiary
Apollo Hospitals International Limited (AHIL)	Subsidiary
Apollo-Amrish Oncology Services Private Limited	Associate of AHIL
Apollo CVHF Limited	Subsidiary of AHIL
Western Hospitals Corporation Limited	Subsidiary
Apollo Lavasa Health Corporation Limited	Subsidiary
Apollo Rajshree Hospital private Limited	Subsidiary
Future Parking Private Limited	Subsidiary
Total Health	Subsidiary
Apollo Hospitals Singapore Pte Limited	Subsidiary
Assam Hospitals Limited	Subsidiary
Apollo Medical Private Limited (AMPL)	Associate
Apollo Pharmacy Limited	Subsidiary of AMPL
Apollo Gleneagles Hospitals Limited	Joint venture
Apollo Gleneagles PET-CT private Limited	Joint venture
ApoKos Rehab Private limited	Joint venture
Medics International Lifesciences Limited	Joint Venture

Name of the Company	Relationship
Family Health Plan Insurance (TPA) Limited	Associate
Indraprastha Medical Corporation Limited	Associate
Stemcyte India Therapeutics Private Limited	Associate

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 8 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We draw attention to Note 10 to the Statement in respect of proceedings initiated against the subsidiary, Imperial Hospitals & Research Centre Limited, by the Government of Karnataka, as reported by the other auditors of the said subsidiary company. Our conclusion on the Statement is not modified in respect of this matter.

7. We draw your attention to Note 9 to the Statement, which describes Management's assessment of the impact of COVID -19 pandemic on significant uncertainties involved in in developing some of the estimates involved in preparation of the financial results including recoverability of receivables, Property, plant & equipment including Capital work in progress and certain investments. Based on information available as of this date, Management believes that no further adjustments are required to the financial results. However, in view of the highly uncertain economic environment, a definitive assessment of the impact is highly dependent upon circumstances as they evolve in future and the actual results may differ from those estimated as at the date of approval of these financial results. Our conclusion on the Statement is not modified in respect of this matter.

8. We did not review the interim financial results of 19 subsidiaries included in the consolidated unaudited financial results, whose interim financial results reflect total assets of Rs. 1,37,585 lakhs as at September 30, 2020, total revenues of Rs. 21,754 lakhs and Rs. 35,866 lakhs for the three and six months ended September 30, 2020, total net profit after tax of Rs. 1,281 lakhs and loss after tax of Rs. 769 lakhs for the three and six months ended September 30, 2020 respectively and total comprehensive income of Rs. 1,325 lakhs and total comprehensive loss of Rs. 725 lakhs for the three and six months ended September 30, 2020 respectively and net cash flows of Rs. 935 lakhs for six months ended September 30, 2020 as considered in the Statement. The

consolidated unaudited financial results also includes the Group's share of loss after tax of Rs. 714 lakhs and Rs. 1,353 lakhs for the three and six months ended September 30, 2020 respectively and total comprehensive loss of Rs. 680 lakhs and Rs. 1,314 lakhs for the three and six months ended September 30, 2020 respectively, as considered in the Statement, in respect of 1 joint ventures and 3 associates, whose interim financial results have not been reviewed by us. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of these matters.

9. The consolidated unaudited financial results includes the interim financial results of 4 subsidiaries which have not been reviewed by their auditors, whose interim financial results reflect total assets of Rs. 5,209 lakhs as at September 30, 2020, total revenue of Rs. Nil and Rs. Nil for the three and six months ended September 30, 2020 respectively, total loss after tax (net) of Rs. 36 lakhs and Rs. 28 lakhs for the three and six months ended September 30, 2020 respectively and total comprehensive loss (net) of Rs. 36 lakhs and Rs. 28 lakhs for the three and six months ended September 30, 2020 respectively and net cash outflows of Rs.3 lakhs for the six months ended September 30, 2020 as considered in the Statement. The consolidated unaudited financial results also include the Group's share of profit after tax of Rs. 421 lakhs and Rs. 506 lakhs for the three and six months ended September 30, 2020 respectively and total comprehensive income of Rs. 421 lakhs and Rs. 506 lakhs for the three and six months ended September 30, 2020 respectively, as considered in the Statement, in respect of 2 joint venture and 2 associates, based on its interim financial information which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, these interim financial information are not material to the Group.

   Our Conclusion on the Statement is not modified in respect of our reliance on the interim financial results certified by the Management.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Vikas Bagaria
Partner
(Membership No. 060408)

Place: Bengaluru
Date: November 11, 2020

Apollo Hospitals Enterprise Limited
Corporate Identity Number : L85110TN1979PLC008035
Regd. Office : No. 19 Bishop Gardens, Raja Annamalaipuram, Chennai - 28, Tamil Nadu
Tel No. 44-28290956 , Fax+ 91-44-282 90956, Email : investor.relations@apollohospitals.com
Website: www.apollohospitals.com

Statement of Unaudited Consolidated Financial Results for the three and six months ended September 30, 2020

(Rs. in lakhs)

	Particulars	Three months ended 30/09/2020	Preceeding three months ended 30/06/2020	Corresponding Three months ended 30/09/2019	Year to date figures for current period ended 30/09/2020	Year to date figures for previous period ended 30/09/2019	Previous year ended 31/03/2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	**Income**						
	(a) Revenue from Operations	276,072	217,150	284,074	493,222	541,263	1,124,680
	(b) Other Income	1,132	772	350	1,904	1,336	2,697
	Total Income	**277,204**	**217,922**	**284,425**	**495,125**	**542,600**	**1,127,377**
2	**Expenses**						
	(a) Cost of Materials Consumed	43,261	27,681	47,099	70,942	89,971	180,923
	(b) Purchases of Stock-in-Trade	105,792	107,325	93,279	213,117	177,014	379,667
	(c) Changes in inventories of stock-in-trade	1,457	(13,253)	(3,091)	(11,796)	(5,922)	(10,703)
	(d) Employee Benefits Expense	41,157	44,864	46,865	86,021	90,206	185,292
	(e) Finance Costs	12,230	12,739	13,434	24,969	26,011	53,277
	(f) Depreciation and amortisation expense	14,945	16,018	15,451	30,963	29,852	61,969
	(g) Other Expenses	54,422	46,985	58,574	101,407	112,274	230,772
	Total Expenses	**273,263**	**242,360**	**271,611**	**515,623**	**519,406**	**1,081,197**
3	**Profit / (Loss) before share of profit in associates / joint ventures and exceptional items (1) - (2)**	**3,941**	**(24,438)**	**12,814**	**(20,497)**	**23,194**	**46,180**
4	Share of profit / (Loss) of associates / joint ventures	(926)	(2,263)	552	(3,189)	(388)	(311)
5	**Profit / (Loss) before exceptional item and tax (3) + (4)**	**3,015**	**(26,701)**	**13,365**	**(23,686)**	**22,805**	**45,869**
6	Exceptional Item (Refer Note 7)	3,544		-	3,544		19,830
7	**Profit / (Loss) before tax (5) + (6)**	**6,560**	**(26,701)**	**13,365**	**(20,142)**	**22,805**	**65,699**
8	**Tax Expenses**						
	Current Tax**	(1,750)	828	6,131	(922)	12,216	12,720
	Deferred Tax**	2,410	(4,904)	(1,076)	(2,494)	(2,636)	9,799
9	**Profit / (Loss) after tax (7) - (8)**	**5,899**	**(22,626)**	**8,311**	**(16,727)**	**13,226**	**43,180**
10	**Other Comprehensive Income**						
	Items that will not be reclassified to Profit or Loss						
	Remeasurement gains / (losses) on defined benefit plan	(537)	(240)	(727)	(777)	(516)	(126)
	Equity instruments through other comprehensive income	-	-	-			(11)
	Tax on above	188	84	179	272	107	77
	Total Other Comprehensive Income/ (Expense)	**(350)**	**(156)**	**(548)**	**(506)**	**(409)**	**(60)**
11	**Total Comprehensive Income / (Expense) for the period (after tax) (9) + (10)**	**5,549**	**(22,782)**	**7,763**	**(17,232)**	**12,817**	**43,120**
	Profit / (Loss) for the period attributable to:						
	Owners of the parent	6,027	(20,819)	8,624	(14,792)	14,344	45,494
	Non-controlling interest	(129)	(1,805)	(314)	(1,934)	(1,119)	(2,314)
	Other Comprehensive Income/ (Expense) Loss for the period attributable to:						
	Owners of the parent	(361)	(156)	(353)	(517)	(214)	(56)
	Non-controlling interest	12	-	(195)	12	(195)	(4)
	Total Comprehensive Income / (Expense) for the period attributable to:						
	Owners of the parent	5,665	(20,975)	8,271	(15,310)	14,130	45,438
	Non-controlling interest	(118)	(1,805)	(509)	(1,923)	(1,314)	(2,318)
12	Paid-up equity share capital (Face value Rs.5/- per share)						6,956
	Reserves (excluding Revaluation Reserves)						326,209
13	**Earnings per equity share of Rs.5/- each**						
	Basic and Diluted EPS before extraordinary items for the period (Rs.)	*4.33	*(14.96)	*6.20	*(10.63)	*10.31	32.70
	Basic and Diluted EPS after extraordinary items for the period (Rs.)	*4.33	*(14.96)	*6.20	*(10.63)	*10.31	32.70

*Not annualised

** Current tax and Deferred Tax expense for three and six months ended September 30, 2020 includes tax of prior year amounting to Rs.1,550 lakhs

Apollo Hospitals Enterprise Limited
Regd. Office : No. 19 Bishop Gardens, Raja Annamalaipuram, Chennai - 28, Tamil Nadu

Consolidated Balance Sheet

(Rs. in Lakhs)

Particulars	**As at 30-Sep-20**	**As at 31-Mar-20**
	Unaudited	Audited
ASSETS		
Non-current assets		
(a) Property, Plant and Equipment	512,239	540,443
(b) Right-Of-Use Asset	93,694	164,742
(c) Capital work-in-progress	21,108	20,915
(d) Investment Property	561	592
(e) Goodwill	33,549	34,621
(f) Other Intangible assets	3,498	2,821
(h) Intangible assets under development	5,460	2,647
(g) Financial Assets		
(i) Investments in Equity accounted investee	32,916	32,407
(ii) Other Investments	3,419	3,507
(iii) Loans	2,521	2,306
(iv) Other financial assets	13,597	23,373
(i) Deferred tax Asset	5,524	4,963
(j) Income Tax assets (Net)	31,854	28,114
(k) Other non-current assets	5,449	7,708
Total Non - current assets	**765,390**	**869,159**
Current assets		
(a) Inventories	25,099	73,783
(b) Financial assets		
(i) Investments	135	7,487
(ii) Trade receivables	114,146	102,724
(iii) Cash and cash equivalents	53,656	38,068
(iv) Bank balances	14,995	8,607
(v) Loans	350	700
(vi) Other financial assets	26,714	10,180
(c) Contract assets	9,856	6,633
(d) Other current assets	20,593	16,510
Total current assets	**265,545**	**264,691**
Total Assets	**1,030,935**	**1,133,850**
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share Capital	6,956	6,956
(b) Other Equity	306,615	326,985
Equity attributable to owners of the Company	313,571	333,941
Non-controlling Interests	12,486	13,058
Total Equity	**326,058**	**346,999**
Liabilities		
Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	313,723	302,138
(ii) Other financial liabilities	169,879	250,162
(b) Provisions	1,672	1,013
(c) Deferred tax liabilities	27,165	29,429
(d) Other non-current liabilities	14	14
Total Non - Current Liabilities	**512,453**	**582,756**
Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	13,324	25,809
(ii) Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises; and	791	1,000
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	96,249	89,855
(iii) Other financial liabilities	57,379	56,240
(b) Other current liabilities	14,585	18,868
(c) Provisions	10,085	12,303
(d) Current Tax Liabilities (Net)	12	19
Total Current Liabilities	**192,424**	**204,094**
Total Liabilities	**704,878**	**786,851**
Total Equity and Liabilities	**1,030,935**	**1,133,849**

Apollo Hospitals Enterprise Limited
Regd. Office : No. 19 Bishop Gardens, Raja Annamalaipuram, Chennai-28, Tamil Nadu

Consolidated Segment wise Revenue, Results, Segment Assets and Segment Liabilities

(Rs. in Lakhs)

Particulars	Three months ended 30/09/2020	Preceeding Three months ended 30/06/2020	Corresponding Three months ended 30/09/2019	Year to date figures for current period ended 30/09/2020	Year to date figures for previous period ended 30/09/2019	Previous Year ended 31/03/2020
	Unaudited	**Audited**	**Unaudited**	**Unaudited**	**Unaudited**	**Audited**
1.Segment Revenue						
a) Healthcare Services	124,270	79,527	149,272	203,796	285,127	575,036
b) Retail Pharmacy	99,070	127,915	117,266	226,984	222,950	482,064
c) Clinics	17,152	10,243	18,146	27,395	34,366	69,636
d) Others	103	100	109	203	217	438
e) Pharmacy Distribution	36,118	-	-	36,118	-	-
SUB - TOTAL	276,712	217,784	284,792	494,497	542,659	1,127,174
Less : Intersegmental Revenue	641	635	719	1,275	1,397	2,494
Income from Operations	**276,071**	**217,150**	**284,073**	**493,222**	**541,262**	**1,124,680**
2. Segment Results						
a) Healthcare Services	6,404	(18,133)	19,354	(11,730)	36,675	70,244
b) Retail Pharmacy	6,729	8,196	7,083	14,926	12,922	29,017
c) Clinics	13	(2,453)	(381)	(2,440)	(1,519)	(2,186)
d) Others	(66)	(81)	(159)	(147)	(210)	(315)
e) Pharmacy Distribution	1,958	-	-	1,958	-	-
SUB - TOTAL	**15,038**	**(12,471)**	**25,898**	**2,567**	**47,869**	**96,760**
Less : (i) Finance Cost	12,230	12,739	13,434	24,969	26,011	53,277
Add: (ii) Other un-allocable income, (net of expenditure)	1,132	772	350	1,904	1,336	2,697
Add: (iii) Exceptional item (Refer Note 7)	3,544	-	-	3,544	-	19,830
Profit / (Loss) Before Tax	**7,485**	**(24,438)**	**12,815**	**(16,953)**	**23,195**	**66,010**
3. Capital employed						
a) Healthcare Services *						
Segment Assets	788,106	760,769	752,393	788,106	752,393	760,180
Segment Liabilties	(238,831)	(237,602)	(228,654)	(238,831)	(228,654)	(228,645)
b) Retail Pharmacy						
Segment Assets	-	210,960	186,694	-	186,694	205,500
Segment Liabilties	-	(116,370)	(97,277)	-	(97,277)	(112,755)
c) Clinics						
Segment Assets	81,680	80,898	79,648	81,680	79,648	82,317
Segment Liabilties	(64,616)	(62,829)	(61,120)	(64,616)	(61,120)	(63,665)
d) Others						
Segment Assets	4,708	4,699	4,799	4,708	4,799	4,774
Segment Liabilties	(1,958)	(1,875)	(1,800)	(1,958)	(1,800)	(1,948)
e) Pharmacy Distribution						
Segment Assets	74,565	-	-	74,565	-	-
Segment Liabilties	(27,451)	-	-	(27,451)	-	-
f) Unallocated						
Segment Assets	81,874	73,136	96,312	81,874	96,312	81,078
Segment Liabilties	(384,507)	(399,866)	(425,266)	(384,507)	(425,266)	(392,895)
Total	**313,571**	**311,920**	**305,729**	**313,571**	**305,729**	**333,941**
* Includes Capital employed in various hospital projects under construction and intangibles under development	26,568	21,483	46,846	26,568	46,846	23,561

Apollo Hospitals Enterprise Limited
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Unaudited Standalone Cash Flow Information

(Rs. in Lakhs)

PARTICULARS	Year to date figures for current period ended	Year to date figures for previous period ended
	30-Sep-20	30-Sep-19
	Unaudited	Unaudited
Cash flow from Operating Activities		
Profit for the year	(17,232)	13,226
Operating Profit before working capital changes	57,993	81,336
Net cash generated from operating activities (A)	26,450	36,267
Net cash (used in) / generated from Investing Activities (B)	35,191	(16,973)
Net cash (used in) / generated from Financing Activities (C)	(44,402)	(14,169)
Net Increase in cash and cash equivalents (A+B+C) = (D)	17,239	5,125
Cash and cash equivalents at the beginning of the year (E)	38,068	28,261
Less: Transferred pursuant to the Scheme (Refer Note 7)	(1,651)	-
Cash and cash equivalents at the end of the year (D) +(E)	53,656	33,746

NOTES:

1. The unaudited consolidated financial results of Apollo Hospitals Enterprise Limited ("the Group") and its subsidiaries (referred to as "Group") and its share of profit/loss of its associates and joint ventures, for the three and six months ended September 30, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meetings held on November 10, 2020 and November 11, 2020, respectively and have been subjected to limited review by the statutory auditors.

2. The Board of Directors, in their meeting held on November 11, 2020 have approved the proposal for executing a definitive Share Purchase Agreement (SPA) for the acquisition of 50% equity stake held by Gleneagles Development PTE Limited, Singapore, in Apollo Gleneagles Hospital Limited, Kolkata ("AGHL"), a joint venture in which the Group holds a 50% equity stake, for a cash consideration of Rs 41,000 lakhs. Pending execution of the said SPA and completion of the other allied conditions, no effect of the acquisition has been given in these consolidated financial results.

3. The Board of Directors have approved the proposal to raise funds by way of issue of securities through preferential allotment and / or Qualified Institutional Placement (QIP) or any equivalent capital raising method permitted by applicable laws, subject to approval of the shareholders , up to a maximum aggregate limit of Rs. 150,000 lakhs.

4. The listed non-convertible debentures of the Company aggregating to Rs. 50,000 lakhs as on September 30, 2020 are secured by way of first charge on the Group's properties and the asset cover thereof exceeds hundred percent of the principal amount of the said debentures.

5. The Group's debt instruments were assigned a rating of AA/Stable by CRISIL indicating high degree of safety.

6. Details of Secured Non-Convertible Debentures are as follows:

Sr.No	Particulars	Previous Due Date (April 1, 2020 to September 30, 2020)		Next Due Date (October 1, 2020 to March 31, 2021)	
		Principal	Interest	Principal	Interest
1	3000 Secured Redeemable Non Convertible Debentures of Rs. 10 lakhs each aggregating to Rs. 30000 lakhs	-	-	**	October 7,2020 **
2	2000 Secured Redeemable Non Convertible Debentures of Rs. 10 lakhs each aggregating to Rs. 20000 lakhs	-	March 7, 2020	NA	March 7, 2021

Interest has been paid on the due dates
** The debentures were redeemed fully on October 7, 2020 upon exercise of call option by the Company.

7. The Scheme of Arrangement ('the Scheme') for transfer of front-end retail pharmacy business included in the standalone pharmacy segment ('divestment business') to Apollo Pharmacies Limited ('APL' or 'Transferee Company'), a wholly owned subsidiary of Apollo Medicals Private Limited ('AMPL') for an overall cash consideration of Rs.52,780 lakhs was approved by the National Company Law Tribunal vide their Order dated August 3, 2020.

   Pursuant to the Scheme becoming effective, the Company invested Rs.3,650 lakhs and its ownership interest in AMPL changed to 25.50%, resulting in loss of control with effect from September 1, 2020. Net gain associated with the loss of control of Rs. 3,544 lakhs has been included under Exceptional items.

   Retail Pharmacy segment as presented in these consolidated financial results includes transactions of the divestment business till the effective date. Post the disposal of the divestment business, the Company has identified Pharmacy distribution as a new segment with effect from September 1, 2020. The Company henceforth has Healthcare and Pharmacy Distribution as its operating and reportable segments. Healthcare segment represents hospitals and hospital based pharmacies. Pharmacy distribution segment represents the business of procurement and distribution of pharmaceutical, Fast Moving Consumer Goods (FMCG) and private label products.

8. The Board of Directors at its meeting held on February 13, 2020 approved the proposal for merger of the following wholly owned subsidiary companies with the Company.

   - Apollo Home Healthcare (India) Limited and
   - Western Hospitals Corporation Private Limited

   The Company has since filed the requisite applications with NCLT seeking dispensing of convening shareholders / creditors meetings of the Company.

9. The Management has considered the possible effects if any that may result from the pandemic relating to COVID-19 on recoverability of receivables, Property, plant & equipment including Capital work in progress and certain investments. The Group has considered internal and external information up to the date of approval of these financial results. Based on the current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets. The actual outcome of these assumptions and estimates may vary in future due to the impact of the pandemic. The Group will continue to monitor any material changes to future economic conditions and the consequent impact on its business, if any, and any significant impact of these changes would be recognized in the financial results as and when these material changes to economic conditions arise.

10. The proceedings initiated against Imperial Hospitals and Research Centre Limited, a subsidiary company, by the Government of Karnataka alleging, non-compliance of certain conditions associated with the allotment of land, has been stayed by the Honourable High Court of Karnataka on April 27, 2018. Based on legal opinion, the management is of the opinion that it has adequate grounds to demonstrate compliance with applicable conditions and therefore the proceedings are not sustainable. There have been no further developments during this quarter.

11. The Board of Directors, in their meeting held on November 11, 2020 have also approved the proposal to acquire an additional 1% equity stake in Medics International Life Sciences Limited, an unlisted public limited company which runs a 330 bedded multi-speciality hospital in Lucknow, in which it already holds a 50% equity stake for a consideration of Rs. 398 lakhs. Consequent to this, Medics International Life Sciences Limited will become a subsidiary of the Group. Pending execution of the transaction, no effect of the acquisition has been given in these consolidated financial results.

12. The aforesaid financial results are also available on the Company's website (www.apollohospitals.com).

For APOLLO HOSPITALS ENTERPRISE LIMITED

Place: Chennai
Date: November 11, 2020

Dr. Prathap C Reddy
Executive Chairman

INDEPENDENT AUDITOR'S REPORT
To The Members of Apollo Hospitals Enterprise Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Apollo Hospitals Enterprise Limited ("the Company"/ "Parent Company") and its subsidiaries, (the Company and its subsidiaries together referred to as "the Group") which includes Group's share of profit /loss in its associates and joint ventures, which comprise the Consolidated Balance Sheet as at 31 March 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries, associates and joint ventures referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to Note 5 (iv) to the consolidated financial statements in respect of proceedings initiated against the company's subsidiary, Imperial Hospital & Research Centre Limited, by the Government of Karnataka. The above matter has also been reported in the Emphasis of Matter paragraph in the Audit report of the standalone financial statements of the said subsidiary company audited by other auditors.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	Auditor's Response
Adoption of IND AS 116 on Leases ('new standard') relating to the Parent The Parent adopted the new accounting Indian Accounting Standard IND AS 116 on "Leases" with effect from April 1, 2019. This standard requires lessees to recognise Right-of-use assets and a financial lease liability. Leases are capitalized as Right-of-use assets based on the present value of lease payments and are depreciated over the lease term. Interest on lease liability is recognised in statement of profit and loss at a constant rate over the lease term. The Parent adopted modified retrospective method except for one lease arrangement for which the modified prospective approach has been used and the cumulative effect of initial application is recognised in retained earnings as at April 1, 2019. The comparative figures have not been restated. The first time adoption of this standard has resulted in a significant impact on the opening retained earnings and also on the interest cost and depreciation in the current year. Refer Note 52 for the disclosure on leases which includes ₹ 2,109 million impact on opening retained earnings, ₹ 1,273 million of interest cost and ₹ 1,535 million depreciation recognised in current year relating to the Parent. Accounting for leases under IND AS 116 involves use of judgements, estimates and assumptions that impact the amounts recognized as right-of-use assets and lease liabilities, which include: • Assessment of the lease term including extension options • Discount rates used Considering the significant judgments involved as mentioned above and that the Parent has a large number of leases with different contractual terms, we identified the adoption of IND AS 116 as a key audit matter.	We performed the following key audit procedures: 1. Tested the design and implementation and the operating effectiveness of controls relating to the adoption of the new standard including controls over identification of leases, assessment of the lease term and the computation of lease liability and recognition of right-of-use assets 2. Understood the process by which the management compiled the lease agreements and the nature of the various lease agreements entered into by the Parent 3. Tested the completeness and nature of lease agreements included for measurement under the new standard by review of the rental schedules, scrutiny of general ledger accounts, enquiries with the operations teams and review of the key terms of the contract with the underlying lease agreements, on a sample basis, for each nature of lease 4. In addition to review of underlying lease agreements on a sample basis, we assessed the reasonableness of the lease term considered by the management, by additionally considering the significant leasehold improvements undertaken and the importance of the underlying asset to the lessee's operations 5. Tested the calculation of the initial recognition of the right-of-use assets and lease liabilities by re-performing the calculation on a sample basis and tested the appropriateness of the discount rate applied on initial recognition (the incremental borrowing rate) 6. With respect to the new lease agreements entered into during the year, we tested the key terms of the contract by review of the underlying lease agreements and analysed the accounting impact of the same, including the appropriateness of the discount rate applied (the incremental borrowing rate) 7. Tested the calculation of interest expense on lease liability and depreciation charge for the right-of-use asset by re-performing the calculation on a sample basis 8. Assessed whether the related disclosures as per Note 52 and note 6 are consistent with the requirements of the new standard.

Key Audit Matters	Auditor's Response
Existence of inventories as at the year end of the Parent (Refer Note 15 to the consolidated financial statements of which ₹ 7,074 million relates to the Parent) The Parent has its inventory spread across its hospitals, pharmacies (standalone pharmacies and hospital based pharmacies including hospitals where the Parent operates pharmacies under pharmacy medical license) and distribution centers. The Parent has a policy of performing periodic cycle counts of its inventory at the pharmacies and distribution centers, which are performed either by an independent team or by internal auditors (external firms of chartered accountants). The physical verification of inventory at hospitals is being performed on a half yearly basis. The year-end verification is being performed by the Parent in a phased manner, under the supervision of the internal auditors (external firm of chartered accountants) considering the high volume of the number pharmacies and distribution centers. Due to the lockdown imposed by the Government on account of the COVID-19 pandemic, the Parent was not able to complete the physical verification of all the locations before the year end and have performed physical verification of inventory at majority of its distribution centers and certain hospitals after the year end by engaging the internal auditors (external firms of chartered accountants) or by engaging other firms of chartered accountants to attend the physical verification. We were not able to participate in the physical verification of inventory conducted by the Management subsequent to the year end and have performed alternate procedures to audit the existence of inventory as prescribed by the Standards on Auditing and have therefore identified this as a key audit matter.	With respect to existence of inventories at the locations of the Parent not visited by us as at the year end, we performed the following procedures: 1. Understood and evaluated the management's internal controls process to establish the existence of inventory such as (a) the process of periodic physical verification carried out by the Management, the scope and coverage of the periodic verification programme, the results of such verification including analysis of discrepancies, if any; (b) reports of the independent chartered accountants appointed by the Management to physically verify the inventory of the Parent located at pharmacies and distribution centers; (c) maintenance of stock records at all locations 2. Understood and evaluated the competence, independence and objectivity of the internal auditors and the other firms of chartered accountants engaged by the Management of the Parent. 3. Issued instructions to the internal auditors and other firms of chartered accountants engaged by the Management of the Parent on the procedures to be performed on attending the physical verification and issued reporting deliverables to be provided to us after the inventory counts. 4. On a sample basis virtually participated the observation of the physical verification conducted by the Management of the Parent subsequent to the year end. 5. Performed appropriate roll back procedures from the date of the physical verification to the year end.

Key Audit Matters	Auditor's Response
Allowances for credit losses (Parent) As stated in Note 13, the Parent has determined the allowance for credit loss based on historical loss experience which is adjusted to reflect current and estimated future economic conditions. The historical loss experience model required revisions considering the overall economic conditions and its impact on the customers' business operations/ability to pay dues. Based on such analysis the Parent has recorded an allowance aggregating to ₹ 719 million out of ₹ 1,193 million as included in Note 13 of the consolidated financial statements. We identified allowance for credit losses as a key audit matter because the Company exercises significant judgment in calculating the expected credit losses.	We performed the following key audit procedures: 1. We tested the design and implementation and operating effectiveness of controls over (a) development of methodology for the allowance for credit losses, including consideration of the overall economic conditions (b) completeness and accuracy of information used in estimation of the probability of default (c) computation of the expected credit loss allowances. 2. For a sample of customers under each category, verified publicly available credit reports and other information relating to the Company's customers to test if the Management of the Parent had correctly considered the adjustments to credit risk. 3. Recomputed the expected credit loss allowance considering the above determined input data and compared the amounts so recomputed with the amounts recorded by the Management to determine if there were any material differences individually or in the aggregate

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent Company's Board of Directors is responsible for other information. The other information comprises the information included in the Corporate Review, Management Discussion and Analysis, Directors' Report to the shareholders including Annexures to Directors' Report, Business Responsibility Report, Corporate Governance Report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries, associates and joint ventures audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, associates and joint ventures is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associates and joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

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

such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

(a) We did not audit the financial statements of 20 subsidiaries, whose financial statements reflect total assets of ₹ 14,257 million as at March 31, 2020, total revenues of ₹ 8,289 million, and net cash inflows amounting to ₹ 127 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss after tax of ₹ 77 million for the year ended March 31, 2020, as considered in the consolidated financial statements, in respect of 3 associates and 3 joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on the reports of the other auditors.

(b) The consolidated financial statements also include 3 subsidiaries whose financial statements reflect total assets of ₹ 158 million as at March 31, 2020 and total revenue of ₹ Nil and net cash outflows of ₹ 0.14 million for the year ended March 31, 2020 whose financial statements have not been audited by us. The Group's share of net loss after tax of ₹ 11 million for the year ended March 31, 2020, as considered in the consolidated financial statements, in respect of 1 associate, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements and other information of the subsidiaries, associates and joint ventures referred to in the Other Matters section above we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent Company as on March 31, 2020 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture companies incorporated in India, none of the directors of the Group companies, its associate companies and joint venture companies incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent Company, subsidiary companies, associate companies and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies. With respect to the associate, Stemcyte India Therapeutics Private Limited, a Private Limited Company incorporated in India, covered by the exemption under notification number GSR 464(E) dated June 5, 2015 as amended by notification number GSR 583(E) dated June 13, 2017, reporting on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 is not applicable for the year ended March 31, 2020, based on the corresponding report of the auditor of the said associate.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

    i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures;

    ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

    iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent Company and its subsidiary companies, associate companies and joint venture companies incorporated in India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018

Vikas Bagaria
Partner
Membership No. 060408
(UDIN 20060408AAAABQ6617)

Place : Bengaluru
Date : July 24, 2020

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (f) under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Apollo Hospitals Enterprise Limited (hereinafter referred to as "Company"/"Parent Company") and its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary companies, associates companies and joint ventures, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent Company, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 14 subsidiary companies, 2 associate companies and 3 joint ventures, which are incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018

Vikas Bagaria
Partner
Membership No. 060408
(UDIN 20060408AAAABQ6617)

Place : Bengaluru
Date : July 24, 2020

CONSOLIDATED BALANCE SHEET

Consolidated Financial Statements for the year ended March 31, 2020

(All amounts are in ₹ Million unless otherwise stated)

Particulars	Note	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	5	54,044	45,938
(b) Right-of-use assets	6	16,474	-
(c) Capital work-in-progress	5.1	2,091	8,218
(d) Investment Property	7	59	65
(e) Goodwill	8	3,462	3,462
(f) Other Intangible assets	9	282	351
(g) Intangible assets under development		265	-
(h) Financial Assets			
(i) Investments in Equity Accounted Investee	10	3,242	3,654
(ii) Other Investments	11	350	274
(iii) Loans	12	231	108
(iv) Other financial assets	14	2,337	2,351
(i) Deferred Tax Asset	25	496	174
(j) Income Tax Asset (Net)	27	2,811	2,539
(k) Other non-current assets	18	772	1,879
Total Non - Current Assets		**86,916**	**69,014**
Current assets			
(a) Inventories	15	7,378	5,848
(b) Financial assets			
(i) Investments	11	749	688
(ii) Trade receivables	13	10,272	10,232
(iii) Cash and cash equivalents	16	3,807	2,862
(iv) Bank balances	17	861	607
(v) Loans	12	70	80
(vi) Other financial assets	14	1,018	552
(c) Contract assets		663	735
(d) Other current assets	18	1,651	1,213
Total Current Assets		**26,469**	**22,817**
Total Assets		**113,384**	**91,831**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	19	696	696
(b) Other equity	20	32,695	32,639
Equity attributable to owners of the Company		33,391	33,335
Non-Controlling Interest	21	1,307	1,355
Total Equity		**34,698**	**34,689**
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	28,520	29,521
(ii) Other financial liabilities	23	23,749	4,774
(b) Provisions	24	101	114
(c) Deferred tax liabilities (Net)	25	2,942	3,149
(d) Other non-current liabilities	29	1	30
Total Non - Current Liabilities		**55,313**	**37,588**
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	4,975	4,982
(ii) Trade payables	26		
(a) total outstanding dues of micro enterprises and small enterprises		100	104
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		8,988	7,027
(iii) Other financial liabilities	23	6,191	4,961
(b) Other current liabilities	29	1,887	1,448
(c) Provisions	24	1,230	1,022
(d) Current Tax Liabilities (Net)	28	2	11
Total Current Liabilities		**23,373**	**19,554**
Total Liabilities		**78,686**	**57,142**
Total Equity and Liabilities		**113,384**	**91,831**

The accompanying notes form an integral part of these consolidated financial statements

As per our report of even date attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018

Vikas Bagaria
Partner
Membership No. 060408

Place : Bengaluru
Date : July 24, 2020

For and on behalf of the Board of Directors

Krishnan Akhileswaran
Chief Financial Officer

Dr. Prathap C Reddy
Executive Chairman

S M Krishnan
Vice President - Finance
& Company Secretary

Preetha Reddy
Executive Vice Chairperson

Place : Chennai
Date : June 25,2020

Suneeta Reddy
Managing Director

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

Statement of Profit and Loss for the period ended March 31 ,2020

All amounts are in ₹ Million except for earnings per share information

Particulars	Note	Year ended March 31, 2020	Year ended March 31, 2019
Income			
Revenue from Operations	30	112,468	96,174
Other Income	31	269	314
Total Income		**112,737**	**96,489**
Expenses			
Cost of materials consumed	32	18,092	16,449
Purchases of Stock-in-trade		37,967	30,876
Changes in inventory of stock-in-trade	33	(1,070)	(716)
Employee benefits expense	34	18,529	15,982
Finance costs	35	5,328	3,270
Depreciation and amortisation expense	36	6,197	3,955
Other expenses	37	23,077	22,947
Total expenses		**108,120**	**92,763**
Profit before exceptional items, share of net profits of investments accounted for using equity method and tax		**4,617**	**3,726**
Exceptional Items (Refer note 64)		**1,983**	**-**
Profit before share of net profits of investments accounted for using equity method and tax		**6,600**	**3,726**
Tax expense			
(1) Current tax (including tax expense of prior year)	38	1,309	993
(2) Deferred tax	38	943	741
Total tax expenses		**2,252**	**1,734**
Profit after tax		**4,349**	**1,992**
Share of net profit/ (loss) of associates and joint ventures accounted for using the equity method		(31)	10
Profit for the year		**4,317**	**2,002**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss (Net of tax of ₹7; Previous year of ₹160)			
(a) Remeasurement of the defined benefit plans	40	(5)	(288)
(b) Change in fair value of financial instruments measured at FVTOCI	49	(1)	(3)
Total Other Comprehensive Income		**(6)**	**(291)**
Total comprehensive income for the Year		**4,312**	**1,710**
Profit/(loss) for the year attributable to:			
Owners of the Company		4,548	2,360
Non-Controlling Interest		(231)	(359)
Other Comprehensive Income/ (expense) for the year attributable to:			
Owners of the Company		(6)	(292)
Non-Controlling Interest		-	1
Total Comprehensive Income/(loss) for the year attributable to:			
Owners of the Company		4,544	2,069
Non-Controlling Interest		(232)	(358)
Earnings per equity share of par value of ₹5 each			
Basic (in ₹)	42	32.70	16.97
Diluted (in ₹)	42	32.70	16.97

The accompanying notes form an integral part of these consolidated financial statements

As per our report of even date attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018

Vikas Bagaria
Partner
Membership No. 060408

Place : Bengaluru
Date : July 24, 2020

For and on behalf of the Board of Directors

Krishnan Akhileswaran
Chief Financial Officer

Dr. Prathap C Reddy
Executive Chairman

S M Krishnan
Vice President - Finance
& Company Secretary

Preetha Reddy
Executive Vice Chairperson

Place : Chennai
Date : June 25, 2020

Suneeta Reddy
Managing Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

a. Equity share capital

	Amount
Balance at April 1, 2018	**696**
Changes in equity share capital during the year	-
Balance at March 31, 2019	**696**
Changes in equity share capital during the year	-
Balance at March 31, 2020	**696**

b. Other Equity

	General reserve	Securities Premium Reserve	Capital Reserves	Other reserve #	Share Options Outstanding	Retained earnings	Items of Other Comprehensive Income (OCI)		Non Controlling Interest	Total
							Equity instruments through OCI	Defined benefit obligation		
Balance at April 1, 2018	**11,250**	**17,139**	**30**	**1,195**	**19**	**2,602**	**(5)**	**(410)**	**1,324**	**33,144**
Profit for the year and Other comprehensive income for the year, net of income tax	-	-	-	-	-	2,360	(3)	(289)	(358)	1,710
Payment of dividends (Including dividend distribution tax of ₹142 Million)						(837)				(837)
Gross Obligation over written Put Option on Non-controlling Interest (Refer note 58)						(382)			382	-
Adjustments towards Non Controlling Interest						(13)			13	-
Transfer to Reserves						-				-
Share-based compensation expense					9				4	13
Movement on account of change in shareholding of existing subsidiaries						(26)			(10)	(36)
Balance at March 31, 2019	**11,250**	**17,139**	**30**	**1,195**	**28**	**3,704**	**(7)**	**(699)**	**1,355**	**33,994**
Adjustment on adoption of Ind AS 116 (Refer note 52)						(2,699)				(2,699)
Adjusted balance as at April 1, 2019	11,250	17,139	30	1,195	28	1,005	(7)	(699)	1,355	31,295
Profit for the year and Other comprehensive income for the year, net of income tax						4,549	(1)	(5)	(232)	4,312
Dividends paid (including dividend distribution tax of ₹264)						(1,555)				(1,555)
Gross Obligation over written Put Option on Non-Controlling Interest (Refer note 58)						(211)			211	-
Adjustments towards Non Controlling Interest						-			(14)	(14)
Transfer to Retained Earnings from Debenture Redemption Reserve				(500)		500			-	-
Share-based compensation expense					2				1	3
Movement on account of change in shareholding of existing subsidiaries						(25			(14)	(39)
Balance at March 31, 2020	**11,250**	**17,139**	**30**	**695**	**30**	**4,263**	**(8)**	**(703)**	**1,307**	**34,002**

Other reserves includes Debenture Redemption Reserve, Revaluation reserve, Capital Redemption Reserve and Reserves arising on transition from Previous GAAP to IND AS which are not available for distribution.

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018

Vikas Bagaria
Partner
Membership No. 060408

Place : Bengaluru
Date : July 24, 2020

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
Vice President - Finance
& Company Secretary

Place : Chennai
Date : June 25, 2020

For and on behalf of the Board of Directors

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Executive Vice Chairperson

Suneeta Reddy
Managing Director

Consolidated Statement of Cash Flows

Consolidated Financial Statements for the year ended March 31, 2020
(All amounts are in ₹ Millions unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash flow from Operating Activities		
Profit for the year	4,317	2,002
Adjustments for:		
Depreciation and amortisation expense	6,197	3,955
Loss on Sale of Property Plant & Equipment	37	15
Profit on Sale of Investments (net)	(1,988)	-
Income tax expense	2,252	1,734
Finance costs	5,328	3,270
Interest income	(173)	(145)
Dividend income	-	(4)
Expected Credit Loss on trade receivables	752	657
Provision written back	(51)	(35)
Net gain/(loss) arising on financial assets designated as at FVTPL	(32)	(32)
Share-based compensation expense	3	13
Unrealised foreign exchange loss (net)	51	7
Operating Cash Flow before working capital changes	**16,693**	**11,436**
(Increase)/decrease in operating assets		
Inventories	(1,531)	(189)
Trade receivables	(845)	(2,642)
Other financial assets - Non current	(207)	180
Other financial assets - Current	(524)	806
Other non-current assets	353	(298)
Other current assets	(465)	129
Contract assets	72	(83)
	(3,147)	(2,098)
Increase/(decrease) in operating liabilities		
Trade payables	1,905	1,076
Other financial liabilities-Non current	299	53
Other financial liabilities-Current	(480)	(16)
Provisions	240	27
Other Non-Current Liabilities	(1)	-
Other Current Liabilities	480	497
	2,443	1,638
Cash generated from operations	15,990	10,976
Net income tax paid	**(3,061)**	**(1,924)**
Net cash generated from operating activities (A)	**12,928**	**9,052**
Cash flow from Investing Activities		
Purchase of Property Plant & Equipment	(5,130)	(6,789)
Proceeds from sale of Property Plant and Equipment	24	69
Investment in Bank Deposits	(253)	502

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Purchase of investments in Joint Venture	-	(910)
Purchase of Investments	(1,199)	(333)
Proceeds from sale of current investments	669	207
Proceeds from sale of investment in associate	2,826	-
Proceeds from current loan	10	-
Proceeds from Non-current loan	10	-
Interest received	154	145
Dividend Received	0.06	4
Net cash used in Investing Activities (B)	**(2,888)**	**(7,106)**
Cash flow from Financing Activities		
Proceeds from Borrowings	7,518	5,624
Repayment of Borrowings	(8,089)	(3,276)
Finance costs (including interest on lease liability)	(5,645)	(3,621)
Acquisition of Non-Controlling Interest in a subsidiary	(39)	(36)
Dividend paid on equity shares (including Dividend Distribution tax)	(1,551)	(837)
Payment towards lease liability	(1,289)	-
Net cash used in Financing Activities (C)	**(9,095)**	**(2,147)**
Net Increase in cash and cash equivalents (A+B+C) = (D)	945	(201)
Cash and cash equivalents at the beginning of the year (E)	2,862	3,063
Cash and cash equivalents at the end of the year (D) + (E)	**3,807**	**2,862**

Cash and non cash changes in liabilities arising from financing activities

Particulars	April 1, 2019	Cash flow	Non-cash changes			March 31, 2020
			Ind AS 116 adoption	Addition to lease liabilities	Foreign exchange movements	
Borrowings (inlcuding bank overdraft)	36,746	(571)	-	-	(219)	35,957
Lease Liabilities	-	(2,983)	19,132	4,102	-	20,250

Particulars	April 1, 2018	Cash flow	Non-cash changes Foreign exchange movements	March 31, 2019
Borrowings (including bank overdraft)	34,363	2,347	36	36,746

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018

Vikas Bagaria
Partner
Membership No. 060408

Place : Bengaluru
Date : July 24, 2020

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
Vice President - Finance
& Company Secretary

Place : Chennai
Date : June 25, 2020

For and on behalf of the Board of Directors

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Executive Vice Chairperson

Suneeta Reddy
Managing Director

Notes to the consolidated financial statements for the year ended March 31, 2020

1 General Information

Apollo Hospitals Enterprise Limited ('the Group' or 'the Company') is a public company incorporated in India. The address of its registered office and principal place of business is at 19, Bishop Gardens, Raja Annamalaipuram, Chennai, Tamilnadu. The main business of the Group is to enhance the quality of life of patients by providing comprehensive, high-quality hospital services on a cost-effective basis and providing / selling high quality pharma and wellness products through a network of pharmacies. The principal activities of the Group and its subsidiaries (hereinafter referred to as 'the group') include operation of multidisciplinary private hospitals, clinics,diagonostic centers and pharmacies.

Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of the Consolidated financial statements. These policies have been consistently applied to all the years presented unless otherwise stated.

2 Application of new and revised Ind ASs

The Group has applied all the Ind ASs notified by the MCA.

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method (except for one lease contract where modified prospective method is used) has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019. On transition, the adoption of the new standard resulted in recognition of 'Right-of-Use' asset and a lease liability as at April 1, 2019. The cumulative effect of applying the standard was debited to retained earnings, net of taxes.

The financial impact on initial application of this standard on the consolidated financial statements is disclosed as part of Note 52.

Appendix C to Ind AS 12 - Uncertainty over income tax treatments

Appendix C to Ind AS 12 clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. The adoption of Appendix C to Ind AS 12 did not have any material impact on the consolidated financial statements.

Amendment to Ind AS 19 - Plan Amendment, Curtailment or Settlement

The Ministry of Corporate Affairs issued amendments to Ind AS19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements requiring an entity to determine the current service costs and the net interest for the period after the remeasurement using the assumptions used for the remeasurement; and determine the net interest for the remaining period based on the remeasured net defined benefit liability or asset. The adoption of amendment to Ind AS 19 did not have any material impact on the consolidated financial statements.

Amendment to Ind AS 12 – Income Taxes

The Ministry of Corporate Affairs issued amendments to IndAS 12 – Income Taxes. The amendments clarify that an entity shall recognize the income tax consequences of dividends on financial instruments classified as equity according to where the entity originally recognized those past transactions or events that generated distributable profits were recognized. The adoption of amendment to Ind AS 12 did not have any material impact on the consolidated financial statements.

2.1 New Accounting Standard not yet adopted

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

3.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act 2013 (the Act) and other relevant provisions of the act.

The financial statements were authorised for issue by the Group's Board of Directors on June 25 , 2020

3.2 Basis of preparation and presentation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

The Signficant accounting policies are set out below.

3.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Group and its subsidiaries. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated. Profits and losses on items of property, plant and equipment and inventory acquired from other group entities are also eliminated.

The following subsidiaries were consolidated as at March 31, 2020:

Name of the Subsidiary/Step down Subsidiary	Country of Incorporation	% of holding	
		As at March 31, 2020	As at March 31, 2019
Apollo Home Healthcare (India) Limited	India	100.00%	100.00%
Apollo Home Healthcare Limited	India	70.75%	58.12%
AB Medical Centers Limited	India	100.00%	100.00%
Apollo Health and Lifestyle Limited	India	70.25%	70.25%
Samudra Healthcare Enterprise Limited	India	100.00%	100.00%
Imperial Hospital & Research Centre Limited	India	90.00%	90.00%
Apollo Hospital (UK) Limited	United Kingdom	100.00%	100.00%
Apollo Nellore Hospitals Limited	India	80.87%	79.44%
Apollo Rajshree Hospitals Private Limited	India	54.63%	54.63%
Apollo Lavasa Health Corporation Limited	India	51.00%	51.00%
Western Hospitals Corporation Private Limited	India	100.00%	100.00%
Apollo Hospitals Singapore Pte Ltd, Singapore	Singapore	100.00%	100.00%
Sapien Biosciences Private Limited	India	70.00%	70.00%

Name of the Subsidiary/Step down Subsidiary	Country of Incorporation	% of holding	
		As at March 31, 2020	As at March 31, 2019
Total Health	India	100.00%	100.00%
Apollo Healthcare Technology Solutions Ltd	India	40.00%	40.00%
Assam Hospitals Limited	India	65.52%	62.32%
Apollo Hospitals International Ltd	India	50.00%	50.00%
Future Parking Private Limited	India	49.00%	49.00%
Apollo Medicals Private Limited	India	100.00%	100.00%
Step down subsidiaries			
Apollo CVHF Limited	India	66.67%	66.67%
Apollo Dialysis Private Limited	India	59.30%	59.53%
Alliance Dental Care Limited	India	69.54%	69.54%
Apollo Sugar Clinics Limited	India	80.00%	80.00%
Apollo Specialty Hospitals Private Limited	India	100.00%	100.00%
Apollo Bangalore Cradle Limited	India	100.00%	100.00%
Apollo Pharmacies Limited	India	100.00%	100.00%
Kshema healthcare Private Limited	India	100.00%	100.00%
AHLL Diagnostics Limited	India	100.00%	100.00%
AHLL Risk Management Private Limited	India	100.00%	100.00%

3.4 Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in statement of profit and loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit and loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

3.5 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition-related costs are generally recognised in Statement of profit and loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

a) deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;

b) liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payment at the acquisition date

c) assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard

On acquisition, the Group assesses the classification of the acquiree's assets and liabilities and reclassifies them where the classification is inappropriate for Group purposes.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in Statement of statement of profit and loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to Statement of statement of profit and loss where such treatment would be appropriate if that interest were disposed of.

3.6 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note 3.4 above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit and loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described at note 3.7 and impairment of goodwill is descried in 3.18.1

3.7 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but does not denote control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of profit and loss and other comprehensive income of the associate or joint venture. Distributions received from an associate or a joint venture reduce the carrying amount of the investment. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

Particulars	Place of Incorporation	% of holding	
		31-Mar-20	31-Mar-19
Indraprastha Medical Corporation Limited	India	22.03%	22.03%
Stemcyte India Therapeutics Private Limited	India	24.50%	24.50%
Apollo Munich Health Insurance Company Limited	India	-	9.96%
Family Health Plan Insurance TPA Limited	India	49.00%	49.00%

3.8 Revenue recognition

The group earns revenue primarily by providing healthcare services and sale of pharmaceutical products. Other sources of revenue include revenue earned through Operation and Management (O&M) contracts, brand license agreements and contracts for clinical trials.

Effective April 1, 2018, the Group has applied Ind AS 115 - Revenue from Contract with customers which establishes a comprehensive framework for revenue recognition. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Group has adopted Ind AS 115 using the cumulative effect method(modified retrospective approach). The effect of initially applying this standard was recognised at the date of initial application (i.e. April 1, 2018). The impact of the adoption of the standard on the financial statements of the Group was insignificant.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services. When there is uncertainty on ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

3.8.1 Healthcare Services

The Healthcare services income include revenue generated from outpatients, which mainly consist of activities for physical examinations, treatments, surgeries and tests, as well as that generated from inpatients, which mainly consist of activities for clinical examinations and treatments, surgeries, and other fees such as room charges, and nursing care. The performance obligations for this stream of revenue include food & beverage, accommodation, surgery, medical/ clinical professional services, supply of equipment, investigation and supply of pharmaceutical and related products.

The patient is obligated to pay for healthcare services at amounts estimated to be receivable based upon the Company's standard rates or at rates determined under reimbursement arrangements. The reimbursement arrangements are generally with third party administrators. The reimbursement is also made through national, international or local government programs with reimbursement rates established by statute or regulation or through a memorandum of understanding.

Revenue is recognised at the transaction price when each performance obligation is satisfied at a point in time when inpatient/ outpatients has actually received the service except for few specific services in the dialysis and oncology specialty where the performance obligation is satisfied over a period of time.

Revenue from healthcare patients, third party payors and other customers are billed at our standard rates net of disallowances, discounts or rebates to reflect the estimated amounts to be receivable from these payors."

Heathcare Services performed for patients where the collection of the billed amount or a portion of the billed amount cannot be determined at the time services are performed the Company concludes that the consideration is variable ("implicit price concession") and records the difference between the billed amount and the amount estimated to be collectible as a reduction to healthcare services revenue. Implicit price concessions include such items as amounts due from patients without adequate insurance coverage, patient co-payment and deductible amounts due from patients with healthcare coverage. The Company determines implicit price concessions primarily upon past collection history. Upon receipt of new information relevant for the determination of the implicit price concession, the Company constrains, or adjusts the constraints for the variable consideration of the transaction price.

3.8.2 Pharmaceutical Products

In respect of sale of pharmaceutical products, where the performance obligation is satisfied at a point in time, revenue is recognised when the control of goods is transferred to the customer.

3.8.3 Project Consultancy Income

In respect of project consultancy income, i.e. the revenue arising from the Operating & Maintenance (O&M) contracts where the performance obligation is satisfied over time, revenue is recognised along the period when the services are received and accepted by the customer.

3.8.4 Clinical trials

In respect of clinical trials, where the performance obligation is satisfied at a point in time, revenue is recognised when the service has been received and accepted by the customer.

3.8.5 Other Services

(i) Hospital Project Consultancy income is recognised as and when it becomes due, on percentage completion method, on achievement of milestones.

(ii) Income from Clinical Trials on behalf of Pharmaceutical Companies is recognized on completion of the service, based on the terms and conditions specified to each contract.

(iii) One-time franchise license fees is recognised based on achievement of the milestones as per the terms of the contract and where ever there is no bifurcation of total fee then over the period of the agreement.

(iv) Other Franchisee license fee is recognised on accrual basis as per the terms of the contracts.

(v) Other services fee is recognized on basis of the services rendered and as per the terms of the agreement.

(vi) Royalty income is recognised on an accrual basis in accordance with the terms of the relevant agreement.

3.8.6 Contract assets and liabilities

Revenue recognised by the Company where services are rendered to the customer and for which invoice has not been raised (which we refer as unbilled revenue) are classified as contract assets. Amount collected from the customer and services have not yet been rendered are classified as contract liabilities.

3.8.7 Transaction Price

Revenue is measured based on the transaction price, which is the fixed consideration adjusted for discounts, estimated disallowances, amounts payable to customer in the nature of commissions, principal versus agent considerations, loyalty credits and any other rights and obligations as specified in the contract with the customer. Revenue also excludes taxes collected from customers and deposited back to the respective statutory authorities. Subsequent changes resulting from a patient's ability to pay are recorded as bad debt expense, which is included as an expense in the consolidated statements of profit and loss.

Principal versus agent considerations

The Group is a principal and records revenue on a gross basis when the Group is primarily responsible for fulfilling the service, has discretion in establish pricing and controls the promised service before transferring that service to customers.

In limited instances, the patient services are provided by visiting consultants, who are doctors/medical experts and not considered as the Group's employees. As the visiting consultants have the discretion to take their patients to other hospital for the required treatment and set their own consultation fee charged to patients, the Group is an agent in such arrangement. The Group collects fees on behalf of the visiting consultants and records revenue at the net amounts as commissions.

Sometimes the Group engages third-party providers to provide medical examination and disease screening services. The Group evaluates the services provided by third parties to determine whether to recognize the revenues on a gross or net basis. The determination is based upon an assessment as to whether the Group acts as a principal or agent when providing the services. Some of the revenues involving third-party providers providing medical examination or disease screening services are accounted for on a net basis since the third-party providers are the primary obligor, have the latitude in establishing prices, and the customer has discretion in third-party provider selection.

3.8.8 Contract modifications

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the stand alone selling price. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

3.8.9 Revenue from Insurance business

a. Premium:

Premium (net of service tax) is recognized as income over the contract period or period of risk, whichever is appropriate. Any subsequent revision or cancellation of premium is accounted for in the year in which they occur.

b. Commission on Reinsurance Premium:

Commission on reinsurance ceded is recognized as income in the year of cession of reinsurance premium. Profit commission under reinsurance treaties, wherever applicable, is recognized in the year of determination of the profits and as intimated by the reinsurer.

c. Premium Deficiency:

Premium deficiency is recognized whenever the ultimate amount of expected claims, related expenses and maintenance costs exceeds the related sum of premium carried forward to the subsequent accounting period as reserve for unexpired risk.

d. Reserve for Unexpired Risk:

Reserve for unexpired risk represents that part of the net premium (premium net of reinsurance ceded) attributable to the succeeding accounting period subject to a minimum amount of reserves as required by Section 64V (1) (ii) (b) of the Insurance Act, 1938.

e. Interest / Dividend Income:

Interest income is recognized on accrual basis. Dividend is recognized when the right to receive the dividend is established.

f. Accretion / Amortization of Discounts/ Premium

Accretion of discounts and amortization of premium relating to debt securities is recognized over the holding / maturity period.

3.8.10 Revenue from Third Party Administrator (TPA)

Inpatient services rendered to TPA are paid according to a fee-for-service schedule. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. Inpatient services generated through TPA are recorded on an accrual basis in the period in which services are provided at established rates.

The Group determines the transaction price on the TPA contracts based on established billing rates reduced by contractual adjustments provided to TPAs. Contractual adjustments and discounts are based on contractual agreements, discount policies and historical experience. Implicit price concessions are based on historical collection experience. Most of our TPA contracts contain variable consideration. However, it is unlikely a significant reversal of revenue will occur when the uncertainty is resolved, and therefore, the Company has included the variable consideration in the estimated transaction price.

3.8.11 Trade accounts and other receivables and allowance for doubtful accounts

Trade receivables from healthcare services are recognized and billed at amounts estimated to be collectable under government reimbursement programs, reimbursement arrangements with third party administrators and contracutal arrangements with corporates including public sector undertakings. The billing on government reimbursement programs are at pre-determined net realizable rates per treatment that are established by statute or regulation. Revenues for non-governmental payors with which the Group has contracts are recognized at the prevailing contract rates. The remaining non-governmental payors are billed at the Group's standard rates for services and a contractual adjustment is recorded to recognize revenues based on historic reimbursement. The contractual adjustment and the allowance for doubtful accounts are reviewed quarterly for their adequacy. The collectability of receivables is reviewed on a regular basis.

Receivables where the expected credit losses are not assessed individually are grouped based on similar credit characteristics and the impairment is assessed based on historical default rates and macroeconomic indicators. Write offs are taken on a claim-by-claim basis. Due to the fact that a large portion of its reimbursement is provided by public healthcare organizations and private insurers, the Company expects that most of its accounts receivables will be collectible. A significant change in the Company's collection experience, deterioration in the aging of receivables and collection difficulties could require that the Company increases its estimate of the allowance for doubtful accounts. Any such additional bad debt charges could materially and adversely affect the Company's future operating results. When all efforts to collect a receivable have been exhausted, and after appropriate management review, a receivable deemed to be uncollectible is considered a bad debt and written off.

Other Income

3.8.12 Revenue from export benefit schemes

Under the "Served from India Scheme" introduced by the Government of India, an exporter of service is entitled to certain export benefits on foreign currency earned. The revenue in respect of export benefits is recognized on the basis of the foreign exchange earned at the rate at which the said entitlement accrues to the extent there is no significant uncertainty as to the amount of consideration that would be derived and as to its ultimate collection.

3.8.13 Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.8.14 Rental income

The Group's policy for recognition of revenue from operating leases is described under note 3.9.1 below.

3.9 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

3.9.1 The Group as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

3.9.2 The Group as lessee

The Group enters into an arrangement for lease of land, buildings, plant and machinery including computer equipment and furnitures. Such arrangements are generally for a fixed period but may have extension or termination options. The Group assesses, whether the contract is, or contains, a lease, at its inception. A contract is, or contains, a lease if the contract conveys the right to –
(a) control the use of an identified asset,

(b) obtain substantially all the economic benefits from use of the identified asset, and

(c) direct the use of the identified asset. The Group determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Company is reasonably certain to exercise that option

The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. This expense is presented within 'other expenses' in statement of profit and loss.

Lease Liabilities:

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:
i) fixed lease payments (including in-substance fixed payments), less any lease incentives;

ii) variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

iii) the amount expected to be payable by the lessee under residual value guarantees;

iv) lease payments in optional renewal periods, where exercise of extension options is reasonably certain, and

v) payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the Balance Sheet under “”Other Financial Liabilities””. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Lease liability payments are classified as cash used in financing activities in the Statement of cash flows.”

Right-of-Use Assets:

The Group recognises right-of-use asset at the commencement date of the respective lease. Right-of-use asset are stated at cost less accumulated depreciation. Upon initial recognition, cost comprises of:

- the initial lease liability amount,
- initial direct costs incurred when entering into the lease,
- (lease) payments before commencement date of the respective lease, and
- an estimate of costs to dismantle and remove the underlying asset,
- less any lease incentives received.

Prepaid lease payments (including the difference between nominal amount of the deposit and the fair value) are also included in the initial carrying amount of the right of use asset.

They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated on a straight line basis over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the Right-of-use asset reflects that the Group expects to exercise a purchase option, the related Right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease

The Right-of-use assets are presented as a separate line in the Balance Sheet.
The Group applies Ind AS 36 to determine whether a ROU asset is impaired and accounts for any identified impairment loss as described in the impairment of non-financial assets below.

The Group incurs obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease. The Group has assessed that such restoration costs are negligible and hence no provision under Ind-AS 37 has been recognised. “

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the Right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “other expenses” in the statement of profit and loss.

Lease policy applicable before April 1, 2019

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor’s expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

3.10 Foreign currencies

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

3.11 Borrowings and Borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit and loss over the period of the borrowings using the effective interest rate method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

3.12 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated balance sheet and transferred to statement of profit and loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in statement of profit and loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

3.13 Employee benefits

3.13.1 Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected in retained earnings and is not reclassified to statement of profit and loss. Past service cost is recognised in statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Group presents the first two components of defined benefit costs in statement of profit and loss in the line item 'Employee benefits expense'.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

3.13.2 Short-term and other long-term employee benefits

Leave Encashment

The employees of the Company are entitled to encash the unutlised leave. The employees can carry forward a portion of the unutilized accumulating leave and utilize it in future periods or receive cash as per the Companies policy upon accumulation of minimum number of days. The Company records an obligation for leave encashment in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of leave encashment as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognizes accumulated leave entitlements based on actuarial valuation using the projected unit credit method. Non-accumulating leave balances are recognized in the period in which the leaves occur.

Other short term employee benefits

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

3.14 Share-based payment arrangements

3.14.1 Share-based payment transactions

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in the notes to accounts.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is re-measured, with any changes in fair value recognised in profit and loss for the year.

3.15 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

3.15.1Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Advance taxes and provisions for current income taxes are presented in the Balance Sheet after off-setting advance tax paid and income tax provision

3.15.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3.15.3 Current and deferred tax for the year

Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in accounting for the business combination.

3.16 Property, plant and equipment

Land and buildings mainly comprise of hospitals and offices. Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Expenses in the nature of general repairs and maintenance , i.e. in the nature of day to day service costs are charged to income statement during the financial period in which they are incurred.

Parts of some items of property, plant and equipment may require replacement at regular intervals and this would enhance the life of the asset. The Group recognises these in the carrying value of property, plant & equipment and amortised over the period which is lower of replacement period and its useful life. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of Ind AS 16.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

The management believes that these estimated useful lives that reflect fair approximation of the period over which the assets are likely to be used.

Estimated useful lives of the assets are as follows:

Category of assets	Useful Life (in years)
Buildings (Freehold)	60 years
Buildings (Leasehold)	Over the lease term
Plant and Machinery	15 Years
Electrical Installation and Generators	10 Years
Medical Equipment	13 Years
Surgical Instruments	3 Years
Furnitures and Fixtures	10 Years
Vehicles	8 Years
Office Equipments	5 Years
Computers	3 Years
Servers	6 Years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit and loss.

3.17 Intangible assets

3.17.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimates being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Intangible assets with finite useful lives are evaluated for impairment when events have occurred that may give rise to an impairment.

3.17.2 Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

3.17.3 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit and loss when the asset is derecognised.

3.17.4 Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Category of assets	Useful Life (in years)
Software License	3 years
Non Compete Fees	3 years
Trademarks	3 years

3.17.5 Review of useful life and method of depreciation

Estimated useful lives are periodically reviewed, and when warranted, changes are made to them. The effect of such change in estimates are accounted for prospectively.

3.17.6 Capital work in progress

Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date are recognized as capital advance and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work- in-progress

Commencement of Depreciation related to property, plant and equipment classified as Capital work in progress (CWIP) involves determining when the assets are available for their intended use. The criteria the Group uses to determine whether CWIP are available for their intended use involves subjective judgments and assumptions about the conditions necessary for the assets to be capable of operating in the intended manner.

3.17.7 Internally generated intangibles

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use the software and the costs can be measured reliably. The costs which can be capitalized include the cost of material, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use.

3.18 Impairment of tangible and intangible assets other than goodwill

The carrying values of property plant and equipment and intangible assets with finite life are reviewed for possible impairment whenever events, circumstances or operating results indicate that the carrying amount of an asset may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit and loss.

If at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment losses previously recognized are reversed such that the asset is recognized at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognized initially. An impairment in respect of goodwill is not reversed.

3.18.1 Impairment of Goodwill and indefinite useful lives

Goodwill and identifiable intangibles with indefinite useful lives are not amortized but tested for impairment annually or when an event becomes known that could trigger an impairment.

To perform the annual impairment test of goodwill, the Company identified its groups of cash generating units (CGUs) and determined their carrying value by assigning the assets and liabilities, including the existing goodwill and intangible assets, to those CGUs. CGUs reflect the lowest level on which goodwill is monitored for internal management purposes.

For the purpose of goodwill impairment testing, all corporate assets and liabilities are allocated to the CGUs. At least once a year, the Group compares the recoverable amount of each CGU to the CGU's carrying amount.

To evaluate the recoverability of intangible assets with indefinite useful lives, the Group compares the fair values of intangible assets with their carrying values.

3.19 Inventories

Inventories of medical consumables, drugs and stores & spares are valued at lower of cost or net realizable value. Net Realizable Value represents the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

Cost is determined as follows:

a. 'Medicines' under healthcare segment is valued on First in First Out (FIFO) basis.

b. 'Stock in Trade' under retail pharmacies segment is valued on weighted average rates.

c. 'Stores and spares' is valued on First in First Out (FIFO) basis.

d. 'Other consumables (including laboratory consumables)' is valued on First in First Out (FIFO) basis.

3.20 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.20.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

3.21 Financial instruments

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value are recognised immediately in the consolidated statement of profit and loss.

3.21.1 Financial assets

The Company classifies its financial instruments in accordance with Ind AS 109 in the following measurement categories: at amortized cost, at fair value through profit and loss ("FVPL") and at fair value through other comprehensive income ("FVOCI").

Financial assets are classified depending on the business model in which the financial assets are held and the contractual terms of the cash flows. Financial assets are only reclassified when the business model for managing those assets changes. During the reporting period no financial instruments were reclassified. Purchases and sales of financial assets are accounted for on the trading day. The Company does not make use of the fair value option, which allows financial liabilities to be classified at FVPL upon initial recognition. At initial recognition financial asset and financial liabilities are measured at fair value.

Excluded are trade accounts receivables. At initial recognition trade accounts receivables (in accordance with Ind AS 115) are measured at their transaction price.

Subsequent measurement is either at cost, FVPL or FVOCI.

In general, financial liabilities are classified and subsequently measured at amortized cost, with the exception of contingent considerations resulting from a business combination, noncontrolling interests subject to put provisions as well as derivative financial liabilities.

Investments in equity instruments are recognized and subsequently measured at fair value. The Company's equity investments are not held for trading. In general, changes in the fair value of equity investments are recognized in the income statement. However, at initial recognition the Company elected, on an instrument-by-instrument basis, to represent subsequent changes in the fair value of individual strategic equity investments in other comprehensive income (loss) ("OCI").

The Group's investment in debt securities with the objective to achieve both collecting contractual cash flows and selling the financial assets, and initially measured at fair value. Some of these securities give rise on specified dates to cash flows that are solely payments of principle and interest. These securities are subsequently measured at FVOCI. Other securities are measured at FVPL.

Amortised Cost and Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit and loss and is included in the "Other income" line item.

Instruments at FVTOCI

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to statement of profit and loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognised in profit and loss when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in the consolidated statement of profit and loss are included in the 'Other income' line item.

3.21.2 Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

The expected credit loss approach requires that all impacted financial assets will carry a loss allowance based on their expected credit losses. Expected credit losses are a probability-weighted estimate of credit losses over the contractual life of the financial assets.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 Revenue from Contracts with customers, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

The impairment provisions for trade receivables is based on reasonable and supportable information including historic loss rates, present developments such as liquidity issues and information about future economic conditions, to ensure foreseeable changes in the customer-specific or macroeconomic environment are considered.

3.21.3 Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

3.21.4 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in statement of profit and loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- Net gain / (loss) on foreign currency transactions and translation during the year recognised in the consolidated statement of Profit and Loss account is presented under Other income.

3.22 Financial liabilities and equity instruments

3.22.1 Classification as debt or equity

Debt and equity instruments issued by a Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3.22.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in statement of profit and loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

3.22.3 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

3.22.4 Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a Group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit and loss. The net gain or loss recognised in profit and loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for not-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit and loss, in which case these effects of changes in credit risk are recognised in profit and loss. The remaining amount of change in the fair value of liability is always recognised in profit and loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit and loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group as at fair value through profit and loss are recognised in profit and loss.

3.22.5 Financial liabilities subsequently measured at amortised cost

The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

3.22.6 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a group entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

3.22.7 Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit and loss.

3.22.8 Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative

The change in fair value of derivatives is recorded in the statement of profit and loss.

Derivatives embedded in host contracts are accounted for as separate derivatives if their economic characteristics and risks are not closely related to those of the host contracts. These embedded derivatives are measured at fair value with changes in fair value recognized in the statement of profit and loss.

3.23 Put Options

The Group has issued written put option to non-controlling interests in certain subsidiaries of the Group in accordance with the terms of underlying agreement with such option holders. Should the option be exercised, the Group has to settle such liability by payment of cash.Accounting on Initial Recognition: The amount that may become payable under the option on exercise is recognised as a financial liability at fair value on the transaction date with a corresponding charge directly to the shareholders' equity.

Subsequent Measurement:

The liability is subsequently accreted through finance charges recognised under finance cost in the Statement of Profit and Loss up to the redemption amount that is payable at the date on which the option first becomes exercisable. In the event that the option expires unexercised, the liability is derecognised with a corresponding adjustment to equity.

3.24 Segment reporting

In accordance with Ind AS 108, Segment Reporting, the Group's chief operating decision maker ("CODM") has been identified as the board of directors. The Group's CODM evaluates segment performance based on revenues and profit by the hospital, pharmacy and clinic segments.

3.25 Non Current Asset Held for Sale

The Group classifies non-current assets held for sale if their carrying amounts will be principally recovered through a sale rather than through continuing use of assets and action required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

3.25.1 Discontinued operations

A discontinued operation is a 'component' of the group business that represents a separate line of business that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

The group considers the guidance in Ind AS 105 Non-Current assets held for sale and discontinued operations to assess whether a divestment asset would qualify the definition of 'component' prior to classification into discontinued operation.

3.26 Dividend

A final dividend, including tax thereon, on equity shares is recorded as a liability on the date of approval by the shareholders. An interim dividend, including tax thereon, is recorded as a liability on the date of declaration by the board of directors.

3.27 Contingent liabilities

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with Ind AS 37 and the amount initially recognised less cumulative amortisation recognised in accordance with Ind AS 115 Revenue from contracts with customers.

4 Critical accounting judgements and key sources of estimation uncertainty

Use of estimates

The preparation of consolidated financial statements in conformity with Ind AS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the balance sheet dates and the reported amounts of revenues and expenses during the reporting periods. Significant estimates and assumptions reflected in the Company's financial statements include, but are not limited to, expected credit loss, impairment of goodwill, useful lives of property, plant and equipment and leases, realization of deferred tax assets, unrecognized tax benefits, incremental borrowing rate of right-of-use assets and related lease obligation, the valuation of the Group's acquired equity investments. Actual results could materially differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4.1.1 Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use is determined using a discounted cash flow approach based upon the cash flow expected to be generated by the CGU. In case that the value in use of the CGU is less than its carrying amount, the difference is at first recorded as an impairment of the carrying amount of the goodwill.

4.1.2 Impairment of Financial Assets

The impairment provisions for trade receivables is based on assumptions about risk of default and expected loss rates. The Group uses judgements in making certain assumptions and selecting inputs to determine impairment of these trade receivables, based on on reasonable and supportable information including historic loss rates, present developments such as liquidity issues and information about future economic conditions, to ensure foreseeable changes in the customer-specific or macroeconomic environment are considered.

4.1.3 Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The business acquisitions made by the Group are also accounted at fair values.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group's engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

4.1.4 Employee Benefits - Defined benefit obligations

The cost of the defined benefit plans are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

4.1.5 Litigations

The amount recognised as a provision shall be the best estimate of the expenditure required to settle the present obligation arising during the reporting period.

4.1.6 Revenue Recognition

The Group's contracts with customers could include promises to render multiple services to a customer. The Group assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is applied in the assessment of principal versus agent considerations with respect to contracts with customers and doctors which is determined based on the substance of the arrangement.

Judgement is also applied to determine the transaction price of the contract. The transaction price shall include a fixed amount of customer consideration and components of variable consideration which constitutes amounts payable to customer, discounts, commissions , disallowances and redemption patterns of loyalty customers. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

4.1.7 Useful lives of property plant and equipment

The Group depreciates property, plant and equipment on a straight-line basis over estimated useful lives of the assets. The charge in respect of periodic depreciation is derived based on an estimate of an asset's expected useful life and the expected residual value at the end of its life. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The estimated useful life is reviewed at least annually.

4.1.8 Point of Capitalisation

Management has set in parameters in respect of its medical Equipments specific to the stability and reaching the contractual availability goals. The Property, plant & equipment shall be capitalised upon reaching these parameters at which stage the asset is brought to the location and condition necessary for it to be capable of operating in the manner intended by management

4.1.9 Impairment of Non - Financial Assets

Determining whether the asset is impaired requires to assess the recoverable amount of the asset or Cash Generating Unit (CGU) which is compared to the carrying amount of the asset or CGU, as applicable. Recoverable amount is the higher of fair value less costs of disposal and value in use. Where the carrying amount of an asset or CGU exceeds the recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

4.1.10 Income Taxes

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Group reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcomes which could lead to significant adjustment to the amounts reported in the financial statements.

4.1.11 Leases

Ind AS 116 defines a lease term as the non-cancellable period for which the lessee has the Right-to- use an underlying asset including optional periods, when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Group considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term. The option to extend the lease term is included in the lease term, if it is reasonably certain that the lessee would exercise the option. The Group reassesses the option when significant events or changes in circumstances occur that are within the control of the lessee.

4.1.12 Uncertainty relating to the global health pandemic on COVID-19

In assessing the recoverability of receivables including contract assets, goodwill, intangible assets, and certain investments, the Company has considered internal and external information up to the date of approval of these standalone financial statements including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used herein. Based on the current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets.

The impact of COVID-19 remains uncertain and may be different from what we have estimated as of the date of approval of these consolidated financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

5 Property, Plant and Equipment and Capital Work-in-progress

Particulars	As at March 31, 2020	As at March 31, 2019
Land		
Buildings (Freehold)	4,704	4,704
Buildings (Leasehold)	17,630	17,201
Plant and Machinery	7,522	3,854
Medical Equipment & Surgical Instruments	4,285	4,269
Furniture and Fixtures	15,615	11,884
Office equipment	3,023	2,989
Computers	430	392
Vehicles	335	340
	500	305
	54,044	**45,938**
5.1 Capital Work-in-progress (Refer Note v)	2,091	8,218
Total	**56,135**	**54,156**

Gross Block

Particulars	Land (Refer note iv)	Buildings (Freehold)	Buildings (Leasehold)	Plant and Machinery@	Medical Equipment*	Furniture and Fixtures	Office equipments	Computers#	Vehicles	Total
Balance as at April 1, 2018	**3,606**	**21,157**	**1,495**	**7,614**	**14,745**	**4,046**	**1,063**	**1,275**	**732**	**55,733**
Additions	1,107	255	1,024	518	2,046	699	101	192	42	5,983
Disposals	(10)	(2)	(6)	(30)	(66)	(53)	(8)	(14)	(9)	(199)
Adjustment/Reclassification	-	(2,913)	2,866	(699)	766	(76)	(43)	(63)	(2)	(164)
Balance at March 31, 2019	**4,704**	**18,497**	**5,379**	**7,402**	**17,490**	**4,615**	**1,113**	**1,391**	**763**	**61,353**
Additions	-	796	4,409	589	5,518	623	185	165	271	12,556
Disposals	-	-		(45)	(243)	(46)	(23)	(30)	(6)	(393)
Impact on adoption of Ind AS 116 (Refer note 52)	-	-	(395)	(67)	-	(129)	-	-	-	(590)
Balance at March 31, 2020	**4,704**	**19,292**	**9,393**	**7,879**	**22,765**	**5,064**	**1,275**	**1,525**	**1,028**	**72,925**

Accumulated depreciation and impairment

Particulars	Land (Refer note iv)	Buildings (Freehold)	Buildings (Leasehold)	Plant and Machinery@	Medical Equipment*	Furniture and Fixtures	Office equipments	Computers#	Vehicles	Total
Balance as at April 1, 2018	**-**	**1,001**	**1,116**	**2,698**	**3,966**	**1,232**	**599**	**941**	**395**	**11,947**
Disposals	-	-	(2)	(18)	(48)	(28)	(7)	(12)	(5)	(119)
Depreciation expense	-	322	413	560	1,645	452	135	147	71	3,746
Adjustment/Reclassification	-	(28)	(3)	(107)	42	(30)	(6)	(24)	(3)	(159)
Balance at March 31, 2019	**-**	**1,296**	**1,524**	**3,133**	**5,606**	**1,627**	**721**	**1,051**	**457**	**15,415**
Disposals	-		-	(35)	(218)	(27)	(20)	(28)	(5)	(332)
Depreciation expense	-	366	397	540	1,761	463	144	168	75	3,915
Impact on adoption of Ind AS 116 (Refer note 52)	-	-	(49)	(44)	-	(23)	-	-	-	(117)
Balance at March 31, 2020	**-**	**1,662**	**1,872**	**3,594**	**7,150**	**2,041**	**844**	**1,191**	**527**	**18,881**
Carrying amount as on March 31, 2019	**4,704**	**17,201**	**3,854**	**4,269**	**11,884**	**2,989**	**392**	**340**	**305**	**45,938**
Carrying amount as on March 31, 2020	**4,704**	**17,630**	**7,522**	**4,285**	**15,615**	**3,023**	**430**	**335**	**500**	**54,044**

@ Includes electrical installation and generators
* Includes surgical equipments
# Includes Servers

Notes:

(i) Refer Note 22 for information on Property, Plant & Equipment pledged as security by the Company for securing financing facilities from banks and financial institutions.

(ii) Refer Note 53 for the contractual capital commitments for purchase of Property, plant & equipment.

(iii) Refer note 35 for details of interest capitalised during the year under Capital Work in Progress.

(iv) Land and Building of ₹190 million and ₹813 million for the year ended March 31, 2020 and March 31, 2019 respectively relate to one of the subsidiary company Imperial Hospitals and Research Center Limited which is under dispute with Government of Karnataka alleging non-compliance of certain conditions associated with the allotment of land, which has been stayed by the High court of Karnataka on April 27, 2018. Based on legal opinion, the management is of the opinion that it has complied with applicable conditions and therefore the proceedings are not sustainable.

(v) Capital work in progress includes ₹47.26 million in respect of land alloted by Andhra Pradesh Industrial Infrastructure Corporation, which is yet to be registered in the name of the Company as at March 31,2020

6 Right-of-Use Asset

Particulars	Land	Buildings	Plant and Machinery	Medical Equipment	Total
Right-of-use asset recognised on adoption of IND AS 116 as at April 1, 2019	2,176	20,054	-	67	22,297
Additions	-	2,514	17	-	2,531
Disposals/ Deletions	-	(361)	-	-	(361)
Balance at March 31, 2020	2,176	22,207	17	67	24,467

Accumulated depreciation

Particulars	Land	Buildings	Plant and Machinery	Medical Equipment	Total
Accumulated depreciation on Right-of-Use assets recognised on adoption of IND AS 116 as at April 1, 2019	28	6,144	-	44	6,216
Disposals/ Deletions	-	(245)	-	-	(245)
Depreciation expense *	40	1,968	2	11	2,021
Balance at March 31, 2020	67	7,867	2	56	7,993
Carrying amount as on March 31, 2020	**2,108**	**14,340**	**15**	**12**	**16,474**

* Depreciation expenses amounting to ₹5.08 million is capitalised to Capital work in progress

7. Investment Property

Particulars	As at March 31, 2020	As at March 31, 2019
Carrying amounts of:		
Building (Multi-level Car Park)	59	65
Total	**59**	**65**

Particulars	Amount
Balance at beginning of the year	84
Additions	-
Disposals	-
Balance as at March 31, 2019	**84**
Additions	-
Disposals	-
Balance as at March 31, 2020	**84**
Accumulated depreciation and impairment	
Balance at beginning of year	12
Amortisation expense	6
Disposals	-
Balance as at March 31, 2019	**19**
Amortisation expense	6
Disposals	

Particulars	As at March 31, 2020	As at March 31, 2019
Adjustment/Reclassification		
Balance as at March 31, 2020		25
Carrying amount as on March 31, 2019		**65**
Carrying amount as on March 31, 2020		**59**

* Depreciation expenses amounting to ₹5.08 million

The land associated to this investment property (building - Multi-level Car Park) is granted to the Group by virtue of a concessionaire agreement executed between Corporation of Chennai and Consortium of MARG Limited and Apollo Hospitals Enterprise Limited for a period of 20 years starting from September 22, 2010 expiring on September 21, 2030.

Fair Value of investment Property

The fair value of the investment property as at March 31, 2020 is ₹275 Million on the basis of valuation carried out by independent valuers. The guideline value as pronounced by the government has been considered as a basis for fair valuation.

8. Goodwill

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	3,462	3,462
Additions	-	-
Accumulated impairment losses	-	-
Total	**3,462**	**3,462**

(i) Allocation of goodwill to cash generating units:

Goodwill has been allocated for impairment testing purposes to the following cash-generating unit. The following table presents the allocation of goodwill to reportable segments:

Particulars	As at March 31, 2020	As at March 31, 2019
Standalone Pharmacy	948	948
Healthcare	2,062	2,062
Clinics	384	384
Others	68	68
Total	**3,462**	**3,462**

(ii) Key assumptions used for value-in-use calculations

The Group tests whether the goodwill has been impaired on an annual basis or on arise of impairment indicators whichever is earlier. For the purpose of testing of impairment, the carrying amount of goodwill is allocated to a Cash Generating Unit (CGU) representing the lowest level at which the goodwill is monitored for internal management purposes and is not higher than the Company's operating segments

The recoverable amount of the CGUs have been assessed based on its value-in-use. Value-in-use is determined by discounting the future cash flows to be generated from the continuing use of the CGU. Key assumptions on which the Group has based its determinations of value-in-use include:

Key Assumptions	Standalone Pharmacy	Healthcare	Clinics
Discount Rate	13.50%	12%	16%
Long term Growth Rate (used for determining Terminal Value)	3.50%	3.5% - 5%	5%

a. These calculations use cash flow projections over a period of five years to seven years as applicable based on internal management budgets and estimates.

b. Terminal value is arrived by using last year's forecasted cash flows to perpetuity using a constant long-term growth rate. This long-term growth rate takes into consideration external macroeconomic sources of data.

c. The discount rates used are based on the Company's weighted average cost of capital of a comparable market participants, which is adjusted for specific risks.

Based on the assessment, the management has concluded that there is no impairment of goodwill in respect of the CGU's. The management believes that any reasonably possible further change in key assumptions on which recoverable amount is based would not cause the carrying amount of the goodwill related to each of the significant units to exceed its recoverable amount.

The Group has performed sensitivity analysis for all key assumptions, including the cash flow projections consequent to the change in estimated future economic conditions arising from the possible effects due to COVID-19 and is unlikely to cause the carrying amount of the CGU exceed its estimated recoverable amount.

9 Other Intangible assets

Particulars	As at March 31, 2020	As at March 31, 2019
Carrying amounts of:		
Software Licence	282	347
Trademark	-	-
Non Compete Fee	-	4
Total	**282**	**351**

Gross block

Particulars	Software License	Trademark	Non Compete Fee	Total
Balance as at April 1, 2018	**911**	**66**	**68**	**1,046**
Additions	145	-	-	145
Disposals	-	-	-	-
Adjustment/Reclassification	(11)	-		(11)
Balance at March 31, 2019	**1,045**	**66**	**68**	**1,180**
Additions	188			188
Disposals				-
Adjustment/Reclassification				-
Balance at March 31, 2020	**1,233**	**66**	**68**	**1,367**
Accumulated Amortisation and impairment				
Balance as at April 1, 2018	**519**	**64**	**53**	**636**
Amortisation expense	189	2	11	202
Disposals	-	-	-	-

Adjustment/Reclassification	(9)	-	-	-9
Balance at March 31, 2019	**699**	**66**	**64**	**829**
Amortisation expense	253		4	257
Disposals				-
Adjustment/Reclassification				-
Balance at March 31, 2020	**951**	**66**	**68**	**1,086**
Carrying amount as on March 31, 2019	**347**	**-**	**4**	**351**
Carrying amount as on March 31, 2020	**282**	**-**	**-**	**282**

10 Investment in Equity Accounted Investee

Name of the Body Corporate	Associate/ Joint Venture	Quoted / Unquoted	As at March 31,2020		As at March 31,2019	
			Quantity	Amount	Quantity	Amount
Carrying amount determined using equity method of accounting:						
Indraprastha Medical Corporation Limited	Associate	Quoted	20,190,740	749	20,190,740	690
Stemcyte India Therapeutics Private Limited	Associate	Unquoted	240,196	50	240,196	62
Apollo Munich Health Insurance Company Limited	Associate*	Unquoted	-	-	35,709,000	443
Family Health Plan Insurance TPA Limited	Associate	Unquoted	490,000	449	490,000	391
Apollo Gleneagles Hospitals Limited	Joint Venture	Unquoted	54,675,697	1,210	54,675,697	1,158
Apollo Gleneagles PET-CT Private Limited	Joint Venture	Unquoted	8,500,000	43	8,500,000	42
ApoKos Rehab Private Limited	Joint Venture	Unquoted	8,475,000	59	8,475,000	66
Medics International Life sciences Limited	Joint Venture	Unquoted	55,000,000	680	55,000,000	804
Total				**3,242**		**3,654**

* Refer note 64 in respect of disposal of investment in Apollo Munich Health Insurance Company Limited. The Group has ceased to have significant influence in this associate company with effect from January 1, 2020 in which date the closing conditions required to complete the sale have been completed and consideration for the sale has been received, the investment has been de-recognised from the books with effect from January 1, 2020

Aggregate book value of quoted investments	749	690
Aggregate market value of quoted investments	685	774
Aggregate carrying value of unquoted investments	2,493	2,965

10.1 Details of material associates

The Group has interest in the following companies. The Group has significant influence either by virtue of shareholding being more than 20% or through Board representation. However the Group does not have control or joint control over any of them.

Name	Principal Activity	Place of Incorporation and Principal place of Business	Proportion of ownership interest / voting rights held by the Group	
			As at March 31, 2020	As at March 31, 2019
Indraprastha Medical Corporation Limited	Healthcare and services	India	22.03%	22.03%

Name	Principal Activity	Place of Incorporation and Principal place of Business	Proportion of ownership interest / voting rights held by the Group	
			As at March 31, 2020	As at March 31, 2019
Stemcyte India Therapeutics Private Limited	Healthcare and services	India	24.50%	24.50%
Apollo Munich Health Insurance Company Limited	Health Insurance	India	-	9.96%
Family Health Plan Insurance TPA Limited	Health Insurance	India	49.00%	49.00%

10.2 Summarised financial information of material associates

The summarised financial information below represents amounts shown in the material's associate financial statements prepared in accordance with Ind ASs adjusted by the Group for equity accounting purposes.

10.2.1 Indraprastha Medical Corporation Limited (IMCL)

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current assets	3,075	2,868
Current assets	1,415	1,356
Non-current liabilities	(416)	(542)
Current liabilities	(1,396)	(1,241)
Impact on adoption of IND AS 116	(1)	-
Net Assets	2,677	2,440
Ownership held by the Group	22.03%	22.03%
Group's Share of Net Assets	590	538
Add: Goodwill on acquistion	160	160
Add: Others	(1)	(8)
Less:Dividend received elimnated on consolidation	(30)	-
Carrying amount of Group's interest in IMCL	719	690

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue	8,308	7,882
Profit from continuing operations (after tax)	436	284
Other comprehensive income for the year	(20)	(1)
Total comprehensive income for the year	416	283
Proportion of the Group's ownership interest in Total Comprehensive Income *	92	62

* The share of loss of associate accounted using equity method of accounting was considered till June 30, 2019. With effect from July 1, 2019 the investment in this associate company is classified as held for sale.

10.2.2 Family Health Plan Insurance TPA Limited (FHPTL)

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current assets	909	799
Current assets	631	464
Non-current liabilities	(350)	(199)
Current liabilities	(245)	(236)
Net Assets	**946**	**828**

Particulars	As at March 31, 2020	As at March 31, 2019
Ownership held by the Group	49%	49%
Group's Share of Net Assets	463	406
Capital reserve	(15)	(15)
Carrying amount of Group's interest in FHPTL	**449**	**391**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue	1,380	1,232
Profit from continuing operations (after tax)	126	79
Other comprehensive income for the year	(7)	3
Total comprehensive income for the year	118	83
Proportion of the Group's ownership interest in Total Comprehensive Income	58	41

10.2.3 Apollo Munich Health Insurance Company Limited

Particulars	As at March 31, 2020	As at March 31, 2019
Net Assets	-	4,446
Ownership held by the Group	-	9.96%
Group's Share of Net Assets	-	443
Carrying amount of Group's interest in Apollo Munich	**-**	**443**

Particulars	As at March 31, 2020	As at March 31, 2019
Revenue	8,097	19,793
Profit from continuing operations (after tax)	(1,075)	69
Other comprehensive income for the year	29	15
Total comprehensive income for the year	(1,046)	84
Proportion of the Group's ownership interest in Total Comprehensive Income	**(104)**	**8**

10.3 Investments in joint ventures

10.3.1 Details of material joint ventures

The Group has interest in the following companies. This has been accounted for using the equity method in the consolidated financial statements. The Group has joint control by virtue of contractual arrangements.

Name	Principal Activity	Place of Incorporation and Principal place of Business	Proportion of ownership interest / voting rights held by the Group	
			As at March 31, 2020	As at March 31, 2019
Apollo Gleneagles Hospitals Limited	Healthcare and services	India	50%	50%
Apollo Gleneagles Hospitals PET CT Private Limited	Healthcare and services	India	50%	50%
ApoKos Rehab Private Limited	Healthcare and services	India	50%	50%
Medics International Life Sciences Limited	Healthcare and services	India	50%	50%

10.3.2 Summarised financial information of material joint ventures

The summarised financial information below represents amounts shown in the joint venture company's financial statements prepared in accordance with Ind ASs adjusted by the Group for equity accounting purposes.

10.3.3 Apollo Gleneagles Hospital Limited (AGHL)

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current assets	3,590	3,494
Current assets	1,876	1,811
Non-current liabilities	(591)	(453)
Current liabilities	(2,576)	(2,627)
Impact on adoption of IND AS 116	32	-
Net Assets	**2,330**	**2,225**
Ownership held by the Group	50%	50%
Group's Share of Net Assets	1,165	1,112
Add: Goodwill on acquistion	45	45
Carrying amount of group's interest in AGHL	**1,210**	**1,158**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue	7,162	6,388
Profit/(Loss) from continuing operations (after tax)	115	44
Other comprehensive income for the year	(9)	(3)
Total comprehensive income for the year	105	41
Proportion of the Group's ownership interest in Total Comprehensive Income	53	21

10.3.4 ApoKos Rehab Private Limited (ApoKos)

Particulars	As at March 31, 2020	As at March 31, 2019
ApoKos Rehab Private Limited (ApoKos)		
Non-current assets	87	94
Current assets	107	74
Non-current liabilities	(2)	(2)
Current liabilities	(75)	(34)
Net Assets	117	132
Ownership held by the Group	50%	50%
Group's Share of Net Assets	59	66
Carrying amount of Group's interest in ApoKos Rehab Private Limited	**59**	**66**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue	135	94
Profit/(Loss) from continuing operations (after tax)	(15)	(8)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	(15)	(8)
Proportion of the Group's ownership interest in Total Comprehensive Income	(7)	(4)

10.3.5 Medics International Life Sciences Limited

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current assets	2,926	2,789
Current assets	189	96
Non-current liabilities	(1,562)	(1,290)
Current liabilities	(637)	(432)
Net Assets	915	1,162
Ownership held by the Group	50%	50%
Group's Share of Net Assets	458	581
Goodwill	223	223
Carrying amount of Group's interest in Medics International Life Sciences Limited	680	804

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue	1,151	140
Profit/(Loss) from continuing operations (after tax)	(243)	(212)
Other comprehensive income for the year	(4)	(1)
Total comprehensive income for the year	(247)	(213)
Proportion of the Group's ownership interest in Total Comprehensive Income	(124)	(106)

10.4 The Group's share of commitment and contingent liabilities in respect of its associates and joint venture is disclosed as part of Note 53 and Note 54.

11 Other Investments

Particulars	As at March 31, 2020		As at March 31, 2019	
	Non Current	Current	Non Current	Current
Investment carried at Fair Value through Profit and Loss*				
Mutual Funds (Liquid and short term funds)	-	749	-	688
Other Investments	269	-	191	-
Investments in equity instruments at FVTOCI*				
Investment in Equity instruments	2	-	3	-
Investments carried at amortised cost				
Investment in debentures	80	-	80	-
Total	**350**	**749**	**274**	**688**

*Refer note 51 for information and disclosure in respect of fair value measurements

Aggregate amount of unquoted investments	350	749	274	688

11.1 Investment carried at Fair Value through Profit and Loss

Name of the Entity	Quoted/ Unquoted	Partly paid/ Fully paid	Amount March 31,2020	Amount March 31,2019
Investments in mutual funds (Liquid and short term funds)				
SBI Magnum Ultra Short Duration Fund	Unquoted	Fully paid	151	-
ICICI Prudential STP - Growth	Unquoted	Fully paid	63	58

Name of the Entity	Quoted/ Unquoted	Partly paid/ Fully paid	Amount March 31,2020	Amount March 31,2019
Aditya Birla Sun Life Short Term Fund	Unquoted	Fully paid	60	55
SBI STD Fund - Reg plan Growth	Unquoted	Fully paid	59	54
ICICI Equity Arbitrage Fund	Unquoted	Fully paid	58	54
SBI Liquid Fund	Unquoted	Fully paid	50	-
Canara Robeco Short Term Fund	Unquoted	Fully paid	43	5
Kotak Floater Short Term	Unquoted	Fully paid	40	37
IDFC All Seasons Bond Fund	Unquoted	Fully paid	26	23
Kotak Bond Short Term	Unquoted	Fully paid	26	24
HDFC Short Term Oppurtunities Fund	Unquoted	Fully paid	24	22
Axis Short Term Fund	Unquoted	Fully paid	24	22
ICICI Short Term Plan Growth	Unquoted	Fully paid	24	22
Kotak Equity Arbitrage Fund	Unquoted	Fully paid	23	22
IDFC Arbitrage Fund Growth	Unquoted	Fully paid	23	22
HDFC Debt Fund for Cancer Cure 2014	Unquoted	Fully paid	20	20
SBI Liquid Fund Regular Growth	Unquoted	Fully paid	10	
Birla SunLife	Unquoted	Fully paid	9	10
Kotak Flexi Debt	Unquoted	Fully paid	7	6
UTI Floating rate fund	Unquoted	Fully paid	5	4
Relaince Income Fund	Unquoted	Fully paid	2	0.03
Reliance Short Term Fund - Growth	Unquoted	Fully paid	1	0.49
DHFL Pramerica Insta Cash Fund	Unquoted	Fully paid	-	138
Reliance Short Term Fund	Unquoted	Fully paid	-	82
Trade Investment with ICB	Unquoted	Fully paid	-	-
The Karur Vysya Bank Limited	Unquoted	Fully paid	-	6
Total			**749**	**688**

11.2 Investments carried at Fair value through Profit and loss

Name of the Entity	Face value	Quoted/ Unquoted	Partly paid/ Fully paid	March 31,2020		March 31,2019	
				Quantity	Amount	Quantity	Amount
HealthXCapital, L.P.	10	Unquoted	Fully Paid	-	148	-	110
Immuneel Therapeutics Private Limited	10	Unquoted	Fully Paid	500,000	50	-	-
Impact Guru Technology Venture Private Limited	10	Unquoted	Fully Paid	-	25	-	25
Clover energy Private Limited	10	Unquoted	Fully Paid	1,642,935	16	1,929,250	14
Tirunelveli Vayu Energy Generation Private Limited	1000	Unquoted	Fully Paid	36	14	36	14
Searchlight Health Private Limited	10	Unquoted	Fully Paid	406,514	5	406,514	16
Citron ECO power private limited	10	Unquoted	Fully Paid	232,850	2	436,125	4
Kurnool Hospitals Enterprise Limited	10	Unquoted	Fully Paid	157,500	2	157,500	2
The Karur Vysya Bank Ltd	10	Unquoted	Fully Paid	82,203	2	-	-
Connect Wind India Private Limited	10	Unquoted	Fully Paid	1,599,375	2	-	-
Leap Green Energy Private Limited	10	Unquoted	Fully Paid	97,600	1	97,600	1
Cholamandalam Finance	10	Unquoted	Fully Paid	5,000	1	5,000	1
VMA Wind Energy India Private Limited	10	Unquoted	Fully Paid	60,000	1	60,000	1

Name of the Entity	Face value	Quoted/ Unquoted	Partly paid/ Fully paid	March 31,2020		March 31,2019	
				Quantity	Amount	Quantity	Amount
Matrix Agro Private Limited	10	Unquoted	Fully Paid	50,000	1	50,000	1
Morgan securities & credit private limited	10	Unquoted	Fully Paid	5,000	-	5,000	0.05
National Savings Certificate - Unquoted		Unquoted	Fully Paid	-	-	-	0.02
CWRE Power Private Limited	10	Unquoted	Fully Paid	1,625	-	-	-
Iris Ecopower Venture Private Limited	10	Unquoted	Fully Paid	100	-	-	2
Indo wind power Private Limited	10	Unquoted	Fully Paid	10,650	-	10,650	-
Array land developers Private Limited	10	Unquoted	Fully Paid		-	50,000	1
Total					**269**		**191**

11.3 Investments carried at Amortised Cost

Investments in debentures

Name of the Entity	Face value	Quoted/ Unquoted	Partly/ Fully paid	March 31,2020		March 31,2019	
				Quantity	Amount	Quantity	Amount
Apollo Munich Health Insurance Company Limited (Redeemable non convertible debentures)	1,000,000	Unquoted	Fully Paid	80	80	80	80
Total					**80**		**80**

11.4 Investments in equity instruments at FVTOCI

Investment in equity instruments

Name of the Entity	Face value	Quoted/ Unquoted	Partly paid/ Fully paid	March 31,2020		March 31,2019	
				Quantity	Amount	Quantity	Amount
Searchlight Health Private Limited	10	Unquoted	Fully Paid	201,000	2	201,000	3
Sunrise Medicare Private Limited	10	Unquoted	Fully Paid	78	-	78	-
Total				**201,078**	**2**	**201,078**	**3**

12 Loans - Non current

Particulars	As at March 31, 2020		As at March 31, 2019	
	Non-current	Current	Non-current	Current
Carried at amortised cost				
Loans to Related parties	231	-	108	-
Loans to others		70		80
Total	**231**	**70**	**108**	**80**

Particulars of related parties, rate of interest and repayment terms have been summarised below:

Particulars	March 31,2020	March 31,2019	Interest rate	Terms of repayment
Lifetime Wellness Rx International Limited	148	92	10%	Repayable in five equated installments by September 30, 2024
Apollo Shine Foundation	6	16	10%	Repayable in three equated installments by March 31, 2022
Apollo Medskills Limited	77	-	10%	Repayable in three equated installments by March 31, 2021
Total	**231**	**108**		

13 Trade receivables

Particulars	As at March 31, 2020	As at March 31, 2019
	Current	Current
Unsecured		
(a) Considered good	10,940	10,946
Less: Expected Credit Loss on above	(668)	(714)
(b) Considered doubtful	525	722
Less: Expected Credit Loss on above	(525)	(722)
Total	**10,272**	**10,232**

Trade receivables represent the amount outstanding on sale of pharmaceutical products, hospital and other healthcare allied services which are considered as good by the management.In addition the group has also considered credit reports and other credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19. The Group believes that the carrying amount of allowance for expected credit loss with respect to trade receivables is adequate.

Majority of the Groups' transactions are earned in cash or cash equivalents. The trade receivables comprise mainly of receivables from Insurance Companies, Corporate customers and Government Undertakings.

Average credit Period

The average credit period on sales of services is 30-60 days.

Customer Concentration

No single customer represents 10% or more of the group's total revenue during the year ended March 31, 2020 and March 31, 2019.

Impairment Methodology

The Group has used a practical expedient by computing the expected credit loss allowance for receivables. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information considering reasonable and supportable information that is available without undue cost or effort as at the reporting date. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix.

13.3 Movement in the expected credit loss allowance

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at beginning of the year	1,436	1,075
Add: Movement during the year, net*	(242)	361
Balance at end of the year	1,193	1,436

* Includes ₹752 million (previous year ₹657 million) of provision created and ₹994 million (previous year ₹296 million) has been written off against the provision available.

Refer note 60.1 for information on amounts receivable from related parties

Refer note 22.1 for the receivables provided as security against borrowings

14 Other Financial Assets

(Unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Non-Current	Current	Non-Current	Current
(a) Operating lease receivables		183		89
(b) Other Receivables	2	674	-	275
(c) Advances to employees	-	95	-	141
(d) Fair value of derivative financial instruments	67	-	288	-
(e) Interest Receivable	-	66	-	47
(f) Security Deposits	2,263	-	2,058	-
(g) Finance lease receivables (Refer 14.1 & 14.2 below)	5	-	5	-
Total	**2,337**	**1,018**	**2,351**	**552**

14.1 Leasing arrangements

The Company entered into finance lease arrangements with Apollo Hospitals Education and Research Foundation (AHERF) for its Building in Hyderabad. The lease is denominated in Indian Rupees. The average term of finance lease entered into is 99 years.

14.2 Amounts receivable under finance leases

Particulars	Minimum lease payments		Present value of minimum lease payments	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Not later than one year	0.54	0.54	-	-
Later than one year and not later than five years	2	2	-	-
Later than five years	47	47	5	5
Less: unearned finance income	42	43	-	-
Present value of minimum lease payments receivable	5	5	-	-
Allowance for uncollectible lease payments				
Net Total	**5**	**5**	**5**	**5**

The interest rate inherent in the leases is considered as the average incremental borrowing rate which is approximately 12% per annum (as at March 31, 2019: 12% per annum).

15 Inventories

Particulars	As at March 31, 2020	As at March 31, 2019
Inventories (lower of cost and net realisable value)		
(a) Medicines	677	469
(b) Stores and Spares	473	264
(c) Lab Materials	40	24
(d) Other Consumables	154	126
(e) Stock in Trade (in respect of goods acquired for trading)		
- Pharmaceutical products (including surgical and generics)	3,602	3,110
- FMCG products	1,808	1,490
- Private label and other categories	623	364
Total	**7,378**	**5,848**

16 Cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Balances with Banks (Including deposits with original maturity upto 3 months)		
(i) In Current Accounts	3,306	2,361
(ii) In Fixed Deposits	281	130
(b) Cash on hand	215	256
(c) Cheques on Hand	5	114
Total	**3,807**	**2,862**

17 Bank balances

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with Bank in earmared accounts		
(a) Unclaimed Dividend Accounts	38	35
(b) Term deposits held as Margin money	650	572
(b) Deposits account	173	-
Total	**861**	**607**

18 Other Assets

Particulars	As at March 31, 2020		As at March 31, 2019	
	Non-Current	Current	Non-Current	Current
(a) Capital Advances	478	-	553	-
(b) Advance to suppliers	5	801	5	572
(c) Prepaid Expenses	100	571	266	494
(d) Prepayment towards leasehold land (Refer Note (ii)	-	-	681	12
(e) Balances with Statutory Authorities (Refer Note (i)	185	1	337	1
(f) Others	3	278	38	133
Total	**772**	**1,651**	**1,879**	**1,213**

Note (i) Refer note 54 for amounts deposited with the statutory authorities in respect of disputed dues.

(ii) The upfront lease premium paid to the City and Industrial Corporation of Maharashtra Limited ('CIDCO') for granting the leasehold rights for a period of 60 years for developing a multi-speciality hospital in Navi Mumbai has been reclassified to Right-of-use asset during the year on account of adoption to Ind AS 116, Leases.

19 Equity Share Capital

Particulars	As at March 31, 2020	As at March 31, 2019
Equity share capital		
Authorised Share capital :		
200,000,000 (2018-19 : 200,000,000) Equity Shares of ₹5/- each	1,000	1,000
1,000,000 (2018-19 : 1,000,000) Preference Shares of ₹100/- each	100	100
Issued		
139,658,177 (2018-19: 139,658,177) Equity shares of ₹5/- each	698	698
Subscribed and Paid up capital comprises:		
139,125,159 fully paid equity shares of ₹5 each (as at March 31, 2019: 139,125,159)	696	696
Total	**696**	**696**

19.1 Fully paid equity shares

Particulars	Number of shares	Share capital Amount
Balance at April 1, 2019	139,125,159	696
Movement during the year 2019-20	-	-
Balance at March 31, 2020	139,125,159	696

19.2 Rights, Preferences and restrictions attached to equity shares

The Company has equity shares having a nominal value of ₹5 each. All equity shares rank equally with regard to dividend and share in the Company's residual assets. Each holder of equity shares is entitled to one vote per share. The equity shares are entitled to receive dividend as declared from time to time. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

19.3 Details of shares held by each shareholder holding more than 5% shares

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of Shares held	% holding of equity shares	Number of Shares held	% holding of equity shares
Fully paid equity shares				
PCR Investments Limited	27,223,124	19.57	27,223,124	19.57
Life Insurance Corporation of India	-	-	7,900,314	5.68

The Company had issued 9,000,000 Global Depository Receipts of ₹10 (now 18,000,000 Global Depository Receipts of ₹5 each) with two-way fungibility during the year 2005-06. Total GDRs converted into underlying Equity shares during the year ended on March 31, 2020 is 121,840 (2018-19: 2,95,009) of ₹5 each and total Equity shares converted back to GDR during the year ended March 31, 2020 is 32,224 (2018-19: 1,850) of ₹5 each.

20 Other equity

Particulars	Note	As at March 31, 2020	As at March 31, 2019
General reserve	20.1	11,250	11,250
Securities premium reserve	20.2	17,139	17,139
Capital Reserves	20.3	30	30
Retained earnings	20.4	4,263	3,704
Capital redemption reserve	20.5	60	60
Debenture redemption reserve	20.6	1,250	1,750
Revaluation Reserve	20.7	78	78
Shares Options Outstanding Account	20.8	30	28
Remeasurement of defined benefit obligation through other comprehensive income	20.9	(703)	(699)
Fair value changes on equity instruments through other comprehensive income	20.10	(8)	(7)
IND AS Transition reserve	20.11	(693)	(693)
Balance at the end of the year		**32,695**	**32,639**

20.1 General reserve

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at beginning of year	11,250	11,250
Transfer from Profit and Loss	-	-
Balance at the end of the year	**11,250**	**11,250**

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit and loss.

20.2 Securities premium

Particulars	As at March 31, 2019	As at March 31, 2019
Balance at beginning of year	17,139	17,139
Share issue costs	-	-
Balance at the end of the year	**17,139**	**17,139**

Securities premium is used to record premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013 (the “Companies Act”).

20.3 Capital Reserves

Particulars	As at March 31, 2019	As at March 31, 2019
Balance at beginning of year	30	30
Movement	-	-
Balance at the end of the year	**30**	**30**

20.4 Retained earnings

Particulars	As at March 31, 2019	As at March 31, 2019
Balance at beginning of year	3,704	2,602
Gross obligation over written put option	(211)	(382)
Profit attributable to owners of the Company	4,549	2,360
Impact of Ind AS 116 attributable to Owners (refer note 52)	(2,699)	
Movement on account of change in shareholding of existing subsidiaries	(25)	(26)
Adjustment towards Non-controlling interest	-	(13)
Transfer from debenture redemption reserve	500	-
Dividends paid (including dividend distribution tax)	(1,555)	(837)
Balance at the end of the year	**4,263**	**3,704**

In respect of the year ended March 31, 2020, the company declared an interim dividend of ₹ 3.25 per share be paid on fully paid equity shares in addition to the interim dividend ₹ 2.75 per share is declared in the current year. For the previous year, dividend of ₹6 per share was paid.

20.5 Capital Redemption reserve

Particulars	As at March 31, 2019	As at March 31, 2019
Balance at beginning of year	60	60
Movement during the year	-	-
Balance at the end the of year	**60**	**60**

The Companies Act requires that where a Company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet. The capital redemption reserve account may be applied by the Company, in paying up unissued shares of the Company to be issued to shareholders of the Company as fully paid bonus shares.

20.6 Debenture Redemption reserve

Particulars	As at March 31, 2019	As at March 31, 2019
Balance at beginning of year	1,750	1,750
Movement during the year	(500)	-
Balance at the end the of year	**1,250**	**1,750**

Debenture Redemption Reserve is created out of the profits of the company available for the payment of dividends and such reserve shall be utilised only for the redemption of debentures

20.7 Revaluation Reserve

Particulars	As at March 31, 2019	As at March 31, 2019
Balance at beginning of year	78	78
Movement during the year	-	-
Balance at the end the of year	**78**	**78**

20.8 Share Options Outstanding Account

Particulars	As at March 31, 2019	As at March 31, 2019
Balance at beginning of year	28	19
Movement during the year	2	9
Balance at the end the of year	**30**	**28**

Shares options outstanding account relates to share options granted by the company to its employees under its employees share option plan. These will be transformed to retained earnings after the exercise of the underlying options.

20.9 Remeasurement of Defined Benefit Obligations through other comprehensive income

Particulars	As at March 31, 2019	As at March 31, 2019
Balance at beginning of year	(699)	(410)
Movement during the year	(5)	(289)
Balance at the end the of year	**(703)**	**(699)**

20.10 Fair value changes on equity instruments through other comprehensive income

Particulars	As at March 31, 2019	As at March 31, 2019
Balance at beginning of year	(7)	(5)
Movement during the year	(1)	(3)
Balance at the end the of year	**(8)**	**(7)**

20.11 IND AS Transition Reserve

Particulars	As at March 31, 2019	As at March 31, 2019
Balance at beginning of year	(693)	(693)
Movement during the year	-	-
Balance at the end the of year	(693)	(693)

21 Non-controlling interests

Particulars	As at March 31, 2019	As at March 31, 2019
Balance at beginning of year	1,355	1,324
Loss attributable to Non controlling Interest (NCI)	(231)	(359)

Particulars	As at March 31, 2019	As at March 31, 2019
Other comprehensive Income		1
Movement on account of share based compensation	1	4
Movement on account of change in shareholding of existing subsidiaries	(14)	(10)
Impact of Ind AS 116 attributable to NCI	(10)	-
Gross obligation over written put option	211	382
Others	(5)	13
Balance at end of year	**1,307**	**1,355**

Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of the Entity	Proportion of ownership interests and voting rights held by non - controlling interests		Profit (loss) allocated to non - controlling interest		Accumulated non - controlling interests	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Imperial Hospital and Research Centre Limited	10.00%	10.00%	21	33	120	99
Apollo Health & Lifestyle Limited	29.75%	29.75%	(225)	(424)	42	64
Apollo Rajshree Hospital Private Limited	45.37%	45.37%	11	-	19	9
Apollo Lavasa Health Corporation Limited	49.00%	49.00%	(20)	(19)	217	236
Sapien Biosciences Private Limited	30.00%	30.00%	3	-	(6)	(9)
Apollo Healthcare Technology Solutions Limited	60.00%	60.00%	-	-	-	-
Apollo Home Healthcare Limited	10.00%	14.88%	(4)	(15)	(51)	(48)
Assam Hospitals Limited	34.48%	37.68%	17	55	429	428
Apollo Hospitals International Limited	50.00%	50.00%	(36)	9	533	573
Future Parking Private Limited	51.00%	51.00%	-	-	-	-
Apollo Nellore Hospital Limited	19.13%	20.56%	1	1	4	3
Apollo Medicals Private Limited	0.01%	-	-	-	-	-
Total			**(231)**	**(359)**	**1,307**	**1,355**

Note (i): In respect of the subsidiary company Apollo Hospitals International Limited (AHIL), the group holds 50% ownership and voting power along with its wholly owned subsidiary Apollo Home Healthcare (India) Limited. Based on the contractual arrangements between the Group and other investors, the Group has the right in respect of appointment of Key Managerial Personnel (KMP) and approval of business plan coupled with the affirmative voting rights, the directors of the company concluded that the Group has the practical ability to direct the relevant activities and hence concluded that Group exercises control on the AHIL.

Note (ii): In respect of the subsidiary company Future Parking Private Limited (FPPL), though the Group holds 49% ownership and voting power, based on the contractual arrangements between the Group and other investor, the Group has the unilateral right to direct the relevant activities and hence concluded that the group exercises control on FPPL.

Note (iii): In respect of the subsidiary company Imperial Hospital and Research Centre Limited (IHRCL), the Company has paid ₹35 million for transfer of the balance 10% in favor of the Company. Pending approvals from the requisite statutory authorities, the transfer of shares has not been executed as at March 31, 2020.

22 Borrowings

Particulars	As at March 31, 2020		As at March 31, 2019	
	Non-Current	Current	Non-Current	Current
Secured - at amortised cost				
(a) Redeemable non-convertible debentures	5,000	-	7,000	-
(b) Term loans				
-from banks and other financial institutions	23,520	61	21,680	320
(c) Bank Overdrafts including working capital facilities	-	3,045		571
(d) Finance lease obligations (Refer note iii)	-	-	7	-
Unsecured - at amortised cost				
(a) Term loans				
-from banks and other financial institutions	-	980	531	3,250
-from other parties	-	97	21	71
(b) Bank Overdrafts including working capital facilities	-	86	-	148
(c) Bonds/Debentures	-	6	-	34
(d) Bills Payable	-	701	282	588
Total	**28,520**	**4,975**	**29,521**	**4,982**

(i) There is no breach of loan covenants as at March 31,2020 and March 31,2019

(ii) The secured listed non-convertible debentures of the Group aggregating to ₹5,000 million as on March 31, 2020 are secured by way of first mortgage/charge on the Group's properties. The asset cover on the secured listed non-convertible debentures of the Group exceeds hundred percent of the principal amount of the said debentures.

(iii) For the year ended March 31, 2020, due to outbreak of Covid-19 pandemic, RBI vide circular DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020 has directed banks and financial institutions to provide moratorium of 3 months to borrowers on all payments falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers classified as standard. Accordingly, the Company has availed moratorium with respect to the principal and interest aggregating to ₹86 million which were due in the month of March 20.

(iv) The finance lease obligations of last year has been reclassfied to lease liabilities on adoption of Ind AS 116, Leases

22.1 Summary of Borrowing arrangements

(a) Redeemable Non-Convertible Debentures

Particulars	Principal Outstanding as at March 31, 2020	Principal Outstanding as at March 31, 2019	Details of repayment terms and maturity	Nature of Security	Rate of Interest 31 Mar 20	Rate of Interest 31 Mar 19
10.2% Non Convertible Debentures	-	2,000	The Company issued 2,000 no's of 10.20% Non Convertible Redeemable Debentures of ₹1 Million each on August 22, 2014 to banks and financial institutions, with an option to re-purchase/ re-issue some or all of its debentures in the secondary market or otherwise at any time prior to the specified date of redemption of August 22, 2028. It has been fully repaid in the current year.	Secured by way of Pari passu first charge on the fixed assets of the Company, existing and future along with Bank and Institutions; such Pari passu first charge ensuring at least a cover of 1.25 times the value of outstanding principal amount of the loan	10.20%	10.20%
8.7% Non Convertible Debentures	3,000	3,000	The Company issued 3,000 nos. of 8.70% Non Convertible Debentures of ₹1 Million each on October 7, 2016, with 2 call options to re-purchase/ re-issue some or all of its debentures in the secondary market or otherwise at any time prior to the specified date of redemption of October 7, 2026.	Secured by way of Pari passu first charge on the fixed assets of the Company, existing and future along with Bank and Institutions; such Pari passu first charge ensuring at least a cover of 1.25 times the value of outstanding principal amount of the loan	8.70%	8.70%
7.8% Non Convertible Debentures	2,000	2,000	The Company issued 2,000 nos. of 7.80% Non Convertible Debentures of ₹1 Million each on March 7, 2017, and the specified date of redemption is March 7, 2022.	Secured by way of Pari passu first charge on the fixed assets of the Company, existing and future along with Bank and Institutions; such Pari passu first charge ensuring at least a cover of 1.25 times the value of outstanding principal amount of the loan	7.80%	7.80%

(b) Secured and Unsecured borrowing facilities from banks and others

HDFC Bank Limited	3,500	3,500	The loan is repayable in 22 half yearly instalments (with a moratorium period of 4 years from the date of the first disbursement) commencing from September 8, 2020.	The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the Company along with minimum cover of 1.25 times the value of the outstanding principal amount of the loan.	8.15%	8.40%

Particulars	Principal Outstanding as at March 31, 2020	Principal Outstanding as at March 31, 2019	Details of repayment terms and maturity	Nature of Security	Rate of Interest 31 Mar 20	Rate of Interest 31 Mar 19
Axis Bank Limited	2,775	2,925	The loan is repayable in 40 Quarterly instalments (with a moratorium of 4 years from the date of 1st disbursement) commencing from December 15, 2018.	The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the Company along with minimum cover of 1.25 times) the value of the outstanding principal amount of the loan	8.10%	8.60%
HDFC Bank Limited	600	-	The Company availed a term loan from HDFC Bank Ltd for a sanctioned limit of ₹750 million which is repayable by FY 2021-2022	The loan is secured by first pari passu ranking charge on entire existing and future movable fixed asset of the Company with minimum cover of 1.25 times the value of the outstanding principal amount of the loan.	8.10%	NA
Bank of India	2,313	2,425	This loan is repayable in 40 Quarterly instalments (with a moratorium of 4 years from the date of 1st disbursement) commencing from December,30, 2018.	The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the Company along with minimum cover of 1.25 times the value of the outstanding principal amount of the loan.	8.10%	9.55%
HSBC Term Loan -I	1,675	1,825	The Company has availed Rupee Term Loan of ₹2000 Million from HSBC Bank Limited, out of which ₹1,000 Million is repayable in 16 semi-annual instalments commencing from March 2, 2017 and the balance ₹1,000 Million is repayable in 16 semi-annual instalments commencing from November 13, 2018.	The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the Company ensuring atleast a cover of 1.25 times the value of the outstanding principal amount of the loan.	7.95%-8.05%	8.30%
HSBC Bills Payable	-	132	The Company has availed a buyer's line of credit of from HSBC for the import of medical Equipments which is repaid on various dates in FY 2019-20	The loan is secured by first pari passu ranking charge on entire existing and future movable fixed asset of the Company with minimum cover of 1.25 times the value of the outstanding principal amount of the loan.	-	6 months libor +0.55

Particulars	Principal Outstanding as at March 31, 2020	Principal Outstanding as at March 31, 2019	Details of repayment terms and maturity	Nature of Security	Rate of Interest 31 Mar 20	Rate of Interest 31 Mar 19
HSBC Term Loan -II	350	-	The Company has availed Rupee Term Loan of ₹350 Million out of sanctioned amount of ₹1,500 Million from HSBC Bank Limited repayable in 28 quarterly installments commencing from June 2020	The loan is secured by first pari passu ranking charge on entire existing and future movable fixed asset of the Company with minimum cover of 1.25 times the value of the outstanding principal amount of the loan.	7.50%	-
International Finance Corporation (External Commercial Borrowings	-	892	The Loan outstanding is repayable in 8 semi-annual instalments during September and March of each year. This has been repaid in the current financial year	The ECB loan is secured by way of pari passu first ranking charge on the fixed assets of the Company ensuring at least a cover of 1.25 times the value of the outstanding principal amount of the loan.	9.20%	9.20%
HSBC (External Commercial Borrowings)	-	277	The loan outstanding was repayable in 6 quarterly instalments starting from April, 2018. This has been repaid in the current financial year	The ECB loan was secured by way of pari passu first ranking charge on the fixed assets of the Company.	-	9.50%
IDFC Bank Limited	-	514	This balance loan outstanding is repayable in 38 quarterly instalments falling due on April, July, October and January every year. The balance amount outstanding as of March 31, 2019 is repaid in the current year.	The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the Company ensuring atleast a cover of 1.25 times the value of the outstanding principal amount of the loan.	-	8.65%
NIIF Infrastructure Finance Limited	1,000	1,000	During the year 2015-16 the Company availed loan of ₹1,000 million which is repayable in 3 annual instalments of 20% at the end of December 2029 (14th year), 40% at the end of December 2030 (15th year) and balance 40% at the end of December 2031 (16th year) from the date of first disbursement.	The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the Company ensuring atleast a cover of 1.25 times the value of the outstanding principal amount of the loan.	9.60%	9.60%
ICICI Bank Limited	2,386	2,460	The loan is repayable in 48 quarterly instalments commencing from June 30, 2019.	The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the Company.	9.05%	9.05%

Particulars	Principal Outstanding as at March 31, 2020	Principal Outstanding as at March 31, 2019	Details of repayment terms and maturity	Nature of Security	Rate of Interest 31 Mar 20	Rate of Interest 31 Mar 19
State Bank of India	6,829	3,611	The balance outstanding is repayable in quarterly instalments till 2032-2033	The loan is secured by paripassu first charge with other term lenders and debenture holders on all the present and future movable and immovable fixed assets of the Company with a minimum cover of 1.25 times the value of outstanding principal amount of the loan.	8%-8.10%	8.80%
Axis bank Working Capital	650	-	The Company has been sanctioned working capital facility of ₹ 1500 million from Axis bank.	Secured by hypothecation of stock and book debts of the Company	7.20%	-
Axis Bank Limited-Short term facilities	980	-	The Company has been sanctioned a short term facility from Axis bank of ₹1,500 million		7.20%	-
HSBC- WCDL	63	148	The Company has been sanctioned ₹750 Million overdraft facility by HSBC which is repayable on various dates		8.05%	8.75%
Fixed Deposits secured from public	2	13	Represents the unclaimed fixed deposits outstanding as on March 31, 2019	-		8.75% to 9.25%
Bank of Tokyo – Mitsubishi UFJ (External Commercial Borrowings)	601	1,109	The loan is repayable in 3 annual instalments starting from the year September 2018.	-	9.20%	9.20%
Citi Bank - Bill Discounting	701	588	The Company has been sanctioned bill discounting facility from Citi Bank for a maximum outstanding of ₹1,000 million.	-	7.10%	8%
HDFC Bank Limited	1,900	1,250	The Company has been sanctioned Working Capital Demand Loan facility	Secured by hypothecation of stock and book debts of the Company	7.20%	0.084
HDFC Bank Limited - Bills payable	-	150	The Company had availed a buyer's line of credit from HDFC for the import of medical equipments which has been repaid in FY2019-20			
HDFC Bank Limited - CC A/c	276	571	The Company has availed a cash credit facility from HDFC Bank which is repayable on various dates in FY 2019 -20	Secured by hypothecation of stock and book debts of the Company	7.50%	8.75%

Particulars	Principal Outstanding as at March 31, 2020	Principal Outstanding as at March 31, 2019	Details of repayment terms and maturity	Nature of Security	Rate of Interest 31 Mar 20	Rate of Interest 31 Mar 19
MUFG Bank Ltd.	-	2,000	The Company had availed a loan of ₹1,000 million each on March 22, 2019 and March 27, 2019 which was repaid in FY 2019 - 20		-	8.50%
HDFC Bank Ltd.	23	-	The Company had availed a overdraft facility of ₹100 million in March, 2019 and utilised in FY20		10.00%	-
Axis Bank Ltd.	222	247	The loan is repayable in 24 quarterly instalments commencing from the end of 51st Month from the date of first disbursement of Loan	Secured by way of pari passu first ranking charge on the fixed assets of the company.	3 Month MCLR+1.25%	3 Month MCLR+1.25%. Interest rates reset will happen every 6 months.
Lavasa Corporation Limited	97	97	Apollo Lavasa Health Corpoation Limited, a subsidiary company of the Group has secured Inter Corporate Deposit from Lavasa Corporation Limited amounting to ₹97.23 million which is repayable on demand.		12.00%	12.00%
Jugnu Jain - Director	-	2	Sapien Biosciences Limited, a subsidiary company of the Group has secured a loan from its director which is repayable on demand and has been repaid in the current financial year.		-	11.00%
Yes Bank	228	284	Apollo Hospital International Limited, a subsidiary company of the Group, has availed term loans of ₹310 million and ₹100 million which are repayable in thirty six quarterly instalments, commencing from March 26, 2013 and July 24, 2017 respectively.	The loans are secured by first pari passu charge on all present and future movable and immovable fixed assets of the subsidiary company along with minimum cover of 1.75 times the value of the outstanding considering movable & immovable assets (subject to 1.5 times cover considering immovable assets).	10.20%	9.95%
HDFC Bank	72	144	Apollo Hospital International Limited, a subsidiary company of the Group, has availed term loan of ₹409 million from HDFC Bank Limited, which are repayable in 28 quarterly instalments, commencing from March 2, 2015.	The loans are secured by first pari passu charge on all present and future movable and immovable fixed assets of the subsidiary company along with minimum cover of 1.75 times the value of the outstanding considering movable & immovable assets.	9.65%	10.20%

Particulars	Principal Outstanding as at March 31, 2020	Principal Outstanding as at March 31, 2019	Details of repayment terms and maturity	Nature of Security	Rate of Interest 31 Mar 20	Rate of Interest 31 Mar 19
Yes Bank	200	148	Apollo Hospital International Limited, a subsidiary company of the Group, has availed term loan of ₹161 from YES Bank Limited, which are repayable in 28 quarterly instalments, commencing from January 2022 .	The loans are secured by first pari passu charge on all present and future movable and immovable fixed assets of the subsidairy company along with minimum cover of 1.75 times the value of the outstanding considering movable & immovable assets (subject to 1.5 times cover considering immovable assets .	9.80%	9.80%
Yes Bank	130	71	Apollo Hospital International Limited, a subsidiary company of the Group, has availed a overdraft facility Yes Bank which has to be compulsarily repaid at the end of 12 months.	-	9.40%	9.40%
Cumulative Redeemable Preference Shares	42	26	Redeemable Preference shares were amended in 2016-2017 for a cumulative non -discretionary dividend of 9% per annum. These redeemable preference shares do not contain any equity component.		9%	9%
Yes Bank	189	1,283	Apollo Health & Lifestyle Limited, a subsidiary company of the Group, has availed a term loan which is repayable in 28 structured quarterly instalments after a moratorium period of 36 months from the date of disbursement.	Secured by first pari-passu charge on movable fixed assets and current assets of the Company.	Yearly MCLR plus 0.15% p.a	Yearly MCLR plus 0.15% p.a
Federal Bank	354	-	Apollo Health & Lifestyle Limited, a subsidiary company of the Group, has availed a term loan which is repayable in 28 structured quarterly instalments from the date of first disbursement.	Secured by First Pari-passu charge on movable fixed assets, current assets	Yearly MCLR plus 0.30% p.a	-
Optionally Convertible Debentures	6	7	Apollo Health & Lifestyle Limited, a subsidiary company of the Group, has issued zero% Optionally Convertible Debentures for ₹9,550,000 on March 29, 2016 to key employees and directors. These OCD's are convertible into equity shares at the option of the holder and repayable on after 5 years or upon separation.		-	-

Particulars	Principal Outstanding as at March 31, 2020	Principal Outstanding as at March 31, 2019	Details of repayment terms and maturity	Nature of Security	Rate of Interest 31 Mar 20	Rate of Interest 31 Mar 19
HDFC Bank	1,722	818	Apollo Health & Lifestyle Limited, a subsidiary company of the Group, has availed a term loan which is repayable in 28 structured quarterly instalments, after a moratorium period of 36 months from the date of disbursement to the Company.	Secured by first pari-passu charge on movable fixed assets, rental and lease deposits of the Company	Yearly MCLR plus 0.15% p.a	Yearly MCLR plus 0.15% p.a
ICICI Bank Limited	264	354	Apollo Health & Lifestyle Limited, a subsidiary company of the Group, has availed a term loan which is repayable in 28 structured quarterly instalments, after a moratorium period of 36 months from the date of disbursement to the Company.	Secured by charge on movable fixed assets, current assets of the Company	Yearly MCLR plus 0.40% p.a	Yearly MCLR plus 0.40% p.a
Dr GSK Velu	-	24	Apollo Health & Lifestyle Limited, a subsidiary company of the Group, has secured a loan repayable in 36 monthly instalments and the balance outstanding is repaid in the current year.		-	14%
Axis Bank Ltd.	810	820	Imperial Hospital and Research Center Limited, a subsidairy company of the Group, has availed a term loan repayable in 36 quarterly installments from the date of disbursement.	Secured by exclusive charge on the moveable fixed assets of the company (present and future)	8.15%	8.85%
Philips India Pvt Ltd - PET CT	-	25	Imperial Hospital and Research Center Limited, a subsidairy company of the Group, has purchased a medical equipment on finance lease whose repayment is spread over 7 years starting from December 2013. The outstanding balance of this finance lease obligation has been reclassified to lease liabilities on adoption of Ind AS 116, Leases.	Secured by exclusive charge on the medical equipment supplied by the vendor.	-	12%

23 Other Financial Liabilities

Particulars	As at March 31, 2020		As at March 31, 2019	
	Non-current	Current	Non-current	Current
(a) Interest accrued but not due on borrowings	-	351	-	433
(b) Unclaimed dividends (Refer Note 17 (a))	-	38	-	35
(c) Security deposits	71	2	61	15
(d) Unclaimed matured deposits and interest accrued thereon	-	2	-	13
(e) Current maturities of long-term debt	-	2,461	-	2,210
(f) Current maturities of finance lease obligations (Refer footnote (ii))	-	-	-	18
(g) Derivative Financial instruments	-	-	-	-
(h) Gross Obligation under written put option (Refer Note 58)	4,955	-	4,713	-
(i) Lease liabilities (Refer Note 52)	18,676	1,575	-	-
(j) Other Payables	47	953	-	1,016
(k) Capital Creditors	-	810	-	1,220
Total	**23,749**	**6,191**	**4,774**	**4,961**

(i) During the year 2019-20 , the amount transferred to the Investors Education and Protection Fund of the Central Government as per the provisions of Section 124 (5) and 124 (6) of the Companies Act, 2013 is ₹ 3.34 Million (Previous year ₹ 3.66 Million)

(ii) The finance lease obligations of last year has been reclassfied to lease liabilities on adoption of Ind AS 116, Leases.

24 Provisions

Particulars	As at March 31, 2020		As at March 31, 2019	
	Non-current	Current	Non-current	Current
Provision for Bonus (Refer Note (i) below)	-	444	-	428
Provision for Gratuity and leave encashment (Refer Note 44 and 45)	101	786	114	594
Total	**101**	**1,230**	**114**	**1,022**

(i) The provision for bonus is based on the management's policy in line with the Payment of Bonus Act, 1965.

25 Deferred tax balances

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred Tax Assets (Net)	(496)	(174)
Deferred Tax Liabilities (Net)	2,942	3,149
Total	**2,445**	**2,975**

The major components of deferred tax liabilities/(assets) arising on account of timing differences for the year ended March 31, 2020

Particulars	Opening Balance	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income	Recognised in Other Equity	Closing Balance
Property Plant and Equipment	8,292	366	-	-	8,658
Financial Assets	(416)	(75)	-	-	(490)
Lease Liabilities	-	(250)		(1,468)	(1,718)
Retirement Benefit Plans	(389)	(5)	(5)	-	(398)

Particulars	Opening Balance	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income	Recognised in Other Equity	Closing Balance
Business Loss carried forward under Income Tax	(145)	92	-	-	(53)
Minimum Alternate Tax Credit	(4,366)	814	-	-	(3,551)
Others Liabilities	(2)	-	-	-	(2)
Total	**2,975**	**943**	**(5)**	**(1,468)**	**2,445**

The major components of deferred tax liabilities/(assets) arising on account of timing differences for the year ended March 31, 2019

Particulars	Opening Balance	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income	Recognised in Other Equity	Closing Balance
Property Plant and Equipment	8,350	(58)	-	-	8,292
Financial Assets	(204)	(211)	-	-	(416)
Retirement Benefit Plans	(215)	(14)	(160)	-	(389)
Business Loss carried forward under Income Tax	(1,100)	955	-	-	(145)
Minimum Alternate Tax Credit (MAT) (Refer note (i))	(4,451)	85		-	(4,366)
Others Liabilities	13	(15)	-		(2)
Total	**2,393**	**741**	**(160)**	**-**	**2,975**

Note (i) : The Group has unused tax credits in the form of Minimum Alternate Tax (MAT) which would expire by financial year ending March 2027.

Note (ii) : Deferred income tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.Accordingly, deferred income tax liabilities on cumulative earnings of subsidiaries amounting to ₹1,356 million, and ₹1,199 million as at March 31, 2020 and 2019, respectively has not been recognized. Further, it is not practicable to estimate the amount of the unrecognized deferred tax liabilities for these undistributed earnings.

26 Trade Payables

Particulars	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of micro enterprises and small enterprises (Refer note 26.1)	100	104
Total outstanding dues of creditors other than micro and small enterprises	8,988	7,027
Total	**9,089**	**7,131**

(i) The average credit period on purchases of goods ranges from immediate payments to credit period of 45 days based on the nature of the expenditure.

(ii) Amounts payable to related parties is disclosed in note 60.1

(iii) The Group's exposure to currency and liquidity risks related to trade payable is disclosed in note 47.

26.1 Due to Micro, Small and Medium Enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2018 has been made in the financial statements based on information received and available with the Group. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ('The MSMED Act') is not expected to be material. The Group has not received any claim for interest from any supplier.

Particulars	As at March 31, 2020	As at March 31, 2019
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	100	104
- Interest	1	1
The amount of interest paid by the buyer as per the MSMED Act		
The amount of payments made to micro and small suppliers beyond the appointed day during the accounting year;		
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act;		
The amount of interest accrued and remaining unpaid at the end of each accounting year		
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act		

27 Income Tax Asset (Net)

Particulars	As at March 31, 2020	As at March 31, 2019
Advance Tax	2,464	2,705
Tax refund receivable	10,358	8,550
Sub Total	12,822	11,255
Less:		
Income tax payable	(10,011)	(8,716)
Total	**2,811**	**2,539**

28 Current Tax Liabilities (Net)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for tax (Net)	2	11
Total	**2**	**11**

29 Other Liabilities

Particulars	As at March 31, 2020		As at March 31, 2019	
	Non-current	Current	Non-current	Current
(a) Contract Liabilities (Refer footnote (i))	-	1,072	-	900
(b) Balances with statutory authorities	-	777	-	491
(c) Deferred lease rent (Refer footnote (ii))	-	-	27	41
(d) Others	1	37	3	16
Total	**1**	**1,887**	**30**	**1,448**

(i) Contract liabilities represents deferred revenue arises in respect of the Groups' Loyalty Points Scheme, deposits collected from patients/customers recognised in accordance with Ind AS 115 Revenue from contracts with customers.

(ii) Deferred lease rent has been reclassified to lease liabilities upon adoption of Ind AS 116, Leases.

30 Revenue from Operations

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(a) Revenue from Healthcare services	56,545	51,191
(b) Revenue from sale of Pharmaceutical products	48,206	38,860
(c) Revenue from Clinics	6,964	5,888
(d) Other Operating Income		
- Project Consultancy Income	677	168
- Franchise fees	19	16
- Income from Clinical Trials	57	51
Total	**112,468**	**96,174**

Dissaggregation of Revenue

Healthcare Services (Including Other Operating Income)

Region	Year ended March 31, 2020	Year ended March 31, 2019
Tamilnadu	22,591	20,092
AP, Telangana	11,032	10,847
Karnataka	6,863	6,206
Others	16,812	14,282
Total	**57,297**	**51,426**

Pharmaceutical Products

Region	Year ended March 31, 2020	Year ended March 31, 2019
Region 1 (Includes TamilNadu, Karnataka, Maharashtra, Pondicherry, Goa and Port Blair)	18,044	14,312
Region 2 (Includes Telangana, Chhatisgarh, Orissa, West Bengal, Andhra Pradesh , Assam and Jharkhand)	21,713	17,605
Region 3 (Bihar, J&k, New Delhi, Ahmedabad, Ludhiana, Chandigarh, Uttar Pradesh, Rajasthan, Haryana, Himachal Pradesh, Madhya Pradesh and Uttarakhand)	8,449	6,944
Total	**48,206**	**38,860**

Clinics

Region	Year ended March 31, 2020	Year ended March 31, 2019
Tamilnadu	1,270	1,453
AP, Telangana	1,091	1,521
Karnataka	1,649	1,028
Others	2,955	1,886
Total	**6,964**	**5,888**

Category of Customer

particulars	Year ended March 31, 2020	Year ended March 31, 2019
Cash	74,572	68,381
Credit	37,896	27,793
Total	**1,12,468**	**96,174**

Nature of treatment

particulars	Year ended March 31, 2020	Year ended March 31, 2019
In-Patient	41,854	44,031
Out-Patient	20,718	12,705
Sale of Pharmaceutical products	48,808	38,860
Others	1,088	578
Total	**112,468**	**96,174**

Refer note 3.5 of Significant accounting policies section which explain the revenue recognition criteria in respect of revenue from rendering Healthcare and allied services and Pharmaceutical products as prescribed by Ind AS 115, Revenue from contracts with customers.

During the financial year ended March 31, 2020, the company has recognised revenue of ₹468 million (Previous year ₹573 million) from its Patient deposit outstanding as on April 1, 2019

Reconciliation of revenue recognised with the contract price is as follows:

Healthcare Services (Including Other Operating Income)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Contract price as reflected in the invoice	67,292	59,658
Reduction in the form of discounts and disallowances	2,715	1,503
Reduction towards amounts received on behalf of third party service consultants	7,279	6,729
Revenue recognised in the consolidated statement of profit & loss	**57,297**	**51,426**

Pharmaceutical Products

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Contract price as reflected in the invoice	48,474	39,175
Reduction in the form of discounts and disallowances	100	75
Revenue deferred on account of unredeemed loyalty credits	168	240
Revenue recognised in the consolidated statement of profit & loss	**48,206**	**38,860**

Clinics

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Contract price as reflected in the invoice	7,891	6,650
Reduction in the form of discounts and disallowances	388	318
Revenue deferred on account of unredeemed loyalty credits	9	9
Reduction towards amounts received on behalf of service consultants	530	434
Revenue recognised in the consolidated statement of profit & loss	**6,964**	**5,888**

The company receive payments from customers based upon contractual billing schedules and upon submission of requisite documentation; accounts receivable are recorded when the right to consideration becomes unconditional. Contract assets includes amounts related to our contractual right to consideration for completed performance obligations not yet invoiced. Contract liabilities include payments received in advance of satisfying a performance obligation as per the terms of the contract.

31 Other Income

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a) Interest income		
(Interest Income earned on financial assets that are not designated as at fair value through profit or loss)		
Bank deposits	58	64
Other financial assets	115	81
Sub Total	173	145
b) Dividend Income		
Dividend on equity investments	-	4
c) Other non-operating income (net of expenses directly attributable to such income)		
Provision for liabilities written back	51	35
Sub Total	**51**	**35**
d) Other gains and losses		
Gain on disposal of Property Plant and Equipment	-	46
Net gain on disposal of financial assets	5	6
Gain/(loss) on fair valuation of investment in debentures	-	-
Gain on fair valuation of mutual funds	43	32
Gain/(loss) on fair valuation of equity instruments	(11)	-
Foreign exchange gain/(loss), net	(51)	(9)
Miscellaneous Income	59	54
Sub Total	**45**	**130**
Total (a+b+c+d)	**269**	**314**

32 Cost of materials Consumed

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening inventory	884	1,410
Add: Purchases	18,877	15,923
Less: Closing inventory	1,668	884
Total	**18,092**	**16,449**

33 Changes in inventory of Stock in trade

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Inventories at the beginning of the year	4,964	4,249
Inventories at the end of the year	(6,034)	(4,964)
Changes in inventory of stock in trade	**(1,070)**	**(716)**

34 Employee benefits expense

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and wages	16,705	14,374
Contribution to provident and other funds	1,042	952
Staff welfare expenses	782	657
Total	**18,529**	**15,982**

35 Finance costs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest expense on financial liabilities measured at amortised cost	2,929	2,837
Interest expense on lease liabilities	1,704	-
Other borrowing costs	695	433
Total	**5,328**	**3,270**

During the year the Group has capitalised borrowing costs of ₹232 million (Previous year ₹350 million) relating to projects, included in Capital Work in progress. The capitalisation rate used is the weighted average interest of 9% (previous year 9.03%)

36 Depreciation and amortisation expense

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation of property, plant and equipment	3,915	3,746
Amortisation of intangible assets	260	203
Depreciation of Right-of-use asset	2,016	-
Depreciation of investment property	6	6
Total	**6,197**	**3,955**

37 Other expenses

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Retainer Fees to Doctor`s	6,378	5,750
Advertisement, Publicity & Marketing	2,271	1,839
Power and fuel	1,946	1,706
Legal & Professional Fees	1,165	1,213
Outsourcing Expenses:-		
Food and Beverages	1,623	1,192
House Keeping Expenses	1,391	1,033
Security Charges	361	354
Bio Medical maintenance	93	231
Other Services	90	80
Office Maintenance & Others	1,027	819
Repairs to Machinery	986	773
Rent	930	3,502
Travelling & Conveyance	868	818
Expected Credit Loss on trade receivables	752	657
Printing & Stationery	523	428
House Keeping Expenses	335	325
Rates and Taxes, excluding taxes on income	216	183
Repairs to Buildings	205	164
Telephone Expenses	194	149
Water Charges	184	132
Postage & Telegram	157	133
Insurance	155	139
Hiring Charges	147	135
Continuing Medical Education & Hospitality Expenses	140	94
Laboratory testing charges	122	104
Franchise Service Charges	93	101
Repairs to Vehicles	87	70
Seminar Expenses	55	58
Loss on Sale of Property Plant and Equipments	37	60
Subscriptions	21	23
Donations	21	25
Books & Periodicals	15	16
Director Sitting Fees	9	7
Miscellaneous expenses	395	553
Total (a)	**22,990**	**22,866**
Expenditure incurred for corporate social responsibility (b)	87	81
Total (a) + (b)	**23,077**	**22,947**

Consequent to the requirements of section 135 of Companies Act 2013, the company has made contributions as stated below. The same is in line with activities specified Schedule VII of Companies Act, 2013.

Amount spent during the year ended March 31, 2020 on corporate social responsibility activities:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Construction/acquisition of any asset	-	-
On purpose other than above	87	81

38 Income taxes

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current tax		
In respect of the current year	1,249	993
In respect of the prior year	60	-
Total (a)	**1,309**	**993**

39 Deferred tax

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
In respect of the current year (includes MAT credit utilised amounting to ₹832 (previous year ₹266))	943	741
Total (b)	**943**	**741**
Total income tax expense (a+ b)	**2,252**	**1,734**

Income tax expense can be reconciled to the accounting profit as follows:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit before share of net profits of investments accounted for using equity method and tax	6,600	3,726
Enacted tax rates in India	34.94%	34.94%
Income tax expense	2,306	1,302
Effect of income that are not considered in determining taxable profit	(686)	-
Effect of income that is exempt from taxation	-	30
Capital gains recognised on sale of investments	222	-
Effect of expenses that are not deductible in determining taxable profit	39	(27)
Effect of tax expenses recorded in resepct of previous years not included in profit considered above	60	-
Effect of unrecognised deferred taxes deductible temporary differences	310	422
Total	**2,252**	**1,727**

40 Amount recognised in Other Comprehensive Income (OCI)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Items that will not be reclassified subsequently to statement of profit and loss		
Re-measurement of defined benefit plans (Refer Note 44)	(5)	(288)
Equity instruments through other comprehensive income	(1)	(3)
Total	**(6)**	**(291)**

41 Segment information

Operating Segments

The board of directors have been identified as the Chief Operating Decision Maker (CODM) by the company. Information reported to the CODM for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Healthcare, Retail Pharmacy, clinics and others have been identified as the operating segments. No operating segments have been aggregated in arriving at the reportable segments of the Group.

The Group operates mainly in India. Accordingly, there are no additional disclosures to be provided under Ind AS 108, other than those already provided in these consolidated financial statements.

The following are the accounting policies adopted for segment reporting :

a. Assets, liabilities, revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.

b. Healthcare segment includes hospitals and hospital based pharmacies. Retail pharmacy include pharmacy retail outlets. Clinics Segment include clinics, diagnostics, Spectra, Cradle, Sugar, Dental and Dialysis business. Other Segment includes revenue, assets and liabilities of companies not engaged in any of the aforementioned segments and treasury investments, fixed deposits and their related income of companies involved in all the three segments. Unallocated assets and liabilities includes those assets and liabilities which are not allocable to above mentioned segments such as Deferred tax, Borrowings, Investments and others

c. Inter segment revenue and expenses are eliminated.

The Group has disclosed this Segment Reporting in Financial Statements as per Ind AS 108.

41.1 Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segments.

Particulars	Segment Revenue		Segment Profit	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Healthcare	57,504	51,618	7,024	6,198
Retail Pharmacy	48,206	38,860	2,902	1,682
Clinics	6,964	5,887	(219)	(1,149)
Others	44	40	(31)	(49)
Sub-Total	112,717	96,406	9,676	6,681
Less: Inter Segment Revenue	249	232		
Total	**112,468**	**96,174**	**9,676**	**6,681**
Finance costs			(5,328)	(3,270)
Other un-allocable expenditure			270	314

Particulars	Segment Revenue		Segment Profit	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Exceptional item (Net) (Refer note 64)			1,983	-
Profit before share of net profits of investments accounted for using equity method and tax			6,601	3,726

Segment profit represents the profit before tax earned by each segment without allocation of finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

41.2 Segment assets and liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Segment Assets		
Healthcare	76,018	67,824
Retail Pharmacy	20,550	11,234
Clinics	8,232	4,581
Others	477	505
Total Segment Assets	**105,277**	**84,143**
Unallocated	8,107	7,688
Total assets	**113,384**	**91,831**
Segment liabilities		
healthcare	22,864	14,464
Retail Pharmacy	11,276	2,250
Clinics	6,367	1,693
Others	195	177
Total Segment liabilities	**40,701**	**18,582**
Unallocated	39,289	39,914
Total liabilities	**79,991**	**58,496**

42 Earnings per Share (EPS)

EPS is calculated by dividing the profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The earnings and the weighted average number of shares used in calculating basic and diluted earnings per share is as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Basic and Diluted earnings per share (Face value ₹5 per share)		
(i) Income :-		
Profit for the year attributable to the owners of the Company	4,549	2,360
Earnings used in the calculation of basic and dilued earnings per share	4,549	2,360
(ii) Weighted average number of equity shares for the purposes of basic earnings per share	139,125,159	139,125,159
(iii) Earnings per share (Face value ₹5 per share)		
Basic and Diluted	32.70	16.97

Employee Benefits Plans

43 Defined contribution plans

The Group makes contributions towards provident fund and employees state insurance as a defined contribution retirement benefit fund for qualifying employees. The provident fund is operated by the regional provident fund commissioner. The amount recognised as expense towards contribution to provident fund amount was ₹ 696 million (previous year ₹592 million) .The Employee state insurance is operated by the employee state insurance corporation. Under these schemes, the Group is required to contribute a specific percentage of the payroll cost as per the statute. The amount recognised as expense towards contribution to Employee State Insurance amount was ₹ 232 million (previous year ₹258 million). The Group has no further obligations in regard of these contribution plans.

44 Defined benefit plans

44.1 a) Gratuity

The Group operates post-employment defined benefit plan that provide gratuity. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement/exit. The Group's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation carried out by an independent actuary using the projected unit credit method. The Group recognizes actuarial gains and losses immediately in other comprehensive income, net of taxes. The Group accrues gratuity as per the provisions of the Payment of Gratuity Act, 1972 as applicable as at the balance sheet date.

The Group contributes all ascertained liabilities towards gratuity to the Fund. The plan assets have been primarily invested in insurer managed funds. The Gratuity plan provides a lump sum payment to the vested employees at retirement, death, incapacitation or termination of employment based on the respective employees salary and tenure of the employment with the Group

The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Plan investment is a mix of investments in government securities, and other debt instruments.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

A. Change in Defined Benefit Obligation

Particulars	March 31, 2020	March 31, 2019
Opening defined benefit obligation	1,315	957
Current service cost	91	97
Interest cost	88	65
Remeasurement (gains)/losses on account of change in actuarial assumptions	(9)	292

Particulars	March 31, 2020	March 31, 2019
Benefits paid	(60)	(96)
Closing defined benefit obligation	**1,424**	**1,315**

B. Changes in Fair value of Plan Assets

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening fair value of plan assets	913	747
Interest income	65	61
Return on plan assets (excluding amounts included in net interest expense)	4	7
Contributions from the employer	80	186
Benefits paid	(60)	(87)
Closing fair value of plan assets	**1,001**	**913**

C. Amount recognised in Balance Sheet

Particulars	March 31, 2020	March 31, 2019
Present value of funded defined benefit obligation	1,424	1,315
Fair value of plan assets	(1,001)	(913)
Funded status	423	402
Restrictions on asset recognised	-	-
Net liability arising from defined benefit obligation	**423**	**402**

D. Expenses recognised in statement of profit and loss

Particulars	March 31, 2020	March 31, 2019
Service cost:		
Current service cost	91	97
Net interest expense	23	5
Components of defined benefit costs recognised in profit or loss	114	102

E. Expenses recognised in Other Comprehensive Income

Particulars	March 31, 2020	March 31, 2019
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	(4)	(7)
Actuarial (gains) / losses arising from changes in demographic assumptions	(9)	292
Actuarial (gains) / losses arising from changes in financial assumptions	-	3
Actuarial (gains) / losses arising from experience adjustments	-	6
Components of defined benefit costs recognised in other comprehensive income	(13)	294
Remeasurement (gain)/ loss recognised in respect of other long term benefits	-	154
Total of remeasurement (gain)/loss recognised in Other Comprehensive Income (OCI)	(13)	448

F. Significant Actuarial Assumptions

Particulars	Valuation as at	
	March 31, 2020	March 31, 2019
Discount rate(s)	Hospital-5.45%-7%	Hospital-6.6%-8%
	Pharmacy-5.45%	Pharmacy-6.76%
	Clinics-6.5%-7%	Clinics-7.6%-8%
Expected rate(s) of salary increase	Hospital: 0%-8%	Hospital: 5%-8%
	Pharmacy:0% (FY21) and 5% balance years	Pharmacy:5.8%
	Clinics:5%	Clinics:5%-8%
Attrition Rate	Hospital:2%-45%	Hospital:3%-45%
	Pharmacy:32%	Pharmacy:32%
	Clinics:5%-35%	Clinics:2%-35%
Retirement Age	58.00	58.00
Pre-retirement mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

The expected rate of return on plan assets is based on market expectations at the beginning of the year. The rate of return on long-term government bonds is taken as reference for this purpose.

G. Category of Assets

Particulars	Valuation as at	
	March 31, 2020	March 31, 2019
Insurer managed funds	1,001	913
Total	**1,001**	**913**

Each year Asset Liability matching study is performed in which the consequences of strategic investments policies are analysed in terms of risk and returns profiles. Investments and Contributions policies are integrated within this study.

H. Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumption		Increase in assumption		Decrease in assumption	
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
Discount rate	+100 basis points/ -100 basis points	+100 basis points/ -100 basis points	1,539	1,147	1,505	1,203
Salary growth rate	+100 basis points/ -100 basis points	+100 basis points/ -100 basis points	1,551	1,198	1,491	1,152
Attrition rate	+100 basis points/ -100 basis points	+100 basis points/ -100 basis points	1,520	1,175	1,516	1,173

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

	March 31, 2020	March 31, 2019
Estimated benefit payments from the fund for the year ended March 31		
2022	581	787
2023	142	191
2024	92	123
2025	59	81
Thereafter	155	193

45 Long Term Benefit Plans

45.1 Leave Encashment

The company pays leave encashment benefits to employees as and when claimed subject to the policies of the company. The company provides leave benefits through annual contributions to the fund managed by HDFC Life.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	March 31, 2020	March 31, 2019
Discount rate(s)	5.45%-7%	5.8%-8%
Expected rate(s) of salary increase	0%-8%	5%-8%
Attrition Rate	2%-45%	5.00%- 45.00%
Retirement Age	58.00	58.00
Pre-mortality rate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

46 Financial instruments

46.1 Capital management

The Group manages its capital to ensure it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.The capital structure of the Group consists of net debt and total equity of the Company. The Group is not subject to any externally imposed capital requirements.

The Group's risk management committee reviews the capital structure of the Group on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The Group has a target gearing ratio of 100% of net debt to total equity determined as the proportion of net debt to total equity. The gearing ratio at March 31, 2020 of 90% (Previous year 96%) was below the target range.

Gearing ratio

Particulars	As at March 31, 2020	As at March 31, 2019
The gearing ratio at end of the reporting period was as follows.		
Debt (includes Borrowings , Current Maturities of Long term Debt, unpaid maturities of deposits and excludes lease liabilities recognised upon adoption of Ind AS 116 in the current year)	35,958	36,726
Cash and bank balances (Refer Note 16 & Note 17)	4,667	3,470
Net Debt	31,291	33,257
Total Equity	34,697	34,689
Net debt to equity ratio	90%	96%

46.2 Categories of financial instruments

Particulars	As at March 31, 2020	As at March 31, 2019
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
(i) Investments in Equity Instruments (Other than Joint Ventures and Associates)	269	191
(ii) Investments in Mutual Funds	749	688
(iii) Derivative Financial Instruments	67	288
Measured at amortised cost		
(i) Cash and Cash Equivalents	4,667	3,470
(ii) Trade Receivables	10,272	10,232
(iii) Investment in Debentures	80	80
(iv) Other Financial Assets	3,283	2,610
(vi) Loans	301	188
(v) Finance Lease Receivable	5	5
Measured at Cost (equity method of accounting)		
(i) Investments in Joint ventures and Associates	3,242	3,654
Investments measured at Fair Value Through Other Comprehensive Income (FVTOCI)	2	3
Financial liabilities		
Measured at amortised cost		
(i) Trade Payables	9,089	7,131
(ii) Borrowings (includes short, long term and interest accrued and not due)	35,958	36,726
(iii) Other Financial Labilities (includes lease liabilities)	22,522	2,798
(iv) Gross Obligation over written put options	4,955	4,713

46.3 Financial risk management objectives

The Group's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group's exposure to credit risk is primarily from trade receivables which are in the ordinary course of business influenced mainly by the individual characteristic of each customer.

The Group's exposure to currency risk is on account of borrowings and other credit facilities demoninated in currency other than Indian Rupees. The Group seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non -derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Corporate Treasury function reports quarterly to the Group's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

46.4 Market risk

The Group's activities expose it to the financial risks of changes in foreign currency exchange rates and interest rates. The Group enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk using currency cum interest swaps

46.5 Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Particulars	Liabilities as at		Assets as at	
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
Foreign Currency Borrowings (in USD)	8	35	-	-
Foreign Currency Borrowings (in INR)	601	2,410	-	-
Trade Receivables (In USD)	-	-	1	-
Trade Receivables (In INR)	-	-	49	18
Trade Payables (In EURO)	7	-	-	-
Trade Payables (In INR)	568	-	-	-

Foreign currency sensitivity analysis

Of the above, The borrowings of USD 8 Million as at March 31, 2020 and USD 32.86 Million as at March 31, 2019 are completely hedged against foreign currency fluctuation using forward contracts and Interest rate swaps. Therefore the exposure of the Group of foreign exchange risk is limited to unhedged borrowings and trade payables, trade receivables denominated in foreign currency for which below sensitivity is provided

The Group is mainly exposed to currency United States Dollar (USD).

The following table details the Group's sensitivity to a 10% increase and decrease in the ₹ against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the ₹ strengthens 10% against the relevant currency. For a 10% weakening of the ₹ against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

Particulars	Impact of Foreign Currency			
	31st March, 2020		31st March, 2019	
	+10%	(10%)	+10%	(10%)
Impact on Profit or Loss for the year	(52)	52	(13)	13
Impact on Equity for the year	(52)	52	(13)	13

46.6 Interest rate risk management

The Group is exposed to interest rate risk because the Group borrows funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts and forward rate contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's:

• profit for the year ended March 31, 2020 would decrease/increase by ₹149 Million (Previous year: decrease/ increase by ₹136 million). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings

Cross Currency Interest rate swap contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures on the issued variable rate debt. The average interest rate is based on the outstanding balances at the end of the reporting period. The Cross Currency Interest Rate Swaps on External Currency Borrowings hedges the interest rte risk on the USD Borrowing.

Outstanding Contracts	Spot Rate	Foreign Currency	Nominal Amount	Fixed Interest Rate	Fair Value
Contract 1	66.41	USD 8,000,000	5312,80,000	9.20%	67.32

46.7 Credit risk management

Credit risk is a risk of financial loss to the Group arising from counterparty failure to repay according to contractual terms or obligations. Majority of the Group's transactions are earned in cash or cash equivalents. The Trade Receivables comprise mainly of receivables from Insurance Companies, Corporate customers, Public Sector Undertakings, State/Central Governments. The Insurance Companies are required to maintain minimum reserve levels and the Corporate Customers are enterprises with high credit ratings. Accordingly, the Group's exposure to credit risk in relation to trade receivables is considered low. Before accepting any new credit customer, the Group uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed annually. The outstanding with the debtors is reviewed periodically.

Refer Note 13 For the credit risk exposure , ageing of trade receivable and impairment methodology for financial assets

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by credit-rating agencies

46.8 Equity price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/lower:

• profit for the year ended March 31, 2020 would increase/decrease by ₹35 (for the year ended March 31, 2019: increase/ decrease by ₹39) as a result of the changes in fair value of equity investments. As at 31 March 2020 the company has quoted investments only in Indraprastha Medical Corporation Limited.

47 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-term, medium-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

47.1 Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

Outstanding Contracts	Weighted average effective interest rate(%)	3 months to 1 year	1 Year to 5 years	> 5 years
March 31, 2020				
Non-interest bearing		3,728	-	5,073
Variable interest rate instruments	8.54%	7,503	8,358	14,494
Fixed interest rate instruments	9.58%	2	2,000	3,000
Lease liabilities		1,575	5,943	12,733
		12,808	16,301	35,300
March 31, 2019				
Non-interest bearing	-	9,882	-	4,774
Variable interest rate instruments	8.54%	6,364	6,456	14,604
Fixed interest rate instruments	9.58%	28	2,014	5,000
		16,274	8,470	24,377

The carrying amounts of the above are as follows:

Outstanding Contracts	1 Year to 5 years	> 5 years
The carrying amounts of the above are as follows:	**31-Mar-20**	**31-Mar-19**
Non-interest bearing	8,801	14,656
Variable interest rate instruments	30,355	27,423
Fixed interest rate instruments	5,002	7,043
Finance Lease liabilities	20,251	-
	64,409	49,122

Non Interest bearing includes Trade Payables, Current Financial Liabilities, Non Current Financial liabilities excluding current maturities of Long term debts

Variable interest rate instruments and Fixed Interest rate instruments includes Long Term and Short Term Borrowings and current maturities of long term debt

The following table details the Group's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will he earned on those assets. The inclusion of information on non -derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Outstanding Contracts	Weighted average effective interest rate(%)	3 months to 1 year	1 Year to 5 years	> 5 years
March 31, 2020				
Non-interest bearing		11,290		2,337
Fixed interest rate instruments	10%	70	231	
Total		**11,360**	**231**	**2,337**
March 31, 2019				
Non-interest bearing	-	11,519	-	2,062
Fixed interest rate instruments	10%	80	108	
Total		**11,599**	**108**	**2,062**

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

The following table details the Group's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted gross outflows on settlement of these derivatives. These derivatives are taken by the Group as against the External Commercial Borrowings (ECB) which have already been included as part of the Fixed rate instruments under the financial liabilities section.

Outstanding Contracts	1 Year to 5 years	> 5 years
March 31, 2020		
Net Settled:		
- Cross Currency interest rate swaps	601	
Total	**601**	**-**
March 31, 2019		
Net Settled:		
- Cross Currency interest rate swaps	1,279	999
Total	**1,279**	**999**

48 Financing facilities

The Group has access to financing facilities as described below. The Group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

Outstanding Contracts	As at 31st March 2020	As at 31st March 2019
Secured bank loan facilities		
- amount used	34,599	33,237
- amount unused	4,745	4,265
Total	**39,344**	**37,501**
Unsecured bank loan facilities		
- amount used	3,079	2,935
- amount unused	2,509	794
Total	**5,588**	**3,728**

49 Fair Value Measurement

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices in actove markets for identified assets and liabilities

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

Particulars	Fair Value as at		Fair Value Hierarchy	Valuation technique and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Financial Assets/ Financial Liabilities	March 31, 2020	March 31, 2019				
Derivative Financial Instruments (Assets)	67	288	Level 2	Discount cash flow, Future Cash Flows are estimated based on forward exchange rates and contract forward rates discounted at a rate that reflects the credit risk of various counterparties	-	-
Investments in Mutual Funds	749	688	Level 1	Fair value is determined based on the Net asset value published by respective funds.	-	-
Investments in equity Instruments	269	191	Level 3	Discounted Cash Flow-Income approach	Discount rate, Risk free Return, Long term Market rate of return are the assumptions used	A slight change in assumptions will change the Fair value of the Investment
Investments in equity instrument at FVTOCI (unquoted)	1.76	2.81	Level 3	Discounted cash flow model under income approach was used to capture the present value of the expected future economic benefits to be derived from the ownership of the investee.	Long term growth rates, taking into account management's experience and knowledge of market conditions of the specific industry at 5%.	A slight change in assumptions will change the Fair value of the Investment

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair-value of the financial-instruments factor the uncertainties arising out of COVID-19, where applicable.

50 Fair Value of Financial Assets and Financial Liabilities that are not measured at fair value (but fair value disclosure are re-quired)

The Group considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements at amortized cost will reasonably approximate their fair values.

51 Reconciliation of Level 3 Fair Value Measurements

Particulars	March 31, 2020	March 31, 2019
Opening Balance	194	65
Add: Investments during the year	89	155
Less : Fair value gain/(loss)	(12)	(27)
Closing Balance	270	194

If the long term growth rate used were 1% higher/ lower while all other variable were held constant the carrying amount of the shares would increase / decrease by ₹0.071 Million and ₹(0.071) million respectively.

1% increase / decrease in WACC or discount rate used while holding all other variable constant would decrease/increase the carrying amount of the unquoted investment by ₹0.17 million and (0.19) million respectively

52 Financial impact of initial application of Ind AS 116, Leases

52.1 The Company as lessee

Leasing arrangement

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

The Group lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Refer note 6 for Right of use asset for the period ended March 31, 2020

The lease term considerred by the Group for measurement of Right-of-use assets and lease liabilities range from 2 years to 60 years and and the incremental borrowing rate considered for measurement of lease liability is 9%.

The tables below show amount of impact on financial statements on initial application of standard:

Retained earnings	
Adjustment on account of modified retrospective approach	3,716
De-recognition of pre-operative expenses earlier capitalised as per Ind AS 16	451
Deferred tax impact on above	(1,468)
Total	**2,699**

Consolidated Statement of Profit and Loss	
Interest on lease liabilities	1,704
Depreciation of Right-of-use assets	2,005
Rent reversal	(2,992)
Deferred tax (credit)	(250)
Impact on the consolidated statement of profit and loss	466
Earnings per share (EPS)	
Basic and Diluted EPS prior to adoption of Ind AS 116	36.05
Basic and Diluted post prior to adoption of Ind AS 116	32.70
Impact	3.35

Consolidated Statement of Cash Flows

Under Ind AS 116, the Group has presented

i) Short-term lease payments, payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability as part of operating activities;

ii) Cash paid for the interest and principal portion of lease liability as financing activities

Under Ind AS 17, all lease payments on operating leases were presented as part of cash flows from operating activities. Consequently, the net cash generated by operating activities has increased by ` 2,983 million and net cash used in financing activities increased by the same amount.

The adoption of Ind AS 116 did not have an impact on net cash flows.

The difference between the lease obligation disclosed as of March 31, 2019 under Ind AS 17 and the value of the lease liabilities as of April 1, 2019 is primarily on account of assessment of lease tenure considering all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term, significant leasehold improvements made and importance of the underlying asset to lessee's operations.

Reconciliation between operating lease committment disclosed as per Ind AS 17 and lease liability recognised as at April 1, 2019 is given below:

Operating lease commitment as at March 31,2019	**6,954**
Discounted at incremental borrowing rate at April 1,2019	3,472
Recognition exemption for short term lease*	-
Extension and termination options reasonable certain to be excercised	15,660
Lease liabilities as at April 1,2019	**19,132**

* The Group has not considered any lease commitment in case of short term leases in the previous period and these lease have also not been considered under Ind AS 116. Hence, there is no adjustment on account of short term leases.

Movement in Lease Liabilities

Lease liability as on April 1, 2019	19,132
Additions	2,529
Deletions	(131)
Finance Cost accrued during the period	1,704
Payment of lease liabilities*	(2,983)
Balance at March 31, 2020	**20,250**

* Includes repayment of both principal and interest

Refer note 6 for movement in Right-of-use assets from April 1, 2019 to March 31, 2020

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(Refer Note 47.1 Liquidity and Interest risk tables maturity analysis of lease liabilities)

The Group has made use of the following practical expedients available in its transition to Ind AS 116:

a) The Group has not re-assessed whether whether a contract is, or contains, a lease at April 1, 2019 and has applied the standard to all contracts that were previously identified as leases applying Ind AS 17, Leases.

b) The Group has applied single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment). Consequently, the Group has recorded its lease liability using the present value of remaining lease payments, discounted using the incremental borrowing rate at the date of initial application and the right-of-use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted using the incremental borrowing rate at the date of initial application.

The Group's incremental borrowing rate as in te date of intial application is at 9%, which has been used for measurement of lease liabilities."

c) The Group has excluded the initial direct costs from measurement of the RoU asset

d) The Group does not recognize RoU assets and lease liabilities for leases with less than twelve months of lease term and low value assets on the date of initial application.

53 Commitments

Particulars	As at 31st March, 2020	As at 31st March, 2019
Commitments to contribute funds for the acquisition of property, plant and equipment	1,431	4,102
Commitments to contribute funds towards Equity	531	552

54 Contingent liabilities

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Claims against the Company not acknowledged as debt	3,483	2,409
(b) Letters of Comfort	-	2
(c) Letter of Credit	34	-
(d) Other money for which the company is contingently liable		
Customs Duty	310	100
Service Tax (Refer ii)	62	814
Provident Fund	22	-
Value Added Tax	1	1
Income Tax (Refer i & iii)	317	323
Other Matters	325	59
Total	**4,554**	**3,708**
Contingent Assets		
Consideration receivable as part of disposal of investment in associate	81	-

Notes

(i) In respect of the company , relating to the proceedings pending before the relevant income tax authority for the assessment years 2009-10 to 2016-17, it is of the opinion that no additional provision for tax expense is considered necessary in the financial statements.

(ii) In respect of the subsidiary company Imperial Hospital & Research Centre Limited (IHRCL) for Financial year 2006 – 2007 to 2010-2011, the service tax department has raised a demand of ₹ 1.89 million which is disputed and the company has deposited a sum of ₹ 1.89 million under protest against this demand. The company has filed an appeal against the said demand before CESTAT-Bengaluru, and the liability has been considered contingent until the conclusion of the appeal.

(iii) In respect of the subsidiary company Imperial Hospital & Research Centre Limited (IHRCL) for Assessment year 2007-2008, the income tax department has raised a demand of ₹1.43 million which is disputed and appealed against by the Company. The company has deposited a sum of ₹1.43 million under protest against this demand, pending disposal of its appeal. The liability will be considered contingent until the conclusion of the appeal.

(iv) In respect of Apollo Health & Lifestyle Limited, The Honourable supreme Court, has passed a decision on February 28, 2019 in relation to inclusion of certain allowances in "Basic wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Group is awaiting further clarifications from the judiciary/department in this matter in order to reasonably asses the impact on its financial statements, if any. Accordingly, the applicability of the judgement to the group, with respect to the period and the nature of allowances to be covered, and the resultant impact on the past provident fund liability, cannot be reasonably ascertained, at present.

(v) In respect of Apollo Health & Lifestyle Limited, the company received an order from Provident Fund authorities regarding Provident Fund (PF) payments on certain allowances given by the company to it employees for the period April 2014 to April 2016 aggregating to ₹ 13.96 Million excluding interest and penalties. The Company has deposited a sum of ₹ 4.8 Million under protest against this demand. The company has filed an appeal against the demand and the liability is considered as contingent until the conclusion of the appeal.

(vi) In respect of Apollo Health & Lifestyle Limited, the company has received an order from the Income tax department for the Assessment Year 2016-17. The subsidiary company has filed an appeal against the said order and contending that no additional provision fot tax expenses is necessary in the financial statements.

55 Expenditure in foreign currency

Particulars	Year ended March 31, 2020	Year ended March 31,2019
a. CIF Value of Imports		
Machinery and Equipment	1,150	105
Stores and Spares	30	-
Other Consumables	33	66
b. Expenditure		
Travelling Expenses	69	171
Professional Charges	85	138
Royalty	6	13
Advertisement	4	15
Business Promotion	41	28

Particulars	Year ended March 31, 2020	Year ended March 31,2019
c. Dividends		
Amount remitted during the year in foreign currency on account of dividends excluding the payment of dividends directly to the share-holder's Non-resident external bank account.	2	3
Non-Residents shareholders to whom remittance was made (Nos.)	136	144
Shares held by non-resident share-holders on which dividend was paid (Nos.)	557,395	609,795

56 Earnings in foreign currency

Particulars	Year ended March 31, 2020	Year ended March 31,2019
Hospital Fees	968	1,045
Project Consultancy Services	55	21
Pharmacy Sales	18	18
Total	**1,041**	**1,083**

57 Share-based payments

Employee share option plan of the Company

(i) Apollo Health and Lifestyle Limited

The Company has granted 194,698 Ordinary (Equity) Shares of ₹10 each during the year ended 31st March, 2012 to the eligible employees of the Company. Options are granted under Employee Stock Option Plan - 2012 (“the Scheme”) which vest over a period of four years commencing from the respective date of grant.

The compensation costs of stock options granted to employees are accounted by the Company over the vesting period.

Summary of stock options

Particulars	No. of stock options	
	Year ended March 31, 2020	Year ended March 31,2019
Options outstanding on April 1	-	48,675
Options granted during the year	-	-
Options forfeited/lapsed during the year	-	25,290
Options exercised during the year	-	23,385
Options outstanding on March 31	-	-
Options vested but not exercised on March 31	-	-

Exercise price is ₹ 30

Management has estimated the fair values of options granted at ₹ 30.

(ii) The Company has granted 412,500 Ordinary (Equity) Shares of ₹ 10 each during the year ended 31st March, 2014 to the eligible employees of the Company. Options are granted under Employee Stock Option Plan - 2013 (“the Scheme”) which vest over a period of four years commencing from the respective date of grant.

The compensation costs of stock options granted to employees are accounted by the Company over the vesting period.

Summary of stock options

Particulars	No. of stock options	
	For the year 2019-20	For the year 2018-19
Options outstanding on April 1	82,500	82,500
Options granted during the year	-	-
Options forfeited/lapsed during the year	82,500	-
Options exercised during the year	-	-
Options outstanding on March 31	-	82,500
Options vested but not exercised on March 31	-	82,500

Exercise price is ₹30

Management has estimated the fair values of options granted at ₹30.

(iii) Apollo Specialty Hospitals Private Limited

The Company by virtue of service and subscription agreement entered into with the doctors for continuance of services with Apollo Specialty Hospitals Private Limited (ASH) inline with the scheme implemented by the erstwhile company (i.e. Nova Speciality Hospitals Private Limited) has agreed to issue Fully Convertible Debentures (FCD) for a value calculated in accordance with performance based formulae at the time of acquisition.

These FCD are issued in respect of the future services which will be rendered by the doctors' and hence is in the nature of share based payment in terms of Ind AS 102. These FCD issued would be convertible upon the expiry of service requirement and other conditions as stipulated by the respective agreements.

The compensation costs of stock options granted to employees are accounted by the Company over the vesting period.

Summary of stock options

Particulars	No. of stock options	
	For the year 2019-20	For the year 2018-19
Options outstanding on April 1, 2019	1,595	1,595
Options granted during the year	-	-
Options forfeited/lapsed during the year	-	-
Options exercised during the year	-	-
Options outstanding on March 31, 2020	1,595	1,595
Options vested but not exercised on March 31, 2020	-	-

Exercise price is ₹Nil

Management has estimated the fair values of options granted at ₹ 25,764.

(iv) Apollo Sugar Clinics Limited

The Company has granted 44,370 Ordinary (Equity) Shares of ₹10 each during the year ended 31st March, 2018 to the eligible employees of the Company. Options are granted under ASCL Employee Stock Option Plan - 2017 ("ESOP 2017") which vest over a period of three years commencing from the respective date of grant.

The compensation costs of stock options granted to employees are accounted by the Company over the vesting period.

Summary of stock options

Particulars	No. of stock options	
	For the year 2019-20	For the year 2018-19
Options outstanding on April 1, 2019	44,370	44,370
Options granted during the year	-	-
Options forfeited/lapsed during the year	-	-
Options exercised during the year	-	-
Options outstanding on March 31,2020	44,370	44,370
Options vested but not exercised on March 31,2020	-	-

Exercise price is ₹89.42

Management has estimated the fair values of options granted at ₹275.70.

(v) Alliance Dental Care Limited

The Company has granted 56,735 Ordinary (Equity) Shares of ₹10 each during the year ended 31st March, 2017 to the directors and eligible employees of the Company. Options are granted under Alliance Dental ESOP Scheme 2016, which vest over a period of four years commencing from the respective date of grant.

The compensation costs of stock options granted to employees are accounted by the Company over the vesting period.

Summary of stock options

Particulars	No. of stock options	
	For the year 2019-20	For the year 2018-19
Options outstanding on April 1,2019	28,368	28,368
Options granted during the year	-	-
Options forfeited/lapsed during the year	-	-
Options exercised during the year	18,912	-
Options outstanding on March 31,2020	9,456	28,368
Options vested but not exercised on March 31,2020	9,456	28,368

Exercise price is ₹10

Management has estimated the fair values of options granted at ₹194.

(vi) Apollo Dialysis Private Limited

The Company has granted 55,566 Ordinary (Equity) Shares of ₹10 each during the year ended 31st March, 2017 to the directors of holding company and directors and eligible employees of the Company. Options are granted under Apollo Dialysis ESOP Scheme 2016, which vest over a period of four years commencing from the respective date of grant.

The compensation costs of stock options granted to employees are accounted by the Company over the vesting period.

(vii) Apollo Dialysis Private Limited

The Company has granted 55,566 Ordinary (Equity) Shares of ₹10 each during the year ended 31st March, 2017 to the directors of holding company and directors and eligible employees of the Company. Options are granted under Apollo Dialysis ESOP Scheme 2016, which vest over a period of four years commencing from the respective date of grant.

The compensation costs of stock options granted to employees are accounted by the Company over the vesting period.

Summary of stock options

Particulars	No. of stock options	
	For the year 2019-20	For the year 2018-19
Options outstanding on April 1,2019	27,783	27,783
Options granted during the year	-	-
Options forfeited/lapsed during the year	-	-
Options exercised during the year	18,522	-
Options outstanding on March 31,2020	9,261	27,783
Options vested but not exercised on March 31,2020	9,261	27,783

Exercise price is ₹10

Management has estimated the fair values of options granted at ₹27.

58 Written Put option over Non-controlling Interest of subsidiary

Pursuant to the shareholder agreement read with put option agreement dated October 26, 2016 entered into with International Finance Corporation (IFC), IFC has the right to exercise the put option on shares from the end of 8th year to 12th year of subscription (i.e. 2016) either on Apollo Hospitals Enterprises Limited ("AHEL") or Apollo Health and Lifestyle Limited ("AHLL", subsidiary of AHEL).

The management based on the assessment of this put option, has accounted the same in accordance with note 3.23 included in the significant accounting policies.

59 The Group has advanced loans to its subsidiary companies. The disclosures pursuant to Regulation 34(3) read with para A of Schedule V to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

60 Information on Related Party Transactions as required by Ind AS 24 - Related Party Disclosures for the year ended March 2020

S.No	Name of the company	Country of Incorporation	% of Holding as at March 31, 2020	% of Holding as at March 31, 2019
A)	**Subsidiary Companies: (where control exists)**			
1	Apollo Home Healthcare (India) Limited	India	100	100
2	AB Medical Centre Limited	India	100	100
3	Apollo Health and Lifestyle Limited	India	70.25	70.25
4	Apollo Nellore Hospitals Limited	India	80.87	79.44
5	Imperial Hospitals and Research Centre Limited	India	90	90
6	Samudra Healthcare Enteprises Limited	India	100	100
7	Western Hospitals Corporation (P) Limited	India	100	100
8	Apollo Hospitals (UK) Limited	United Kingdom	100	100
9	Sapien Biosciences Private Limited	India	70	70
10	Assam Hospitals Limited	India	65.52	62.32
11	Apollo Lavasa Health Corporation Limited	India	51	51
12	Apollo Rajshree Hospitals Private Limited	India	54.63	54.63
13	Total Health	India	100	100

S.No	Name of the company	Country of Incorporation	% of Holding as at March 31, 2020	% of Holding as at March 31, 2019
14	Apollo Home Healthcare Limited	India	70.75	58.12
15	Apollo Healthcare Technology Solutions Limited	India	40	40
16	Apollo Hospitals International Limited	India	50	50
17	Future Parking Private Limited	India	49	49
18	Apollo Hospitals Singapore Private Limited	Singapore	100	100
19	Apollo Medicals Private Limited	India	100	100
B)	**Step Down Subsidiary Companies**			
1	Alliance Dental Care Limited	India	69.24	69.54
2	Apollo Dialysis Private Limited	India	59.3	59.53
3	Apollo Sugar Clinics Limited	India	80	80
4	Apollo Specialty Hospitals Pvt Ltd	India	100	100
5	Apollo CVHF Limited	India	66.67	66.67
6	Apollo Bangalore Cradle Limited	India	100	100
7	Kshema Health Private Limited	India	100	100
8	Apollo Pharmacies Limited	India	100	100
9	AHLL Diagnostics Limited	India	100	100
10	AHLL Risk Management Private Limited	India	100	100
C)	**Joint Ventures**			
1	Apollo Gleneagles Hospital Limited	India	50	50
2	Apollo Gleneagles PET-CT Private Limited	India	50	50
3	Apokos Rehab Private Limited	India	50	50
4	Medics International Lifesciences Ltd	India	50	50
D)	**Associates**			
1	Family Health Plan Insurance TPA Limited	India	49	49
2	Indraprastha Medical Corporation Limited	India	22.03	22.03
3	Apollo Munich Health Insurance Company Limited*	India	-	9.96
4	Stemcyte India Therapautics Private Limited	India	24.50	24.50
5	Apollo Amrish Oncology Services Private Limited	India	50	50

*The Group has ceased to have significant influence in this associate company with effect from January 1, 2020 in which date the closing conditions required to complete the sale have been completed and consideration for the sale has been received, the investment has been de-recognised from the books with effect from January 1, 2020

E)	**Key Management Personnel**			
1	Dr. Prathap C Reddy			
2	Smt. Suneeta Reddy			
3	Smt. Preetha Reddy			
4	Smt. Sangita Reddy			
5	Smt. Shobana Kamineni			
6	Shri. Krishnan Akhileswaran			
7	Shri. S M Krishnan			

S.No	Name of the company	Country of Incorporation	% of Holding as at March 31, 2020	% of Holding as at March 31, 2019
F)	**Directors**			
1	Shri. Vinayak Chatterjee			
2	Dr. T. Rajgopal			
3	Dr. Murali Doraiswamy			
4	Smt. V. Kavitha Dutt			
5	Shri. MBN Rao			
6	Shri. N.Vaghul			(Refer note i)
7	Shri. Deepak Vaidya			(Refer note ii)
8	Shri. BVR Mohan Reddy			(Refer note iii)
9	Shri. G. Venkatraman			(Refer note iv)
10	Shri. Sanjay Nayar			(Refer note v)
H)	**Enterprises over which key managerial personnel and their relatives are able to exercise significant influence / control / joint control**			
1	Adeline Pharma Private Limited	India		
2	AMG healthcare Destination Private Limited	India		
3	Apollo CVHF Limited	India		
4	Apollo Education Research Foundation	India		
5	Apollo Health Resources Limited	India		
6	Apollo Hospital Educational Trust	India		
7	Apollo Hospitals Health Research Foundation	India		
8	Apollo Institute of Medical Science and Research	India		
9	Apollo Medical Centre LLC	India		
10	Apollo Medskills Limited	India		
11	Apollo Shine Foundation	India		
12	Apollo Sindoori Hotels Limited	India		
13	Apollo Tele Health Services Private Limited	India		
14	Apollo Teleradiology Private Limited	India		
15	Apeejay Surrendra Park Hotels Limited	India		
16	ATC Pharma Private Limited	India		
17	Bona Sera Hotels Limited	India		
18	Cadila Pharmacuticals Limited	India		
19	Dasve Convention Center Limited	India		
20	Dhruvi Pharma Private Limited	India		
21	Dr. GSK Velu	India		
22	Dynavision Limited	India		
23	Ecomotel Hotel Limited	India		
24	Emedlife Insurance Broking services Limited	India		
25	Faber Sindoori Management Services Private Limited	India		
26	Focus Medisales Private Limited	India		

S.No	Name of the company	Country of Incorporation	% of Holding as at March 31, 2020	% of Holding as at March 31, 2019
27	Full Spectrum Adventure Limited	India		
28	Green Channel Travels Services Private Limtied	India		
29	Healthnet Global Limited	India		
30	Indian Hospital Corporation Limited	India		
31	Indian Hospitex Private Limited	India		
32	Indo - National limited	India		
33	IRIS Healthcare Technologies Private Limited	India		
34	IRM Enterprises Private Limited	India		
35	Jugnu Jain	India		
36	Keimed Private Limited	India		
37	Kurnool Hospitals Enterprise Limited	India		
38	Lavasa Corporation Limited	India		
39	Lifetime Wellness Rx International Limited	India		
40	Lucky pharmaceuticals Private Limited	India		
41	Matrix Agro Private Limited	India		
42	Maxivision Laser Centre Private Limited	India		
43	Medics International Lifesciences Limited	India		
44	Medihauxe Healthcare Private Limited	India		
45	Medihauxe International Private Limited	India		
46	Medihauxe Pharma Private Limited	India		
47	Medvarsity Online Limited	India		
48	Meher Distributors Private Limited	India		
49	My City Technology Limited	India		
50	Neelkanth Drugs Private Limited	India		
51	Olive & Twist Hospitality Private Limited	India		
52	P Obul Reddy & Sons	India		
53	Palepu Pharma Private Limited	India		
54	PCR Investments Limited	India		
55	Rajshree Catering Services	India		
56	Reasonable Housing Limited	India		
57	Sahyadri City Management Limited	India		
58	Sanjeevani Pharma Distributors Private Limited	India		
59	Sanofi Synthelabo (India) Limited	India		
60	Searchlight Health Private Limited	India		
61	Shree Amman Pharma Private Limited	India		
62	Srinivasa Medisales Private Limited	India		
63	Together Against Diabetic Foundation Trust	India		
64	Trivitron Healthcare Private Limited	India		
65	Vardhman Pharma Distributors Private Limited	India		
66	Vasu Agencies Hyd Private Limited	India		
67	Vasu Pharma Distributors Hyd Private Limited	India		

S.No	Name of the company	Country of Incorporation	% of Holding as at March 31, 2020	% of Holding as at March 31, 2019
68	Vasu Vaccines & Speciality Drugs Private Limited	India		
69	Warasgaon Power Supply Limited.	India		
70	Whistling Thrust Facility Service	India		

(i) Shri N. Vaghul ceased to be a director wef 1st April 2019

(ii) Shri Deepak Vaidya resigned wef 5th September 2018

(iii) Shri BVR Mohan Reddy resigned wef 20th August 2018

(iv) Shri G. Venkatraman ceased to be a director wef 1st April 2019

(v) Shri Sanjay Nayar resigned wef 9th February 2019

60.1 Related Party Transactions

Name of related parties	Nature of Balance/Transactions	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019
Apollo Gleneagles Hospitals Limited	Revenue from operations during the year	1,507	1,125
	Reimbursement of expenses during the year	42	50
	Other receivable as at year end	74	85
	Trade receivable as at year end	806	906
Apollo Gleneagles PET-CT Private Limited	Revenue from Operation during the year	3	3
	Reimbursement of expenses during the year	17	5
	Trade receivable as at year end	4	7
Apollo Munich Health Insurance Company Limited	Investment in debentures	80	80
	Group mediclaim expense incurred	267	116
	Revenue	115	87
	Interest income	-	7
	For GPI and GMC Insurance	6	5
	Interest receivable	-	6
	Trade receivable as at year end	10	9
Family Health Plan Insurance TPA Limited	TPA Fees	11	10
	Revenue from operations during the year	305	239
	Trade receivable as at year end	132	78
Indraprastha Medical Corporation Limited	Reimbursement of expenses during the year	25	62
	Licence Fee	12	12
	Revenue from operations during the year	1,911	1,749
	Other receivable as at year end	18	1
	Trade receivable as at year end	377	344
Stemcyte India Therapautics Private Limited	Revenue from operations during the year	13	7
	Services availed	-	-
	Reimbursement of expenses during the year	3	2
	Receivables as at year end	8	2

Name of related parties	Nature of Balance/Transactions	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019
Apollo Sindoori Hotels Limited	Food and Beverage expense Incurred during the year	1,135	1,044
	Reimbursement of expenses during the year	14	2
	Services availed	43	59
	Rent Paid	4	-
	Payables as at year end	292	115
Faber Sindoori Management Services Private Limited	Outsourcing expense of housekeeping incurred during the year	1,119	963
	Reimbursement of expenses during the year	11	63
	Payables as at year end	144	110
Lifetime Wellness Rx International Limited	Outsourcing expense during the year	1	15
	Revenue from operations during the year	55	34
	Reimbursement of expenses during the year	16	7
	Loan receivable	148	92
	Trade receivable as at year end	42	150
Apollo Health Resources Limited	Revenue from operations during the year	1	2
	Payable as at year end	(0.44)	0.29
P Obul Reddy & Sons	Purchase of furniture and fixtures	20	-
Keimed Private Limited	Purchases during the year	6,552	6,111
	Payables at the year end	80	156
	Reimbursement of expenses during the year	4	-
	Revenue from operations during the year	3	1
	Receivables as at year end	4	5
Kurnool Hospitals Enterprises Limited	Investment in Equity	2	2
	Revenue from operations during the year	1	3
	Receivables as at year end	2	9
Apollo Hospitals Educational Trust	Rent Income	4	17
	Other receivable as at year end	8	2
Apollo Education Research Foundation	Reimbursement of expenses during the year	22	34
	Other receivable as at year end	52	21
Palepu Pharma Private Limited	Medicine purchases during the year	5,625	5,253
	Payables as at year end	83	87
Medics International Lifesciences Limited	Interest income	-	13
	Interest receivable	12	12
	Revenue from operations	41	-
	Receivables as at year end	40	2
Medihauxe International Private Limited	Medicine purchases during the year	658	580
	Payables as at year end	58	53

Name of related parties	Nature of Balance/Transactions	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019
Vardhaman Pharma Distributors Private Limited	Medicine purchases during the year	70	140
	Payables as at year end	28	-
Focus Medisales Private Limited	Medicine purchases during the year	1	39
	Payables as at year end	0.01	0.08
Srinivasa Medisales Private Limited	Medicine purchases during the year	3,402	2,814
	Payables as at year end	131	137
	Medicine purchases during the year	1,001	780
	Payables as at year end	77	35
Lucky pharmaceuticals Private Limited	Medicine purchases during the year	1,215	1,057
	Payables as at year end	119	42
Neelkanth Drugs Private Limited	Medicine purchases during the year	2,097	1,823
	Payables as at year end	125	87
Dhruvi Pharma Private Limited	Medicine purchases during the year	1,328	850
	Payables as at year end	151	60
Apokos Rehab Private Limited	Investment in equity	85	85
	Revenue from operations during the year	3	4
	Reimbursement of expenses during the year	16	11
	Rent Expense	17	16
	Receivables as at year end	22	12
Apollo Tele Health Services Private Limited	Reimbursement of expenses during the year	23	26
	Revenue	5	14
	Consultancy fee to doctors	-	0.22
	Receivables as at year end	4	0.01
	Payable as at year end	9	12
Apollo Medskills Limited	Reimbursement of expenses during the year	0.23	0.21
	Loans given	77	-
	Investigation Income	0.22	-
	Receivables as at year end	5	0.13
Sanjeevani Pharma Distributors Private Limited	Purchases	3,277	2,799
	Payable as at Year end	127	237
Medihauxe Pharma Private Limited	Purchases	297	264
	Payables as at year end	13	21
Medihauxe Healthcare Private Limited	Purchases	111	92
	Reimbursement of expenses during the year	-	0.23
	Payables as at year end	6	4
Adeline Pharma Private Limited	Purchases	584	513
	Payables as at year end	52	39

Name of related parties	Nature of Balance/Transactions	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019
Apollo Amrish Oncology Services Private Limited	Reimbursement of expenses during the year	-	13
	Revenue from operations during the year	0.02	35
	Payables as at year end	-	121
Matrix Agro Private Limited	Power charges paid	80	67
	Payables as at year end	1	3
Maxivision Laser Centre Private Limited	Revenue from operations during the year	1	1
	Payables as at year end	0.14	0.26
	Receivables as at year end	1	0.02
Searchlight Health Private Limited	Repairs & Maintenance	1	1
	Advertisement Charges	29	-
	Health record services	1	-
	Payables as at year end	6	1
Healthnet Global Limited	Call Centre services	28	8
	Pharmacy Expenditure	-	2
	Other receivable as at year end	28	2
Trivitron Healthcare Private Limited	Availing of services	2	0.28
	Purchases	2	4
	Annual Maintenance contract	0.04	4
	Payables as at year end	3	4
Sanofi Synthelabo (India) Limited	Availing of services	1	-
	Share Capital	-	7
	Securities Premium Reserve	-	496
Together Against Diabetic Foundation Trust	Revenue from Operations	0.28	0.24
	Receivables as at year end	2	2
Indian Hospital Corporation Limited	Rent Income	0.12	0.12
	Receivables as at year end	0.01	0.01
Rajshree Catering Services	Food and Beveages Outsourced	13	12
	Payables as at year end	3	4
Lavasa Corporation Limited	Revenue from Operations	-	1
	Inter Corporate Deposit Outstanding	97	97
	Interest accrued but not due	11	100
	Interest on Inter Corporate Deposit	11	14
	Security deposit	-	0.05
	Rent and Advertisement	0.05	0.27
	Receivables as at year end	-	7
	Payables as at year end	-	0.26
Full Spectrum Adventure Limited	Receivables as at year end	0.01	0.01

Name of related parties	Nature of Balance/Transactions	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019
Bona Sera Hotels Limited	Revenue from Operations	-	0.03
	Receivables as at year end	0.10	0.10
Ecomotel Hotel Limited	Revenue from Operations	-	0.03
	Payables as at year end	0.03	0.03
Reasonable Housing Limited	Project and Other Services	-	1
	Advances	-	0.26
	Payables as at year end	2	2
Whistling Thrust Facility Service	Payables as at year end	1	1
Cadila Pharmacuticals Limited	Purchase	11	10
	Income from Operations	2	2
	Receivables as at year end	2	2
	Payables as at year end	3	2
Green Channel Travels Services Private Limtied	Services availed	11	10
	Payables as at year end	1	1
IRM Enterprises Private Limited	Services availed	0.19	0.05
	Rental Income	0.11	0.11
	Payables as at year end	0.05	-
Vasu Agencies Hyderabad Private Limited	Purchases	2,586	2,263
	Payables as at year end	160	75
Vasu Vaccines & Speciality Drugs Private Limited	Purchases	49	26
	Payables as at year end	4	4
Vasu Pharma Distributors Hyd Private Limited	Purchases	1	1
	Payables as at year end	0.05	0.03
Apollo Shine Foundation	Loan receivable	6	16
	Pharmacy Income	1	0.50
	Payables as at year end	2	0.50
Apollo Institute of Medical Science and Research	Rental Income	12	13
	Power charges paid	-	10
	Reimbursement of expenses during the year	-	7
	Revenue from Operation during the year (Lab Tests)	3	1
	Other receivable as at year end	23	10
Emedlife Insurance Broking services Limited	Receivables as at year end	0.09	0.18
Apollo Teleradiology Private Limited	Services received from	0.34	6
	Payables as at year end	0.09	7

Name of related parties	Nature of Balance/Transactions	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019
PCR Investments Limited	Donations received	-	4
	Rent Income	0.12	0.12
	Receivables as at year end	0.01	0.01
ATC Pharma Private Limited	Purchases	27	-
	Payable at year end	6	-
Shree Amman Pharma Private Limited	Purchases	11	-
	Payable at year end	2	-
Dynavision Limited	Rent	72	66
	Payable at year end	6	6
Olive & Twist Hospitality Private Limited	Oursourcing expenses	17	-
	Payable at year end	0.22	-
IRIS Healthcare Technologies Private Limited	Supplies of Medical instruments	57	84
	Payable at year end	12	-2
Indo - National Limited	Purchases	32	1
	Payables as at year end	6	-
Indian Hospitex Private Limited	Purchases	-	-
	Payables as at year end	4	3
Sahyadri City Management Limited	Payables as at year end	11	-
My City Technology Limited	Payables as at year end	2	2
Warasgaon Power Supply Limited.	Payables as at year end	0.02	0.02
Dr. Prathap C Reddy	Remuneration Paid	121	97
Smt. Preetha Reddy	Remuneration Paid	47	40
Smt. Suneeta Reddy	Remuneration Paid	47	40
Smt. Sangita Reddy	Remuneration Paid	47	40
Smt. Shobana Kamineni	Remuneration Paid	47	40
Shri Krishnan Akhileswaran	Remuneration Paid	25	20
Shri S M Krishnan	Remuneration Paid	7	7
Shri Sanjay Nayar	Remuneration paid	-	1
Shri Vinayak Chatterjee	Remuneration paid	2	2
Shri N Vaghul	Remuneration paid	-	2
Shri Deepak Vaidya	Remuneration paid	-	1
Shri BVR Mohan Reddy	Remuneration paid	-	1
DR T.Rajgopal	Remuneration paid	2	2
Shri G Venkatraman	Remuneration paid	-	2
Dr. Murali Doraiswamy	Remuneration paid	2	1
Smt. V. Kavitha Dutt	Remuneration paid	1	0.27
Shri. MBN Rao	Remuneration paid	2	0.32

Name of related parties	Nature of Balance/Transactions	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019
Dr. GSK Velu	Unsecured Loan	-	24
	Interest expenses	3	2
Jugnu Jain	Interest	0.26	0.23
	Reimbursement of expenses during the year	0.37	1
	Outstanding	1	1

61 Particulars of Loans, Guarantees & Investments

Details of loans, Guarantees and Investments covered under the provisions of section 186 of the Companies Act, 2013 are provided in notes 10,11 and 12 to the financial statements.

62 Scheme of Arrangement

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

The Company received no objection letters from National Stock Exchange of India Limited and BSE Limited. Further, the Company obtained approvals from the Competition Commission of India (CCI) and from the equity shareholders in October 2019. The petition seeking sanction of the Scheme, is pending before the National Company Law Tribunal (NCLT). The Scheme would become effective upon filing of the Scheme as sanctioned by the NCLT, with the Registrar of Companies.

Further, management of the Group based on the assessment carried out in accordance with Ind AS 105, Non-current assets held for sale and discontinued operations has considered front-end retail pharmacy business does not constitute a separate component and hence does not qualify to be a discontinued opearations

62.2 The Board of Directors of the Apollo Hospitals Enterprise Limited at their meeting held on February 13, 2020 approved the proposal for merger of the following wholly owned subsidiary companies with the Company.

a. Apollo Home Healthcare (India) Limited and

b. Western Hospitals Corporation Private Limited

The Company is in the process of submitting an application to the National Company Law Tribunal (NCLT), Chennai seeking exemption for convening the shareholders/creditors meeting of the Company.

62.3 The Board of Directors of the Apollo Health and Lifestyle Limited (AHLL), in its meeting held on August 17, 2018 has given an approval to the "Scheme of arrangement" of the business. Pursuant to the restructuring plan, a new wholly owned subsidiary AHLL Diagnostics Ltd. (ADL) has been formed and the Diagnostics division of AHLL will be sold by way of a slump sale to the newly incorporated Wholly owned subsidiary. AHLL is in the process of obtaining regulatory approval from National Company Law Tribunal for the restructuring plan.

63 Intangible assets under development

	As at March 31, 2020	As at March 31, 2019
Opening Balance		
Addtions	265	-
Deletions	-	-
Closing balance	265	-

64 Exceptional item

The Group, after meeting the closing conditions for the sale of investments in an associate, Apollo Munich Health Insurance Company Limited (AMHI) to Housing Development Finance Corporation Limited, in the quarter ended March 31, 2020 has recognised the sale and recorded a profit of ₹1,983 Million (net of transaction costs and after considering indemnity related deductions), which has been disclosed under Exceptional Items.

65 There are no subsequent events after the reporting period

For and on behalf of the Board of Directors

Krishnan Akhileswaran
Chief Financial Officer

Dr. Prathap C Reddy
Executive Chairman

S M Krishnan
Vice President - Finance
& Company Secretary

Preetha Reddy
Executive Vice Chairperson

Place : Chennai
Date : June 25, 2020

Suneeta Reddy
Managing Director

INDEPENDENT AUDITOR'S REPORT

To The Members of Apollo Hospitals Enterprises Limited, Chennai

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Apollo Hospitals Enterprise Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group"), which includes the Group's share of profit / loss in its associates and joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and 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, and based on the consideration of reports or other auditors on separate financial statements of the subsidiaries, associates and joint ventures referred to in Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, and the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraph (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to Note 5(iv) to the consolidated financial statements in respect of proceedings initiated against the company's subsidiary, Imperial Hospital & Research Centre Limited, by the Government of Karnataka. The above matter has also been reported in the Emphasis of Matter paragraph in the Audit report of the standalone financial statements of the said subsidiary company audited by other auditors.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for other information. The other information comprises the information included in the Annual Report, for example, Directors' Report, Report on Corporate Governance, Management Discussion & Analysis Report and Business Responsibility Report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries, associates and joint ventures audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, associates and joint ventures is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associates and joint ventures in accordance with the Indian Accounting Standards and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

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

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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

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

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

Other Matters

(a) We did not audit the financial statements of 25 subsidiaries, whose financial statements reflect total assets of Rs.17,402 million as at March 31, 2019, total revenues of Rs. 8,558 million and net cash inflows amounting to Rs. 74 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of Rs. 19 million for the year ended March 31, 2019, as considered in the consolidated financial statements, in respect of 4 associates and 3 joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on the reports of the other auditors.

(b) The consolidated financial statements also include the Group's share of net profit of Rs. 7 million for the year ended March 31, 2019, as considered in the consolidated financial statements, in respect of 1 associate, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 of the aforesaid consolidated financial statements.

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent as on March 31, 2019 taken on record by the Board of Directors of the Parent, none of the directors of the Parent is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies, associate companies and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies. With respect to the associate, StemCyte India Therapeutics Private Limited, a Private Limited Company incorporated in India, covered by the exemption under notification number GSR 464(E) dated June 5, 2015 as amended by notification number GSR 583(E) dated June 13, 2017, reporting on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 is not applicable for the year ended March 31, 2019, based on the corresponding report of the auditor of the said associate.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group its associates and joint ventures;

   ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

   iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies, associate companies and jointly controlled companies/ joint venture companies incorporated in India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018

Vikas Bagaria
Partner
Membership No. 060408

Place : Mumbai
Date : May 30, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Apollo Hospitals Enterprise Limited (hereinafter referred to as "the Parent") and its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, associate companies and joint ventures, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 23 subsidiary companies, 4 associate companies and 3 joint ventures, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018

Vikas Bagaria
Partner
Membership No. 060408

Place : Mumbai
Date : May 30, 2019

BALANCE SHEET AS AT MARCH 31, 2019

Consolidated Financial Statements for the year ended March 31, 2019
(All amounts are in ₹ Million unless otherwise stated)

Particulars	Note	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	5	45,937.93	43,785.64
(b) Capital work-in-progress	5.1	8,217.71	7,121.97
(c) Investment Property	6	65.31	71.48
(d) Goodwill	7	3,461.89	3,461.99
(e) Other Intangible assets	8	350.81	409.49
(f) Financial Assets			
(i) Investments in Equity Accounted Investee	9	3,654.45	2,763.51
(ii) Other Investments	10	273.72	177.65
(iii) Loans	11	108.00	-
(iv) Other financial assets	13	2,350.70	2,523.28
(g) Deferred Tax Asset	24	173.89	171.68
(h) Income Tax Asset (Net)	26	2,539.50	1,769.65
(i) Other non-current assets	17	1,879.46	1,670.30
Total Non - Current Assets		**69,013.37**	**63,926.64**
Current assets			
(a) Inventories	14	5,847.79	5,658.42
(b) Financial assets			
(i) Investments	10	688.30	578.73
(ii) Trade receivables	12	10,231.98	8,251.88
(iii) Cash and cash equivalents	15	2,862.11	3,063.33
(iv) Bank balances other than (iii) above	16	607.49	1,109.15
(v) Loans	11	80.00	-
(vi) Other financial assets	13	1,287.03	2,198.51
(c) Other current assets	17	1,212.64	1,341.23
Total Current Assets		**22,817.34**	**22,201.25**
Total Assets		**91,830.71**	**86,127.89**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	18	695.63	695.63
(b) Other equity	19	32,639.08	31,819.42
Equity attributable to owners of the Company		**33,334.71**	**32,515.05**
Non Controlling Interest	20	1,354.60	1,324.37
Total Equity		**34,689.31**	**33,839.41**
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	29,521.30	29,238.01
(ii) Other financial liabilities	22	4,773.64	4,721.11
(b) Provisions	23	114.40	62.31
(c) Deferred tax liabilities (Net)	24	3,148.65	2,565.09
(d) Other non-current liabilities	28	29.66	29.65
Total Non - Current Liabilities		**37,587.65**	**36,616.17**
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	4,981.63	3,791.72
(ii) Trade payables	25	7,131.18	6,060.24
(iii) Other financial liabilities	22	4,960.77	4,066.79
(b) Other current liabilities	28	1,447.65	950.24
(c) Provisions	23	1,021.92	790.59
(d) Current Tax Liabilities (Net)	27	10.60	12.71
Total Current Liabilities		**19,553.75**	**15,672.29**
Total Liabilities		**57,141.40**	**52,288.46**
Total Equity and Liabilities		**91,830.71**	**86,127.89**

The accompanying notes form an integral part of these consolidated financial statements

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018

Vikas Bagaria
Partner
Membership No. 060408

Place : Mumbai
Date : May 30, 2019

For and on behalf of the Board of Directors

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
Vice President - Finance
& Company Secretary

Place : Chennai
Date : May 30, 2019

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Executive Vice Chairperson

Suneeta Reddy
Managing Director

STATEMENT OF PROFIT AND LOSS

Statement of Profit and Loss for the period ended March 31 ,2019
All amounts are in ₹ Million except for earnings per share information

Particulars	Note	Year ended March 31, 2019	Year ended March 31, 2018
Income			
Revenue from Operations	29	96,174.37	82,434.68
Other Income	30	314.40	321.52
Total Income		**96,488.77**	**82,756.20**
Expenses			
Cost of materials consumed	31	16,448.76	14,609.72
Purchases of Stock-in-trade		30,875.51	26,498.74
Changes in inventory of stock-in-trade	32	(715.63)	(781.85)
Employee benefits expense	33	15,982.39	14,043.91
Finance costs	34	3,270.16	2,950.68
Depreciation and amortisation expense	35	3,955.25	3,590.30
Other expenses	36	22,946.73	20,132.36
Total expenses		**92,763.17**	**81,043.86**
Profit before share of equity accounted investee method and income tax		**3,725.60**	**1,712.35**
Share of profit/loss of associate/ Joint Ventures		**9.81**	**2.27**
Profit before tax		**3,735.41**	**1,714.62**
Tax expense			
(1) Current tax	37	1,258.82	883.68
(2) Deferred tax	37	474.91	235.37
Total tax expenses		**1,733.73**	**1,119.05**
Profit for the year		**2,001.68**	**595.57**
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss (Net of tax of ₹159.67; Previous year of ₹92.40)			
(a) Remeasurement of the defined benefit plans	39	(288.40)	(172.40)
(b) Equity instruments through other comprehensive income		(2.86)	0.40
Total Other Comprehensive Income		**(291.26)**	**(172.00)**
Total comprehensive income for the Year		**1,710.42**	**423.57**
Profit for the year attributable to:			
Owners of the Company		2,360.46	1,174.18
Non Controlling Interest		(358.78)	(578.61)
Other Comprehensive Income for the year attributable to:			
Owners of the Company		(291.94)	(171.10)
Non Controlling Interest		0.68	(0.90)
Total Comprehensive Income for the year attributable to:			
Owners of the Company		2,068.52	1,003.08
Non Controlling Interest		(358.09)	(579.51)
Earnings per equity share			
Basic (in ₹)	41	16.97	8.44
Diluted (in ₹)	41	16.97	8.44

The accompanying notes form an integral part of these consolidated financial statements

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018

Vikas Bagaria
Partner
Membership No. 060408

Place : Mumbai
Date : May 30, 2019

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
Vice President - Finance
& Company Secretary

Place : Chennai
Date : May 30, 2019

For and on behalf of the Board of Directors

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Executive Vice Chairperson

Suneeta Reddy
Managing Director

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	2,001.68	595.57
Adjustments for:		
Depreciation/Amortisation/Impairment	3,955.25	3,590.30
Loss on Sale of Property Plant & Equipment	14.66	80.47
Income Tax expenses	1,733.73	1,119.05
Finance costs	3,270.16	2,950.68
Interest income	(145.17)	(184.47)
Dividend income	(4.21)	(9.70)
Provision for doubtful debts and advances	227.00	477.48
Bad debts written-off	429.81	110.89
Provision written back	(35.17)	(50.43)
Net gain/(loss) arising on financial assets designated as at FVTPL	(32.23)	(25.47)
Impairment of Goodwill	0.10	1.00
Expenses recognized in respect of shares issued in exchange of consultancy services	9.12	6.17
Foreign Exchange Gain (net)	7.03	12.49
Operating Cash Flow before working capital changes	**11,431.76**	**8,674.03**
(Increase)/decrease in operating assets		
Inventories	(189.37)	(989.75)
Trade receivables	(2,636.91)	(2,366.51)
Other financial assets - Non current	179.61	404.38
Other financial assets - Current	723.48	(452.14)
Other non-current assets	(297.95)	(5.75)
Other current assets	128.59	(106.31)
	(2,092.55)	(3,516.08)
Increase/(decrease) in operating liabilities		
Trade payables	1,073.26	1,104.17
Other financial liabilities-Non current	52.53	(99.64)
Other financial liabilities-Current	(15.91)	831.21
Provisions	27.34	(200.90)
Other Current Liabilities	497.41	(172.22)
Cash generated from operations	**1,634.62**	**1,462.62**
Net income tax paid	(1,924.34)	(1,250.97)
A. Net cash generated from operating activities (A)	**9,049.49**	**5,369.60**
B. Cash flow from Investing Activities		
Acquisition of Property Plant & Equipment	(6,789.24)	(6,213.88)

	PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
	Proceeds from sale of Property Plant and Equipment	68.77	8.93
	Investment in Bank Deposits	501.66	1,308.96
	Purchase of Investments in Joint Ventures	(910.25)	-
	Purchase of Investments	(333.39)	(466.61)
	Proceeds from sale of investments	207.48	1,104.12
	Interest received	145.17	199.67
	Dividend Received	4.21	9.70
	B. Net cash used in Investing Activities (B)	**(7,105.59)**	**(4,049.11)**
	C. Cash flow from Financing Activities		
	Proceeds from Issue of Equity Shares	-	83.25
	Proceeds from Borrowings	5,623.51	5,717.02
	Repayment of Borrowings	(3,276.49)	(2,698.73)
	Finance costs	(3,620.16)	(3,178.15)
	Acquisition of Non-Controlling Interest (NCI) in a subsidiary	(34.75)	-
	Dividend paid on equity shares (including Dividend Distribution tax)	(837.23)	(1,008.37)
	C. Net cash used in Financing Activities (C)	**(2,145.12)**	**(1,084.98)**
	Net Increase in cash and cash equivalents (A+B+C) = (D)	(201.22)	235.51
	Cash and cash equivalents at the beginning of the year (E)	3,063.33	2,827.82
	Cash and cash equivalents at the end of the year (D) +(E)	2,862.11	3,063.33
	Cash and cash equivalents at the end of the year as per BS	**(201.22)**	**235.51**

Reconciliation of borrowings as disclosed in financing activities

Particulars	April 1, 2018	Proceeds	Repayments	Exchange difference	March 31, 2019
Borrowings	34,362.71	5,623.51	3,276.49	36.07	36,745.80

Reconciliation of borrowings as disclosed in financing activities

Particulars	April 1, 2017	Proceeds	Repayments	Exchange difference	March 31, 2018
Borrowings	31,441.90	5,717.02	2,698.73	(97.48)	34,362.71

The accompanying notes form an integral part of these consolidated financial statements

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018

Vikas Bagaria
Partner
Membership No. 060408

Place : Mumbai
Date : May 30, 2019

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
Vice President - Finance
& Company Secretary

Place : Chennai
Date : May 30, 2019

For and on behalf of the Board of Directors

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Executive Vice Chairperson

Suneeta Reddy
Managing Director

Consolidated Statement Of Changes in Equity

as on March 31 ,2019

a. Equity share capital

	Amount
Balance at April 1, 2017	695.63
Changes in equity share capital during the year	-
Balance at March 31, 2018	695.63
Changes in equity share capital during the year	-
Balance at March 31, 2019	695.63

b. Other Equity

Particulars	General reserve	Securities Premium Reserve	Capital Reserves	Other reserve #	Share Options Outstanding	Retained earnings	Items of Other Comprehensive Income (OCI)			Total
							Equity instruments through OCI	Defined benefit obligation	Non Controlling Interest	
Balance at April 1, 2017	11,249.58	17,138.52	30.44	742.02	12.75	3,472.08	(4.96)	(238.54)	1,245.75	33,647.64
Profit for the year	-	-	-	-		1,174.17			(578.61)	595.56
Other comprehensive income for the year, net of income tax	-	-	-				0.40	(171.10)	(0.90)	(171.60)
Total comprehensive income for the year	11,249.58	17,138.52	30.44	742.02	12.75	4,646.25	(4.56)	(409.64)	666.24	34,071.60
Payment of dividends	-	-	-	-		(1,008.37)		-		(1,008.37)
Gross Obligation over written Put Option on Non-controlling Interest of a subsidiary company	-		-	-		(500.45)		-	500.45	-
Adjustments towards Non Controlling Interest						(83.29)				(83.29)
Transfer to Reserves				452.50		(452.50)				-
Stock based compensation					6.17				43.10	49.27
Additional non-controlling interest on acquisition of a subsidiary	-	-	-	-		-	-	-		-
Movement on account of change in shareholding of existing subsidiaries									114.58	114.58
Balance at March 31, 2018	11,249.58	17,138.52	30.44	1,194.52	18.92	2,601.64	(4.56)	(409.64)	1,324.37	33,143.79
Profit for the year	-	-	-	-	-	**2,360.46**	-	-	**(358.78)**	**2,001.68**
Other comprehensive income for the year, net of income tax	-	-	-			-	(2.86)	(289.08)	0.68	(291.26)
Total comprehensive income for the year	**11,249.58**	**17,138.52**	**30.44**	**1,194.52**	**18.92**	**4,962.09**	**(7.42)**	**(698.72)**	**966.28**	**34,854.21**
Payment of dividends (including Dividend Distribution Tax of ₹141.61 Million)						(837.23)				(837.23)
Gross Obligation over written Put Option on Non-Controlling Interest						(381.69)			381.69	-
Adjustments towards Non Controlling Interest						(12.71)			12.71	-
Transfer to Reserves						-				-
Stock based compensation					9.12				3.86	12.98
Movement on account of change in shareholding of existing subsidiaries						(26.35)			(9.93)	(36.28)
(k) Balance at March 31, 2019	**11,249.58**	**17,138.52**	**30.44**	**1,194.52**	**28.04**	**3,704.12**	**(7.42)**	**(698.72)**	**1,354.60**	**33,993.68**

Other reserves includes Debenture Redemption Reserve, Capital Redemption Reserve and Reserves arising on transition from Previous GAAP to IND AS

The accompanying notes form an integral part of these consolidated financial statements

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018

Vikas Bagaria
Partner
Membership No. 060408

Place : Mumbai
Date : May 30, 2019

For and on behalf of the Board of Directors

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
Vice President - Finance
& Company Secretary

Place : Chennai
Date : May 30, 2019

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Executive Vice Chairperson

Suneeta Reddy
Managing Director

1 General Information

Apollo Hospitals Enterprise Limited ('the Company') is a public Company incorporated in India. The address of its registered office and principal place of business is at 19, Bishop Gardens, Raja Annamalaipuram, Chennai, Tamilnadu. The main business of the Company is to enhance the quality of life of patients by providing comprehensive, high-quality hospital services on a cost-effective basis and providing / selling high quality pharma and wellness products through a network of pharmacies. The principal activities of the Company and its subsidiaries (hereinafter referred to as 'the group') include operation of multidisciplinary private hospitals, clinics,diagonostic centres and pharmacies.

2 Application of new and revised Ind ASs

The group has applied all the Ind ASs notified by the MCA.

Standards issued but not yet effective

Ind AS 116 Leases : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit & loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application"

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition:

i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and

ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after 1 April 2019.

Amendment to Ind AS 12 'Income Taxes : On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after April 1, 2019.

The group is evaluating the effect of the above on its financial statements.

3 Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of the standalone financial statements. These policies have been consistently applied to all the years presented unless otherwise stated.

3.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act 2013 (the Act) and other relevant provisions of the Act.

The financial statements were authorised for issue by the Group's Board of Directors on May 30, 2019

3.2 Basis of preparation and presentation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

3.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The following subsidiaries were consolidated as at 31 March 2019

Name of the Subsidiary/Step down subsidiary company	Country of Incorporation	% of holding	
		As at March 31, 2019	As at March 31, 2018
Apollo Home Healthcare (India) Limited.	India	100.00%	100.00%
Apollo Home Healthcare Limited	India	58.12%	74.00%
AB Medical Centres Limited.	India	100.00%	100.00%
Apollo Health and Lifestyle Limited.	India	70.25%	68.64%
Samudra Healthcare Enterprise Limited.	India	100.00%	100.00%
Imperial Hospital & Research Centre Limited	India	90.00%	90.00%
Apollo Hospital (UK) Limited	United Kingdom	100.00%	100.00%
Apollo Nellore Hospitals Limited	India	79.44%	79.44%
Apollo Rajshree Hospitals Private Limited	India	54.63%	54.63%
Apollo Lavasa Health Corporation Limited	India	51.00%	51.00%

Name of the Subsidiary/Step down subsidiary company	Country of Incorporation	% of holding	
		As at March 31, 2019	As at March 31, 2018
Western Hospitals Corporation Private Limited	India	100.00%	100.00%
Apollo Hospitals Singapore PTE Ltd, Singapore	Singapore	100.00%	100.00%
Sapien Biosciences Private Limited	India	70.00%	70.00%
Total Health	India	100.00%	100.00%
Apollo Healthcare Technology Solutions Ltd	India	40.00%	40.00%
Assam Hospitals Limited	India	62.32%	61.24%
Apollo Hospitals International Ltd	India	50.00%	50.00%
Future Parking Private Limited	India	49.00%	49.00%
Apollo Medicals Private Limited	India	100.00%	-
Step down subsidiaries			
Apollo CVHF Limited	India	66.67%	63.74%
Apollo Dialysis Private Limited	India	59.53%	70.00%
Alliance Dental Care Limited	India	69.54%	70.00%
Apollo Sugar Clinics Limited	India	80.00%	80.00%
Apollo Speciality Hospitals Private Limited	India	99.20%	99.20%
Apollo Bangalore Cradle Limited	India	100.00%	100.00%
Apollo Pharmacy Limited	India	100.00%	-
AHLL Diagnostics Limited	India	100.00%	-
AHLL Risk Management Private Limited	India	100.00%	-
Kshema Healthcare Private Limited	India	100.00%	100.00%

3.4 Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

3.5 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

a) deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;

b) liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payment at the acquisition date.

c) assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard

On acquisition, the Group assesses the classification of the acquiree's assets and liabilities and reclassifies them where the classification is inappropriate for Group purposes.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

3.6 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note 3.4 above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described at note 3.7.

3.7 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but does not denote control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Distributions received from an associate or a joint venture reduce the carrying amount of the investment. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

Investments in associates

Particulars	Place of Incorporation	% of holding	
		31-Mar-19	31-Mar-18
Indraprastha Medical Corporation Limited	India	22.03%	22.03%
Stemcyte India Therapeutics Private Limited	India	24.50%	24.50%
Apollo Munich Health Insurance Company Limited	India	9.96%	9.96%
Family Health Plan Insurance (TPA) Limited	India	49.00%	49.00%

Investments in Joint Ventures

Particulars	Place of Incorporation	% of holding	
		31-Mar-19	31-Mar-18
Apollo Gleneagles Hospitals Limited	India	50.00%	50.00%
Apollo Gleneagles Hospitals PET CT Private Limited	India	50.00%	50.00%
ApoKos Rehab Private Limited	India	50.00%	50.00%
Apollo Medics International Life sciences Limited	India	50.00%	-

3.8 Revenue recognition

The group earns revenue primarily by providing healthcare services and sale of pharmaceutical products. Other sources of revenue include revenue earned through Operation and Management (O&M) contracts, brand license agreements and contracts for clinical trials.

Effective April 1, 2018, the Company has applied Ind AS 115 - Revenue from Contract with customers which establishes a comprehensive framework for revenue recognition. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method(modified retrospective approach). The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The impact of the adoption of the standard on the financial statements of the Company is insignifican

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. When there is uncertainty on ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

3.8.1 Healthcare Services

Revenue comprises fees charged for inpatient and outpatient hospital services. The performance obligations for this stream of revenue include food & beverage, accommodation, surgery, medical/clinical professional services, supply of equipment, investigation and supply of pharmaceutical and related products.

Revenue is recognised at the transaction price when each performance obligation is satisfied at a point in time when inpatient/ outpatients has actually received the service and accepted/consumed the same except for few specific services in the dialysis and oncology specialty where the performance obligation is satisfied over a period of time

3.8.2 Pharmaceutical Products

In respect of sale of pharmaceutical products, where the performance obligation is satisfied at a point in time, revenue is recognised when the control of goods is transferred to the customer.

3.8.3 Project Consultancy Income

In respect of project consultancy income, i.e. the revenue arising from the Operating & Maintenance (O&M) contracts where the performance obligation is satisfied over time, revenue is recognised along the period when the services are received and accepted by the customer.

3.8.4 Clinical trials

In respect of clinical trials, where the performance obligation is satisfied at a point in time, revenue is recognised when the service has been received and accepted by the customer.

3.8.5 Other Services

(i) Hospital Project Consultancy income is recognised as and when it becomes due, on percentage completion method, on achievement of milestones.

(ii) Income from Clinical Trials on behalf of Pharmaceutical Companies is recognized on completion of the service, based on the terms and conditions specified to each contract.

(iii) One-time franchise license fees is recognised based on achievement of the milestones as per the terms of the contract and where ever there is no bifurcation of total fee then over the period of the agreement

(iv) Other Franchisee license fee is recognised on accrual basis as per the terms of the contracts

(v) Other services fee is recognized on basis of the services rendered and as per the terms of the agreement.

(vi) Royalty income is recognised on an accrual basis in accordance with the terms of the relevant agreement

3.8.6 Contract assets and liabilities

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

3.8.7 Transaction Price

Revenue is measured based on the transaction price, which is the fixed consideration adjusted for discounts, amounts payable to customer in the nature of commissions, principal versus agent considerations, loyalty credits and any other rights and obligations as specified in the contract with the customer. Revenue also excludes taxes collected from customers and deposited back to the respective statutory authorities.

3.8.8 Contract modifications

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the stand alone selling price. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

3.8.9 Revenue from Insurance business

a Premium:

Premium (net of service tax) is recognized as income over the contract period or period of risk, whichever is appropriate. Any subsequent revision or cancellation of premium is accounted for in the year in which they occur.

b. Commission on Reinsurance Premium:

Commission on reinsurance ceded is recognized as income in the year of cession of reinsurance premium. Profit commission under reinsurance treaties, wherever applicable, is recognized in the year of determination of the profits and as intimated by the reinsurer.

c. Premium Deficiency:

Premium deficiency is recognized whenever the ultimate amount of expected claims, related expenses and maintenance costs exceeds the related sum of premium carried forward to the subsequent accounting period as reserve for unexpired risk.

d. Reserve for Unexpired Risk:

Reserve for unexpired risk represents that part of the net premium (premium net of reinsurance ceded) attributable to the succeeding accounting period subject to a minimum amount of reserves as required by Section 64V (1) (ii) (b) of the Insurance Act, 1938.

e. Interest / Dividend Income:

Interest income is recognized on accrual basis. Dividend is recognized when the right to receive the dividend is established.

f. Accretion / Amortization of Discounts/ Premium

Accretion of discounts and amortization of premium relating to debt securities is recognized over the holding / maturity period.

3.8.10 Revenue from Third Party Administrator (TPA) Business

Revenue is measured at the fair value of the consideration received or receivable exclusive of applicable Service Tax/GST. The group derives its revenue primarily as service fee on Third Party Administration contracts entered into with the Insurance Companies. Provision for estimated losses on incomplete contract is recorded in the year in which such loses become probable based on the current contract estimates.

Other Income

3.8.11 Revenue from export benefit schemes

Under the "Served from India Scheme" introduced by the Government of India, an exporter of service is entitled to certain export benefits on foreign currency earned. The revenue in respect of export benefits is recognized on the basis of the foreign exchange earned at the rate at which the said entitlement accrues to the extent there is no significant uncertainty as to the amount of consideration that would be derived and as to its ultimate collection.

3.8.12 Voluntary contributions

Total Health, a subsidiary company incorporated under section 8 of the Act is engaged in non-profit activities. Voluntary contributions are accounted on receipt basis.

3.8.13 Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.8.14 Rental income

The Group's policy for recognition of revenue from operating leases is described under note 3.9.1 below.

3.9 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

3.9.1 The Group as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

3.9.2 The Group as lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see note 3.11 below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3.10 Foreign currencies

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

3.11 Borrowings and Borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.12 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

3.13 Employee benefits

3.13.1 Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected in retained earnings and is not reclassified to statement of profit and loss. Past service cost is recognised in statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Group presents the first two components of defined benefit costs in statement of profit and loss in the line item ‘Employee benefits expense’.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company’s defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

3.13.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

3.14 Share-based payment arrangements

3.14.1 Share-based payment transactions

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in the notes to accounts.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is re-measured, with any changes in fair value recognised in profit or loss for the year.

3.15 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

3.15.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Advance taxes and provisions for current income taxes are presented in the Balance Sheet after off-setting advance tax paid and income tax provision

3.15.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3.15.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in accounting for the business combination.

3.16 Property, plant and equipment

Land and buildings mainly comprise of hospitals and offices. Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Expenses in the nature of general repairs and maintenance , i.e. in the nature of day to day service costs are charged to income statement during the financial period in which they are incurred.

Parts of some items of property, plant and equipment may require replacement at regular intervals and this would enhance the life of the asset. The Group recognises these in the carrying value of property, plant & equipment and amortised over the period which is lower of replacement period and its useful life. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of Ind AS 16.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

The management believes that these estimated useful lives that reflect fair approximation of the period over which the assets are likely to be used.

Estimated useful lives of the assets are as follows:

Category of assets	Useful Life (in years)
Buildings (Freehold)	60 years
Buildings (Leasehold)	Lease term or 30 years, whichever is shorter (Non cancellable with renewable clause)
Plant and Machinery	15 Years
Electrical Installation and Generators	10 Years
Medical Equipment	13 Years
Surgical Instruments	3 Years
Furnitures and Fixtures	10 Years
Vehicles	8 Years
Office Equipments	5 Years
Computers	3 Years
Servers	6 Years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.17 Intangible assets

3.17.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimates being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

3.17.2 Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

3.17.3 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit and loss when the asset is derecognised.

3.17.4 Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Category of assets	Useful Life (in years)
Software License	3 years
Non Compete Fees	3 years
Trademarks	3 years

3.17.5 Review of useful life and method of depreciation

The amortisation period and method are reviewed at the end of each reporting period to check if the expected useful life of the asset changes from previous estimates, the effect of such change in estimates are accounted for prospectively.

3.17.6 Capital work in progress

Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date are recognized as capital advance and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work- in-progress

3.18 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of profit and loss.

3.19 Inventories

Inventories of medical consumables, drugs and stores & spares are valued at cost or lower of net realizable value. Net Realizable Value represents the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

Cost is determined as follows:

a. 'Medicines' under healthcare segment is valued on First in First Out (FIFO) basis.

b. 'Medicines' under retail pharmacies segment is valued on weighted average rates.

c. 'Stores and spares' is valued on First in First Out (FIFO) basis.

d. 'Other consumables (including laboratory consumables)' is valued on First in First Out (FIFO) basis.

e. Inventories consist of UCB stem cells stored in the public bank, which are recorded at attributable direct costs to those public stem cells available for transplant. Net realisable value of public stem cells is measured by evaluating various factors impacting the likelihood of being sold within a reasonable storage period.

3.20 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.20.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

3.21 Financial instruments

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value are recognised immediately in profit or loss.

3.21.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(i) Classification of financial assets

Financial Assets that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI) (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

(ii) Amortised Cost and Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

(iii) Investments in equity instruments at FVTOCI

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in the consolidated statement of profit and loss are included in the 'Other income' line item.

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

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

3.21.3 Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 Revenue from Contracts with customers, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

The impairment provisions for trade receivables is based on assumptions about risk of default and expected loss rates. The Group uses judgements in making certain assumptions and selecting inputs to determine impairment of these trade receivables, based on the Group's historical experience towards potential billing adjustments, delays and defaults at the end of each reporting period.

3.21.4 Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

3.21.5 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- Net gain / (loss) on foreign currency transactions and translation during the year recognised in the consolidated statement of Proft and Loss account is presented under Other income.

3.22 Financial liabilities and equity instruments

3.22.1 Classification as debt or equity

Debt and equity instruments issued by a Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3.22.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

3.22.3 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below :

3.22.4 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;

the financial liability forms part of a Group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for not-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group as at fair value through profit or loss are recognised in profit or loss.

3.22.5 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

3.22.6 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a group entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

3.22.7 Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3.22.8 Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including interest rate swaps and cross currency swaps.

"Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

3.23 Put Options

The Group has issued written put option to non-controlling interests in certain subsidiaries of the Group in accordance with the terms of underlying agreement with such option holders. Should the option be exercised, the Group has to settle such liability by payment of cash.

Accounting on Initial Recognition: The amount that may become payable under the option on exercise is recognised as a financial liability at fair value on the transaction date with a corresponding charge directly to the shareholders' equity.

Subsequent Measurement: The liability is subsequently accreted through finance charges recognised under finance cost in the Statement of Profit and Loss up to the redemption amount that is payable at the date on which the option first becomes exercisable. In the event that the option expires unexercised, the liability is derecognised with a corresponding adjustment to equity.

3.24 Segment reporting

The Group uses the management approach for reporting information about segments in annual financial statements. The management approach is based on the way the Chief Operating Decision maker organises segments within a Group for making an operating decision and assessing performance. Reportable segments are based on services, legal structure, management structure and any other manner in which the management disaggregates a company. Based on the management approach model the Group has determined that its business model is comprised of Clinics and Diagnostics.

3.25 Non Current Asset Held for Sale

The Group classifies non-current assets held for sale if their carrying amounts will be principally recovered through a sale rather than through continuing use of assets and action required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

4 Critical accounting judgements and key sources of estimation uncertainty

The preparation of these financial statements in conformity with recognition and measurement principles of IND AS requires the management of the Group to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amount of income and expenses for the periods presented

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see note 4.2 below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

4.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4.2.1 Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

4.2.2 Impairment of Financial Assets

The impairment provisions for trade receivables is based on assumptions about risk of default and expected loss rates. The Company uses judgements in making certain assumptions and selecting inputs to determine impairment of these trade receivables, based on the Company's historical experience towards potential billing adjustments, delays and defaults at the end of each reporting period

4.2.3 Impairment of investments in associates and joint ventures:

The Group conducts impairment reviews of investments in associates / joint arrangements whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable or tests for impairment annually. Determining whether an asset is impaired requires an estimation of the recoverable amount, which requires the Group to estimate the value in use which base on future cash flows and suitable discount rate in order to calculate the present value.

4.2.4 Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The business acquisitions made by the company are also accounted at fair values.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group's engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Chief Financial Officer reports the findings to the board of directors of the Company every quarter to explain the cause of fluctuations in the fair value of the assets and liabilities.

4.2.5 Employee Benefits - Defined benefit obligations

The cost of defined benefit plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increase.

4.2.6 Litigations

The amount recognised as a provision shall be the best estimate of the expenditure required to settle the present obligation arising during the reporting period.

4.2.7 Revenue Recognition

The Company's contracts with customers could include promises to render multiple services to a customer. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables. Judgement is applied in the assessment of principal versus agent considerations with respect to contracts with customers and doctors which is determined based on the substance of the arrangement.

Judgement is also applied to determine the transaction price of the contract. The transaction price shall include a fixed amount of customer consideration and components of variable consideration which constitutes amounts payable to customer, discounts, commissions , disallowances and redemption patterns of loyalty customers. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

4.2.8 Useful lives of property plant and equipment

The Group reviews the useful life of property plant and equipment at the end of each reporting period. This reassessment may result in depreciation expense in future periods

4.2.9 Point of Capitalisation

Management has set in parameters in respect of its medical Equipments specific to the stability and reaching the contractual availability goals. The Property, plant & equipment shall be capitalised upon reaching these parameters at which stage t he asset is brought to the location and condition necessary for it to be capable of operating in the manner intended by management

4.2.10 Impairment of Non - Financial Assets

Determining whether the asset is impaired requires to assess the recoverable amount of the asset or Cash Generating Unit (CGU) which is compared to the carrying amount of the asset or CGU, as applicable. Recoverable amount is the higher of fair value less costs of disposal and value in use. Where the carrying amount of an asset or CGU exceeds the recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

4.2.11 Income Taxes

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Group reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcomes which could lead to significant adjustment to the amounts reported in the financial statements.

5 Property, Plant and Equipment and Capital Work-in-progress

Particulars	As at March 31, 2019	As at March 31, 2018
Carrying amounts of:		
Land	4,706.24	3,608.96
Buildings	13,474.66	16,429.74
Leasehold Improvements	7,601.76	4,126.21
Plant and Machinery	4,294.60	4,941.61
Medical Equipment	11,883.64	10,778.24
Furniture and Fixtures	2,990.85	2,816.58
Office Equipments	360.75	432.15
Computers	320.19	314.89
Vehicles	305.24	337.26
	45,937.93	**43,785.64**
5.1 Capital Work-in-progress (Refer Note v)	**8,217.71**	**7,121.97**
Total	**54,155.64**	**50,907.61**

Gross Block

Particulars	Land (Refer note iv)	Buildings	Leasehold Improvements	Plant and Machinery@	Medical Equipment*	Furniture and Fixtures	Office equipments	Computers#	Vehicles	Total
Balance as at April 1, 2017	**3,303.49**	**16,567.66**	**4,984.59**	**7,241.15**	**12,620.75**	**3,433.45**	**869.86**	**1,065.71**	**716.46**	**50,803.12**
Additions	305.47	833.82	346.62	473.92	2,206.29	710.69	122.37	152.43	30.18	5,181.80
Disposals	-	(0.01)	(17.66)	(15.03)	(68.26)	(100.86)	(17.24)	(17.22)	(14.78)	(251.06)
Adjustment/Reclassification	-	-	-	(23.72)	(9.48)	5.21	25.23	(2.55)	-	(5.31)
Balance at March 31, 2018	**3,608.96**	**17,401.47**	**5,313.55**	**7,676.32**	**14,749.30**	**4,048.49**	**1,000.22**	**1,198.37**	**731.86**	**55,728.55**
Additions	1,107.18	254.51	1,023.75	517.99	2,045.78	699.05	101.40	192.04	41.76	5,983.46
Disposals	(9.91)	(1.75)	(6.30)	(30.43)	(66.13)	(53.35)	(8.36)	(13.55)	(8.85)	(198.63)
Adjustment/Reclassification	0.01	(2,913.20)	2,866.30	(699.01)	766.00	(76.44)	(42.52)	(63.32)	(2.08)	(164.26)
Balance at March 31, 2019	**4,706.24**	**14,741.03**	**9,197.30**	**7,464.87**	**17,494.95**	**4,617.75**	**1,050.74**	**1,313.54**	**762.69**	**61,349.11**

Accumulated depreciation and impairment

Particulars	Land (Refer note iv)	Buildings	Leasehold Improvements	Plant and Machinery@	Medical Equipment*	Furniture and Fixtures	Office equipments	Computers#	Vehicles	Total
Balance as at April 1, 2017	-	**656.59**	**868.98**	**2,206.57**	**2,639.73**	**842.23**	**434.75**	**729.14**	**332.02**	**8,710.01**
Eliminated on disposals	-	(11.88)	(4.07)	(8.63)	(53.26)	(43.34)	(15.65)	(16.58)	(11.83)	(165.24)
Depreciation expense	-	327.02	322.43	540.74	1,385.15	432.08	144.33	175.42	74.41	3,401.58
Adjustment/ Reclassification	-	-	-	(3.97)	(0.56)	0.94	4.64	(4.50)	-	(3.45)
Balance at March 31, 2018	-	**971.73**	**1,187.34**	**2,734.71**	**3,971.06**	**1,231.91**	**568.07**	**883.48**	**394.60**	**11,942.90**
Eliminated on disposals	-	(0.12)	(1.55)	(17.59)	(47.69)	(27.60)	(6.77)	(12.32)	(5.32)	(118.96)
Depreciation expense	-	322.41	413.05	560.29	1,645.46	452.21	134.99	146.55	71.18	3,746.14
Adjustment/ Reclassification	-	(27.66)	(3.30)	(107.14)	42.48	(29.62)	(6.30)	(24.36)	(3.01)	(158.91)
Balance at March 31, 2019	-	**1,266.36**	**1,595.54**	**3,170.27**	**5,611.31**	**1,626.90**	**689.99**	**993.35**	**457.45**	**15,411.17**

Particulars	Land (Refer note iv)	Buildings	Leasehold Improvements	Plant and Machinery@	Medical Equipment*	Furniture and Fixtures	Office equipments	Computers#	Vehicles	Total
Carrying amount as on March 31, 2018	3,608.96	16,429.74	4,126.21	4,941.61	10,778.24	2,816.58	432.15	314.89	337.26	43,785.64
Carrying amount as on March 31, 2019	4,706.24	13,474.66	7,601.76	4,294.60	11,883.64	2,990.85	360.75	320.19	305.24	45,937.93

@ Includes electrical installation and generators

* Includes surgical equipments

Includes Servers

Notes:

(i) Refer Note 21 for information on Property, Plant & Equipment pledged as security by the Company for securing financing facilities from banks and financial institutions.

(ii) Refer Note 52 for the contractual capital commitments for purchase of Property, plant & equipment.

(iii) Refer note 34 for details of interest capitalised during the year under Capital Work in Progress.

(iv) Land and Building of ₹ 190 million and ₹ 792 million respectively relate to one of the subsidiary Company Imperial Hospitals and Research Center Limited which is under dispute with Government of Karnataka alleging non-compliance of certain conditions associated with the allotment of land, have been stayed by the honourable High Court of Karnataka on April 27, 2018. Based on legal opinion, the management is of the opinion that it has adequate grounds to demonstrate compliance with applicable conditions and therefore the proceedings are not sustainable.

(v) Capital work in progress includes ₹47.26 million in respect of land alloted by Andhra Pradesh Industrial Infrastructure Corporation, which is yet to be registered in the name of the Company as at March 31,2019

6 Investment Property

Particulars	As at March 31, 2019	As at March 31, 2018
Carrying amounts of:		
Building (Multi-level Car Park)	65.31	71.48
Total	**65.31**	**71.48**

Particulars	
Balance at beginning of the year	83.82
Additions	-
Disposals	-
Balance at end of year 2018	83.82
Additions	-
Disposals	-
Balance at end of year 2019	83.82
Accumulated depreciation and impairment	
Balance at beginning of year	6.17
Amortisation expense	6.17
Disposals	-
Balance at end of year 2018	12.34
Amortisation expense	6.17
Disposals	
Adjustment/Reclassification	
Balance at end of year 2019	18.51
Carrying amount as on March 31, 2018	**71.48**
Carrying amount as on March 31, 2019	**65.31**

The land appurtunent to this investment property (building) is granted to the Company by virtue of a concessionaire agreement March 24, 2009 executed between Corporation of Chennai and Consortium of MARG Limited and Apollo Hospitals Enterprise Limited for a period of 20 years starting from September 22, 2010 expiring on September 21, 2030.

Fair Value of Group's investment Property

The group obtained independent valuation for its investment property. Accordingly the fair value of the group's investment property as at March 31, 2019 is ₹ 87.46 Million on the basis of valuation carried out by independent valuers not related to company. The guideline value as pronounced by the government has been considered as a basis for fair valuation. The said valuers are registered with the authority which governs the valuers in India and have appropriate qualifications and relevant experience in the valuation of properties in the relevant locations.

7. Goodwill

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	3,461.99	3,462.52
Accumulated impairment losses	(0.10)	(0.53)
Total	**3,461.89**	**3,461.99**

(i) Allocation of goodwill to cash generating units:

Goodwill has been allocated for impairment testing purposes to the following cash-generating unit. The following table presents the allocation of goodwill to reportable segments:

Cash generating units	As at March 31, 2019	As at March 31, 2018
Standalone Pharmacy	948.30	948.30
Healthcare	2,061.73	2,061.73
Clinics	384.38	384.48
Others	67.48	67.48
Total	**3,461.89**	**3,461.99**

(ii) Key assumptions used for value-in-use calculations

The Company tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which uses cash flow projections based on financial budgets approved by management covering periods starting from 5 years as the company believes this to be the most appropriate timescale for reviewing and considering annual performance before applying a fixed terminal value multiple to the final cash flows.

Key AssumptionsStandalone Pharmacy	Standalone Pharmacy
Discount Rate	12% - 16%
Long term Growth Rate (used for determining Terminal Value)	2% - 6%

Estimated Operating Margins- The cash flow projections takes into account past experience and represents the managements best estimate about future developments.

Discount Rate- Management estimates discount rates using pre-tax rates that reflect current market assessments of the risks specific to the CGU, taking into consideration the time value of money and individual risk of the underlying asset that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and its operating segments and is derived from its weighted average cost of the capital (WACC)

Long term Growth Rates- The growth rates are based on the industry growth forecast. Management determines the budgeted growth rate based on past performance and its expectation on its market development. The weighted average growth rate used were consistent with industry reports

Based on the assessment, the management has concluded that there is no impairment of goodwill in respect of CGU. The management believes that any reasonably possible further change in key assumptions on which recoverable amount is based would not cause the carrying amount of the goodwill related to each of the significant units to exceed its recoverable amount.

8. Intangible Assets

Particulars	As at March 31, 2019	As at March 31, 2018
Carrying amounts of:		
Software Licence	346.54	392.30
Trademark	0.03	2.30
Non Compete Fee	4.24	14.89
Total	**350.81**	**409.49**

Gross block

Particulars	Software License	Trademark	Non Compete Fee	Total
Balance as at April 1, 2017	**573.92**	**66.66**	**83.99**	**724.57**
Additions	336.55			336.55
Disposals	(0.03)	(0.26)	(15.74)	(16.03)
Adjustment/Reclassification	0.69	-	-	0.69
Balance at March 31, 2018	**911.13**	**66.40**	**68.25**	**1,045.78**
Additions	144.76	0.02	-	144.78
Disposals	-	-	-	-
Adjustment/Reclassification	(10.74)	-	-	(10.74)
Balance at March 31, 2019	**1,045.15**	**66.42**	**68.25**	**1,179.82**

Accumulated Amortisation and impairment

Particulars	Software License	Trademark	Non Compete Fee	Total
Balance as at April 1, 2017	**359.92**	**44.88**	**42.47**	**447.27**
Amortisation expense	157.28	19.45	5.81	182.54
Disposals	0.63	(0.23)	5.09	5.49
Adjustment/Reclassification	1.00	-	-	1.00
Balance at March 31, 2018	**518.83**	**64.10**	**53.37**	**636.30**
Amortisation expense	188.89	2.29	10.64	201.82
Disposals	-	-	-	-
Adjustment/Reclassification	(9.11)	-	-	(9.11)
Balance at March 31, 2019	**689.61**	**66.39**	**64.01**	**829.01**
Carrying amount as on March 31, 2018	**392.30**	**2.30**	**14.89**	**409.49**
Carrying amount as on March 31, 2019	**346.54**	**0.03**	**4.24**	**350.81**

9. Investment in Equity Accounted Investee

Name of the Body Corporate	Associate/ Joint Ventures	Quoted / Unquoted	As at March 31,2019		As at March 31,2018	
			Quantity	Amount	Quantity	Amount
Carrying amount determined using equity method of accounting:						
Indraprastha Medical Corporation Limited	Associate	Quoted	20,190,740	689.74	20,190,740	657.71
Stemcyte India Therapeutics Private Limited	Associate	Unquoted	240,196	61.63	240,196	68.34
Apollo Munich Health Insurance Company Limited	Associate	Unquoted	35,709,000	442.81	35,709,000	434.41
Family Health PlanInsurance (TPA) Limited	Associate	Unquoted	490,000	390.89	490,000	350.36
Apollo Gleneagles Hospitals Limited	Joint Venture	Unquoted	54,675,697	1,157.72	54,675,697	1,137.05
Apollo Gleneagles PET-CT Private Limited	Joint Venture	Unquoted	8,500,000	42.07	8,500,000	45.76
ApoKos Rehab Private Limited	Joint Venture	Unquoted	8,475,000	65.82	5,750,000	69.88
Apollo Medics International Life sciences Limited	Joint Venture	Unquoted	55,000,000	803.77	-	-
Total				**3,654.45**		**2,763.51**
Aggregate book value of quoted investments				**689.74**		**657.71**
Aggregate market value of quoted investments				774.31		975.21
Aggregate carrying value of unquoted investments				2,964.71		2,105.80

9.1 Details of material associates

The Group has interest in the following companies. The Group has significant influence either by virtue of shareholding being more than 20% or through Board representation. However the Group does not have control or joint control over any of them.

Name	Principal Activity	Place of Incorporation and Principal place of Business	Proportion of ownership interest / voting rights held by the Group	
			As at 31st March, 2019	As at 31st March, 2018
Indraprastha Medical Corporation Limited	Health Care and services	India	22.03%	22.03%
Stemcyte India Therapeutics Private Limited	Health Care and services	India	24.50%	24.50%
Apollo Munich Health Insurance Company Limited	Health Insurance	India	9.96%	9.96%
Family Health Plan Insurance (TPA) Limited	Health Insurance	India	49.00%	49.00%

9.1.1 All the above associates are accounted for using the equity method

9.1.2 In respect of its associate company Apollo Munich Health Insurance Company Limited, although the group holds less than 20% of equity shares and less than 20% of voting power at shareholder meetings, the group exercises significant influence by virtue of its joint contractual right to appoint 4 out of 6 directors of that company along with Apollo Energy Limited which has been jointly referred as "Apollo Group" in the shareholder agreement.

9.2 Summarised financial information of material associates

The summarised financial information below represents amounts shown in the material's associate financial statements prepared in accordance with Ind ASs adjusted by the Group for equity accounting purposes.

9.2.1 Indraprastha Medical Corporation Limited (IMCL)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Non-current assets	2,868.14	3,000.87
Current assets	1,355.54	1,361.11
Non-current liabilities	(542.37)	(622.50)
Current liabilities	(1,240.95)	(1,416.35)
Net Assets	**2,440.36**	**2,323.13**
Ownership held by the group	22.03%	22.03%
Group's Share of Net Assets	537.61	511.79
Add: Goodwill on consolidation	160.21	160.21
Add: Others	(8.08)	(14.29)
Carrying amount of group's interest in IMCL	**689.74**	**657.71**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Revenue	7,881.72	7,483.56
Profit from continuing operations (after tax)	284.13	211.03
Other comprehensive income for the year	(1.12)	2.43
Total comprehensive income for the year	283.01	213.46
Proportion of the Group's ownership interest in Total Comprehensive Income	**62.35**	**47.03**

9.2.2 Family Health Plan Insurance TPA Limited (FHPTL)

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current assets	798.62	751.10
Current assets	463.81	419.65
Non-current liabilities	(199.11)	(204.88)
Current liabilities	(235.58)	(220.86)

Particulars	As at March 31, 2019	As at March 31, 2018
Net Assets	**827.74**	**745.01**
Ownership held by the group	49%	49%
Group's Share of Net Assets	405.59	365.05
Capital reserve	(14.70)	(14.70)
Carrying amount of group's interest in FHPTL	**390.89**	**350.36**

9.2.3 Apollo Munich Health Insurance Company Limited

Particulars	As at March 31, 2019	As at March 31, 2018
Net Assets	4,445.98	4,361.58
Ownership held by the group	9.96%	9.96%
Group's Share of Net Assets	442.81	434.41
Carrying amount of group's interest in Apollo Munich	442.81	434.41

Particulars	As at March 31, 2019	As at March 31, 2018
Revenue	19,793.44	15,165.85
Profit from continuing operations (after tax)	69.37	152.40
Other comprehensive income for the year	14.88	-
Total comprehensive income for the year	**84.25**	**152.40**
Proportion of the Group's ownership interest in Total Comprehensive Income	**8.39**	**15.24**

9.3 Investments in Joint Ventures

9.3.1 Details of material Joint Ventures

The Group has interest in the following companies. This has been accounted for using the equity method in the consolidated financial statements. The Group has joint control by virtue of contractual arrangements.

Name	Principal Activity	Place of Incorporation and Principal place of Business	Proportion of ownership interest / voting rights held by the Group	
			As at 31st March, 2019	As at 31st March, 2018
Apollo Gleneagles Hospitals Limited	Health Care and services	India	50.00%	50.00%
Apollo Gleneagles PET CT Private Limited	Health Care and services	India	50.00%	50.00%
ApoKos Rehab Pvt Ltd	Health Care and services	India	50.00%	50.00%
Apollo Medics International Life sciences Limited	Health Care and services	India	50.00%	-

9.3.2 Summarised financial information of material joint ventures

The summarised financial information below represents amounts shown in the joint venture company's financial statements prepared in accordance with Ind ASs adjusted by the Group for equity accounting purposes.

9.3.3 Apollo Gleneagles Limited (AGHL)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Non-current assets	3,493.64	3,569.00
Current assets	1,810.98	1,443.12
Non-current liabilities	(453.03)	(542.25)
Current liabilities	(2,626.86)	(2,286.48)
Net Assets	**2,224.73**	**2,183.38**
Ownership held by the group	50%	50%
Group's Share of Net Assets	1,112.36	1,091.69
Add: Goodwill on consolidation	45.36	45.36
Carrying amount of group's interest in AGHL	**1,157.72**	**1,137.05**
Particulars	As at 31st March, 2019	As at 31st March, 2018
Revenue	6,388.03	5,327.73
Profit/(Loss) from continuing operations (after tax)	44.09	(151.21)
Other comprehensive income for the year	(2.74)	0.11
Total comprehensive income for the year	41.35	(151.10)
Proportion of the Group's ownership interest in Total Comprehensive Income	**20.67**	**(75.55)**

9.3.4 ApoKos Rehab Private Limited (ApoKos)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Non-current assets	93.72	99.93
Current assets	74.40	59.49
Non-current liabilities	(2.36)	(1.55)
Current liabilities	(34.12)	(18.10)
Net Assets	**131.64**	**139.77**
Ownership held by the group	50%	50%
Group's Share of Net Assets	65.82	69.88
Carrying amount of group's interest in ApoKos	**65.82**	**69.88**

Particulars	**As at 31st March, 2019**	**As at 31st March, 2018**
Revenue	94.12	65.37
Profit from continuing operations (after tax)	(8.23)	0.92
Other comprehensive income for the year	0.11	(0.16)
Total comprehensive income for the year	(8.12)	0.76
Proportion of the Group's ownership interest in Total Comprehensive Income	(4.06)	0.38

9.3.5 Apollo Medics International Lifesciences Limited

Particulars	As at 31st March, 2019	As at 31st March, 2018
Non-current assets	2,788.93	-
Current assets	95.69	-
Non-current liabilities	(1,290.29)	-
Current liabilities	(431.94)	-
Net Assets	**1,162.39**	**-**
Ownership held by the group	50%	-
Group's Share of Net Assets	581.19	-
Goodwill	222.58	
Carrying amount of group's interest in Apollo Medics International Lifesciences Limited	**803.77**	**-**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Revenue	139.60	-
Profit from continuing operations (after tax)	(212.45)	-
Other comprehensive income for the year	(0.52)	-
Total comprehensive income for the year	(212.98)	-
Proportion of the Group's ownership interest in Total Comprehensive Income	(106.49)	-

9.4 The group's share of commitment and contingent liabilities in respect of its associates and joint venture is disclosed as part of Note 52 and Note 53.

10 Other Investments

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Non Current	Current	Non Current	Current
Investment carried at Fair Value through Profit and Loss:-				
Mutual Funds	-	688.30	32.57	578.73
Other Investments	190.91	-	59.45	-
Investments in equity instruments at FVTOCI:-				
Investment in Equity instruments	2.81	-	5.63	-
Investments carried at amortised cost:-				
Investment in debentures	80.00	-	80.00	-
Total	**273.72**	**688.30**	**177.65**	**578.73**

10.1 Investment carried at Fair Value through Profit and Loss - Non Current

Name of the Body corporate	Quoted/ Unquoted	Partly paid/ Fully paid	Amount 31-Mar-19	Amount 31-Mar-18
Investments in Mutual Funds				
Reliance Income Fund Retail plan - Growth plan Option (Growth)	Unquoted	Fully Paid	-	1.66
Kotak Flexi Debt	Unquoted	Fully Paid	-	30.91
Total				**32.57**

10.2 Investment carried at Fair Value through Profit and Loss - Current

Name of the Body corporate	Quoted/ Unquoted	Partly paid/ Fully paid	Amount 31-Mar-19	Amount 31-Mar-18
Canara Robeco Short Term Fund - Reg - Growth	Unquoted	Fully paid	5.11	-
DHFL Pramerica Insta Cash Fund - Growth	Unquoted	Fully paid	137.55	34.43
ICICI Prudential STP - Growth	Unquoted	Fully paid	58.03	54.39
Reliance Short Term Fund - Growth	Unquoted	Fully paid	0.49	0.46
HDFC Debt Fund for Cancer Cure 2014 - Reg - 100% Dividend Donation	Unquoted	Fully paid	20.06	20.06
Birla SunLife	Unquoted	Fully paid	10.13	53.64
Relaince Income Fund	Unquoted	Fully paid	0.03	0.02
Aditya Birla Sun Life Short Term Fund	Unquoted	Fully paid	55.15	51.13
Axis Short Term Fund	Unquoted	Fully paid	22.03	20.53
HDFC Short Term Opp. Fund	Unquoted	Fully paid	22.21	20.63
ICICI Equity Arbitrage Fund	Unquoted	Fully paid	54.43	51.34
ICICI Short Term Plan Growth	Unquoted	Fully paid	21.83	20.46
IDFC All Seasons Bond Fund	Unquoted	Fully paid	23.38	21.68
IDFC Arbitrage Fund Growth	Unquoted	Fully paid	21.96	20.69
Kotak Bond Short Term	Unquoted	Fully paid	23.55	21.92
Kotak Equity Arbitrage Fund	Unquoted	Fully paid	21.98	20.73
Kotak Floater Short Term MFKOTAK0666	Unquoted	Fully paid	36.96	34.17
Reliance Short Term Fund	Unquoted	Fully paid	82.29	77.32
Reliance Short Term Fund - (STAGG)	Unquoted	Fully paid	4.91	4.58
SBI STD Fund - Reg plan Growth	Unquoted	Fully paid	54.46	50.96
Trade Investment with ICB (B Shares)	Unquoted	Fully paid	0.001	-
UTI Floating rate fund	Unquoted	Fully paid	4.48	4.17
The Karur Vysya Bank Limited	Unquoted	Fully paid	5.87	-
Kotak Flexi Debt	Unquoted	Fully paid	6.32	-
Total			**688.30**	**578.73**

10.3 Investments carried at Fair value through Profit and loss

Name of the Body Corporate	Face value	Quoted/ Unquoted	Partly paid/ Fully paid	31-Mar-19		31-Mar-18	
				Quantity	Amount	Quantity	Amount
Health Super Highway Private Limited	10	Unquoted	Fully Paid	406,514	16.27	406,514	16.27
Kurnool hospitals Enterprise Limited	10	Unquoted	Fully Paid	157,500	1.73	157,500	1.73
Cholamandalam Finance Limited	10	Unquoted	Fully Paid	1,000	1.45	1,000	1.45
The Karur Vysya Bank Ltd	10	Unquoted	Fully Paid	-	-	12,811	2.25
Impact Guru Technology Venture Pvt Ltd	10	Unquoted	Fully Paid	75,462	25.00	-	-
Matrix Agro Pvt Ltd	10	Unquoted	Fully Paid	500,000	0.50	500,000	0.5
Health Capital X, L.P.	10	Unquoted	Fully Paid	-	109.50	-	-
Clover Energy Pvt Ltd	10	Unquoted	Fully Paid	1,929,250	14.16	1,929,250	14.16
Leap Green Energy Private Limited	10	Unquoted	Fully Paid	97,600	1.43	97,600	1.43
Indo Wind Power Pvt Ltd	10	Unquoted	Fully Paid	10,650	-	10,650	0
Tirunelveli Vayu Energy Generation Private Limited	1000	Unquoted	Fully Paid	36	13.61	36	13.6
Iris Ecopower Venture Private Limited	10	Unquoted	Fully Paid	-	1.73	-	1.83
VMA Wind Energy India Pvt Ltd	10	Unquoted	Fully Paid	60,000	0.60	130,000	1.3
Array Land Developers Pvt Ltd	10	Unquoted	Fully Paid	50,000	0.50	50,000	0.5
Morgan Securities & Credit Private Limited	10	Unquoted	Fully Paid	5,000	0.05	5,000	0.05
Citron ECOpower Private Limited	10	Unquoted	Fully Paid	-	4.36	-	4.36
National Savings Certificate - Unquoted		Unquoted	Fully Paid	-	0.02		0.02
Total					**190.91**		**59.45**

Investments carried at Amortised Cost

Name of the Body Corporate	Face value	Quoted/ Unquoted	Partly paid/ Fully paid	March 31, 2019		March 31, 2018	
				Quantity	Amount	Quantity	Amount
Apollo Munich Health Insurance Company Limited (Redeemable non convertible debentures)		Unquoted	Fully Paid	80	80.00	80	80 .00
Total					80.00		80.00

10.4 Investments in equity instruments at FVTOCI

Name of the Body Corporate	Face value	Quoted/ Unquoted	Partly paid/ Fully paid	March 31, 2019		March 31, 2018	
				Quantity	Amount	Quantity	Amount
Searchlight Health Private Limited	10	Unquoted	Fully Paid	201,000	2.81	201,000.00	5.63
Sunrise Medicare -Inv	10	Unquoted	Fully Paid	78	0.00	78.00	0.00
Total				**201,078**	**2.81**	**2,010,078.00**	**5.63**

11 Loans

Particulars	March 31, 2019		March 31, 2018	
	Non-Current	Current	Non-Current	Current
Carried at amortised cost				
Unsecured, Considered good				
Loans to Others (Refer note (i))	108.00	80.00	-	-
Total	108.00	80.00	-	-

Note: (i) Non current loans represents unsecured loan to Apollo Shine Foundation and Apollo Lifetime Wellness Rx International Limited bearing an interest of 10% per annum and repayable in 5 equal annual installments.

12 Trade receivables

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non-Current	Current	Non-Current	Current
Trade receivables				
(a) Secured, considered good		-		-
(b) Unsecured, considered good	-	11,250.51	-	8,937.89
Less: Expected Credit Loss on (a) & (b)		(1,018.54)	-	(686.01)
(c) Trade Receivables - credit impaired (unsecured)	-	721.57		496.31
Less: Expected Credit Loss on (c)		(721.57)		(496.31)
Total	-	10,231.98	-	8,251.88

Trade Receivables

Majority of the Groups' transactions are earned in cash or cash equivalents. The trade receivables comprise mainly of receivables from Insurance Companies, Corporate customers and Government Undertakings. The entity's exposure to credit risk in relation to trade receivables is low.

The average credit period on sales of services is 30-60 days.

The Group has used a practical expedient by computing the expected credit loss allowance for receivables. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix.

No single customer represents 10% or more of the group's total revenue during the year ended March 31, 2019 and March 31, 2018. Therefore the customer concentration risk is limited due to the large and unrelated customer base

12.1 The provision matrix at the end of reporting period is as follows:

Particulars	As at March 31, 2019 Non-Current	As at March 31, 2018 Non-Current
Les than 6 months past due	0.00%	0.00%
6 months to 12 months past due	upto 26.8%	upto 12.5%
1 to 2 years past due	Upto 54.4%	Upto 35%
2 to 3 years years past due	upto 96%	upto 96%
>3 years past due	upto 100%	upto 100%

12.2 Ageing

Particulars	As at March 31, 2019	As at March 31, 2018
Less than 1 year	8,517.48	6,890.40
More than 1 year	3,454.59	2,543.80
Total	**11,972.08**	**10,028.50**

12.3 Movement in the expected credit loss allowance

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at beginning of the year	1,182.32	716.60
Add: Amount provided during the year (including provision of disallowance)	557.79	465.72
Balance at end of the year	1,740.11	1,182.32

Refer note 58.1 for information on amounts receivable from related parties

13 Other Financial Assets

(Unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non-Current	Current	Non-Current	Current
(a) Security Deposits	2,057.95	81.36	2,021.08	199.90
(b) Other Receivables	-	274.52	-	1,092.90
(c) Advance for Investments	-	-	37.63	-
(d) Advances to employees	-	141.12	0.17	159.11
(e) Derivative Financial Instruments	288.21	-	285.85	-
(f) Interest Receivable	-	46.54	1.00	91.26
(g) Rent Receivables	-	8.07	173.00	2.54
(h) Finance lease receivables (Refer Note (i) below)	4.54	-	4.54	-
(i) Unbilled Revenue (Refer Note (ii) below)	-	735.42	-	652.80
Total	**2,350.70**	**1,287.03**	**2,523.28**	**2,198.51**

Refer note 58.1 for information on amounts due from related parties

(i) The group has entered into finance lease arrangements with AHERF for its Building in Hyderabad. All leases are denominated in Indian Rupees. The average term of finance leases entered into is 99 years.

(ii) Considered as financial asset as the group has unconditional right to receive consideration in exchange for services rendered only by passage of time.

Amounts receivable under finance leases	Minimum lease payments		Present value of minimum lease	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Not later than one year	0.54	0.54	-	0.00
Later than one year and not later than five years	2.18	2.18	-	0.00
Later than five years	47.07	47.62	4.54	4.54
Less: unearned finance income	42.53	(45.80)	-	-
Present value of minimum lease payments receivable	4.54	4.54	0.00	0.00
Allowance for uncollectible lease payments		-		-
	4.54	4.54	4.54	4.54

The interest rate inherent in the leases is considered as the average incremental borrowing rate which is approximately 12% per annum (as at March 31, 2018: 12% per annum).

14. Inventories

Particulars	As at 31 March 2019	As at 31 March 2018
Inventories (lower of cost and net realisable value)		
(a) Medicines	5,433.47	5,196.57
(b) Stores and Spares	263.89	238.31
(c) Lab Materials	23.95	69.54
(d) Other Consumables	126.48	154.00
Total	**5,847.79**	**5,658.42**

15 Cash and cash equivalents

Particulars	As at 31 March 2019	As at 31 March 2018
(a) Balances with Banks (Including deposits with original maturity upto 3 months)		
(i) In Current Accounts	2,361.31	2,678.38
(ii) Fixed Deposits	129.89	178.61
(b) Cash on hand	256.45	181.88
(c) Cheques on Hand	114.47	24.46
Total	**2,862.11**	**3,063.33**

16 Bank balances other than above

Particulars	As at 31 March 2019	As at 31 March 2018
Balances with Bank in earmared accounts		
(a) Unpaid Dividend Accounts	35.43	34.44
(b) Term deposits held as Margin money	572.06	1,074.71
Total	**607.49**	**1,109.15**

17 Other Assets

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non-Current	Current	Non-Current	Current
(a) Capital Advances	552.91	-	641.70	0
(b) Advance to suppliers	5.47	571.91	7.21	762.29
(c) Prepaid Expenses	265.83	494.25	85.47	455.94
(d) Prepayment towards leasehold land (Refer Note (i))	680.77	11.87	654.44	0
(e) Balances with Statutory Authorities	336.83	1.32	281.48	1.60
(f) Others	37.65	133.29	-	121.40
Total	**1,879.46**	**1,212.64**	**1,670.30**	**1,341.23**

Note (i) : Includes ₹603.65 million (Previous year ₹615.52 million) being the upfront lease premium paid to the City and Industrial Development Corporation of Maharashtra Limited ("CIDCO") by the Company for granting a leasehold right for a period of 60 years to use the allotted land for developing a multi speciality hospital at Navi Mumbai.

18 Equity Share Capital

Particulars	As at 31 March 2019	As at 31 March 2018
Equity share capital		
Authorised Share capital :		
200,000,000(2017-18 : 200,000,000) Equity Shares of ₹5/- each	1,000.00	1,000.00
1,000,000(2017-18 : 1,000,000) Preference Shares of ₹100/- each	100.00	100.00
Issued		
139,658,177 (2017-18: 139,658,177) Equity shares of ₹5/- each	698.29	698.29
Subscribed and Paid up capital comprises:		
139,125,159 fully paid equity shares of ₹5 each (as at March 31, 2018: 139,125,159)	695.63	695.63
Total	695.63	695.63

18.1 Fully paid equity shares

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at April 1, 2018	1391,25,159	695.63
Movement during the year 2018-19		
Balance at March 31, 2019	1391,25,159	695.63

18.2 Rights, Preferences and restrictions attached to equity shares

The Company has equity shares having a nominal value of ₹5 each. Accordingly, all equity shares rank equally with regard to dividend and share in the Company's residual assets. Each holder of equity shares is entitled to one vote per share. The equity shares are entitled to receive dividend as declared from time to time. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

18.3 Details of shares held by each shareholder holding more than 5% shares

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of Shares held	% holding of equity shares	Number of Shares held	% holding of equity shares
Fully paid equity shares				
PCR Investments Limited	27,223,124	19.57	27,223,124	19.57
Life Insurance Corporation of India	7,900,314	5.68	-	-
Oppebgeimer Developing Markets Fubd	-	-	11,818,039	8.49

The company had issued 9,000,000 Global Depository Receipts of ₹10 (now 18,000,000 Global Depository Reciepts of ₹5) each with two-way fungibility during the year 2005-06. Total GDRs converted into underlying Equity shares for the year ended on 31st March 2019 is 295,009 (2017-18: 762,690) of ₹5 each and total Equity shares converted back to GDR for the year ended 31st March 2019 is 1,850 (2017-18: 83,784) of ₹5 each.

19 Other Equity

Particulars	Note No.	As at 31 March 2019	As at 31 March 2018
General reserve	19.1	11,249.58	11,249.58
Securities premium reserve	19.2	17,138.52	17,138.52
Capital Reserves	19.3	30.44	30.44
Retained earnings	19.4	3,704.12	2,601.64
Capital redemption reserve	19.5	60.02	60.02
Debenture redemption reserve	19.6	1,750.00	1,750.00
Revaluation Reserve	19.7	77.61	77.61
Shares Options Outstanding Account	19.8	28.04	18.92
Remeasurement of defined benefit obligation through other comprehensive income	19.9	(698.72)	(409.64)
Fair value changes on equity instruments through other comprehensive income	19.10	(7.42)	(4.56)
IND AS Transition reserve		(693.11)	(693.11)
Guarantee Income			
Balance at the end of the year		**32,639.08**	**31,819.42**

19.1 General reserve

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at beginning of year	11,249.58	11,249.58
Balance at the end of the year	11,249.58	11,249.58

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit or loss.

19.2 Securities premium

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at beginning of year	17,138.52	17,138.52
Balance at the end of the year	17,138.52	17,138.52

Securities premium is used to record premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013 (the "Companies Act").

19.3 Capital Reserves

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at beginning of year	30.44	30.44
Balance at the end of the year	30.44	30.44

19.4 Retained Earnings

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at beginning of year	**2,601.64**	**3,472.08**
Gross obligation over written put option	(381.69)	(500.45)
Profit attributable to owners of the Company	2,360.46	1,174.17
Movement on account of change in shareholding of existing subsidiaries	(26.35)	(73.82)
Adjustment towards Non-controlling interest	(12.71)	(9.47)
Transfer to debenture redemption reserve	-	(452.50)
Dividends paid (including dividend distribution tax)	(837.23)	(1,008.37)
Balance at the end of the year	**3,704.12**	**2,601.64**

In respect of the year ended March 31, 2019, the directors propose that a dividend of ₹6 per share be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. For the year 17-18 dividend of ₹5 per share was paid.

19.5 Capital Redemption Reserve

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at beginning of year	**60.02**	**60.02**
Movement during the year	-	-
Balance at the end the of year	**60.02**	**60.02**

The Companies Act requires that where a Company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet. The capital redemption reserve account may be applied by the Company, in paying up unissued shares of the Company to be issued to shareholders of the Company as fully paid bonus shares.

19.6 Debenture Redemption reserve

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at beginning of year	**1,750.00**	**1,297.50**
Movement during the year	-	452.50
Balance at the end the of year	**1,750.00**	**1,750.00**

Debenture Redemption Reserve is created out of the profits of the company available for the payment of dividends and such reserve shall be utilised only for the redemption of debentures

19.7 Revaluation Reserve

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at beginning of year	77.61	77.61
Movement during the year		
Balance at the end the of year	77.61	77.61

19.8 Share Options Outstanding Account

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at beginning of year	18.92	12.75
Movement during the year	9.12	6.17
Balance at the end the of year	28.04	18.92

Shares options outstanding account relates to share options granted by the company to its employees under its employees share option plan. These will be transformed to retained earnings after the exercise of the underlying options.

19.9 Reserve for Defined Benefit Obligations through other comprehensive income

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at beginning of year	(409.64)	(238.54)
Movement during the year	(289.08)	(171.10)
Balance at the end the of year	(698.72)	(409.64)

19.10 Fair value changes on equity instruments through other comprehensive income

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at beginning of year	(4.56)	(4.96)
Movement during the year	(2.86)	0.40
Balance at the end the of year	(7.42)	(4.56)

20 Non-Controlling Interests

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at beginning of year	1,324.37	1,245.75
Loss attributable to Non controlling Interest (NCI)	(358.78)	(578.61)
Other comprehensive Income	0.68	(0.90)
Movement on account of share based compensation	3.86	43.10
Movement on account of change in shareholding of existing subsidiaries	(9.93)	114.58
Gross obligation over written put option	381.69	500.45
Others	12.71	-
Balance at end of year	1,354.60	1,324.37

Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of the Subsidiaries	Proportion of ownership interests and voting rights held by non - controlling interests		Profit (loss) allocated to non- controlling interest		Accumulated non - controlling interests	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
Imperial Hospital and Research Centre Limited	10.00%	10.00%	33.23	9.00	99.11	65.95
Apollo Health & Lifestyle Limited	29.75%	31.36%	(424.29)	(549.84)	64.18	104.10
Apollo Rajshree Hospital Pvt Ltd	45.37%	45.37%	(0.29)	(22.58)	8.50	9.44

Name of the Subsidiaries	Proportion of ownership interests and voting rights held by non - controlling interests		Profit (loss) allocated to non- controlling interest		Accumulated non - controlling interests	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
Apollo Lavasa Health Corp Ltd	49.00%	49.00%	(18.71)	(18.50)	236.38	255.32
Sapien Biosciences Pvt Ltd	30.00%	30.00%	0.27	0.57	(9.08)	(9.35)
Apollo Healthcare Technology Solutions Ltd	60.00%	0.00%	0.21	-	0.49	-
Apollo Home Health Care Ltd	14.88%	26.00%	(15.03)	(19.67)	(47.77)	(32.75)
Assam Hospitals Ltd	37.68%	38.76%	55.43	17.06	427.53	379.83
Apollo Hospitals International Ltd	50.00%	50.00%	9.11	16.06	572.69	550.55
Future Parking Private Limited	51.00%	51.00%	-	(12.00)	-	-
Apollo Nellore Hospitals	20.56%	20.56%	1.29	1.28	2.57	1.28
Total			**(358.78)**	**(578.61)**	**1,354.60**	**1,324.37**

Note (i): In respect of the subsidiary company Apollo Hospitals International Limited (AHIL), the group holds 50% ownership and voting power along with its wholly owned subsidiary Apollo Home Healthcare (India) Limited. Based on the contractual arrangements between the group and other investors, the group has the right in respect of appointment of Key Managerial Personnel (KMP) and approval of business plan coupled with the affirmative voting rights, the directors of the company concluded that the group has the practical ability to direct the relevant activities and hence the company concluded that group exercises control on the AHIL.

Note (ii): In respect of the subsidiary company Future Parking Private Limited (FPPL), though the group holds 49% ownership and voting power, based on the contractual arrangements between the group and other investor, the group has the unilateral right to direct the relevant activities and hence the company concluded that the group exercises control on FPPL.

21 Borrowings

	As at March 31, 2019		As at March 31, 2018	
	Non-Current	Current	Non-Current	Current
Secured - at amortised cost				
(a) Bonds / debentures	7,000.00	-	7,000.00	-
(b) Term loans				
from banks and other financial institutions	21,680.26	320.01	20,259.59	1,937.44
(c) Bank Overdrafts		570.76		
(d) Finance lease obligations	6.87	-	24.73	-
Unsecured - at amortised cost				
(a) Term loans				
from banks and other financial institutions	531.29	3,250	1,759.12	70.13
from other parties	21.01	70.84	70.98	114.73
(b) Bank Overdrafts	-	148.02	-	888.03
(c) Bonds/Debentures		33.85	-	27.32
(d) Bills Payable	281.87	588.15	123.59	754.07
Total	**29,521.30**	**4,981.63**	**29,238.01**	**3,791.72**

(i) There is no breach of loan covenants as at March 31, 2019 and March 31, 2018

(ii) The secured listed non-convertible debentures of the company aggregating to ₹7,000 million as on March 31, 2019 are secured by way of first mortgage/charge on the company's properties. The asset cover on the secured listed non-convertible debentures of the company exceeds hundred percent of the principal amount of the said debentures.

21.1 Summary of Borrowing arrangements

Particluars	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018	Details of repayment terms and maturity	Nature of Security	Rate of Interest 31 Mar 19	Rate of Interest 31 Mar 18
(a) Redeemable Non-Convertible Debentures						
10.2% Non Convertible Debentures	2,000.00	2,000.00	The company issued 2000 nos of 10.20% Non Convertible Redeemable Debentures of ₹1 Million each on August 22, 2014 to banks and financial institutions, with an option to re-purchase/ re-issue some or all of its debentures in the secondary market or otherwise at any time prior to the specified date of redemption of August 22, 2028.	Secured by way of Pari passu first charge on the fixed assets of the Company, existing and future along with Bank and Institutions; such Pari passu first charge ensuring at least a cover of 1.25 times the value of outstanding principal amount of the loan	10.20%	10.20%
8.7% Non Convertible Debentures	3,000.00	3,000.00	The company issued 3000 nos. of 8.70% Non Convertible Debentures of ₹1 Million each on October 7, 2016, with 2 call options to re-purchase/ re-issue some or all of its debentures in the secondary market or otherwise at any time prior to the specified date of redemption of October 7, 2026.	Secured by way of Pari passu first charge on the fixed assets of the Company, existing and future along with Bank and Institutions; such Pari passu first charge ensuring at least a cover of 1.25 times the value of outstanding principal amount of the loan	8.70%	8.70%
7.8% Non Convertible Debentures	2,000.00	2,000.00	The company issued 2000 nos. of 7.80% Non Convertible Debentures of ₹1 Million each on March 7, 2017, and the specified date of redemption is March 7, 2022.	Secured by way of Pari passu first charge on the fixed assets of the Company, existing and future along with Bank and Institutions; such Pari passu first charge ensuring at least a cover of 1.25 times the value of outstanding principal amount of the loan	7.80%	7.80%

Particluars	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018	Details of repayment terms and maturity	Nature of Security	Rate of Interest 31 Mar 19	Rate of Interest 31 Mar 18
(b) Secured and Unsecured borrowing facilities from banks and others						
HDFC Bank Limited	-	48.00	The Company has availed Rupee Term Loan of ₹1300 million which is repayable in 20 quarterly instalments commencing from September, 2013. The company has repaid balance outstanding in the year 18-19	The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the company along with minimum cover of 1.25 times the value of the outstanding .	-	8.50%
HDFC Bank Limited	3,500.00	3,500.00	The loan is repayable in 22 half yearly instalments (with a moratorium period of 4 years from the date of the first disbursement) commencing from September 8, 2020.	The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the company along with minimum cover of 1.25 times the value of the outstanding principal amount of the loan.	8.40%	8.25%
Axis Bank Limited	2,925.00	3,000.00	The loan is repayable in 40 Quarterly instalments (with a moratorium of 4 years from the date of 1st disbursement) commencing from December 15, 2018.	The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the company along with minimum cover of 1.25 times) the value of the outstandiing prinicpal amount of the loan	8.60%	8.25%
Bank of India	2,425.00	2,500.00	This loan is repayable in 40 Quarterly instalments (with a moratorium of 4 years from the date of 1st disbursement) commencing from December,30, 2018.	The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the company along with minimum cover of 1.25 times the value of the outstanding principal amount of the loan.	9.55%	8.40%
HSBC	1,825.00	1,925.00	The Company has availed Rupee Term Loan of ₹2000 Million from HSBC Bank Limited, out of which ₹1000 Million is repayable in 16 semi-annual instalments commencing from March 2, 2017 and the balance ₹1000 Million is repayable in 16 semi-annual instalments commencing from November 13, 2018.	The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the company ensuring atleast a cover of 1.25 times the value of the outstanding principal amount of the loan.	8.30%	8.05%
HSBC Bills Payable	131.71	329.42	The company has availed a buyer's line of credit of from HSBC for the import of medical equipments which is repayable on various dates in FY 2019-20	The loan is secured by first pari passu ranking charge on entire existing and future movable fixed asset of the company with minimum cover of 1.25 times the value of the outstanding principal amount of the loan.	6 months libor +0.55	6 months libor +0.55

Particluars	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018	Details of repayment terms and maturity	Nature of Security	Rate of Interest 31 Mar 19	Rate of Interest 31 Mar 18
International Finance Corporation (External Commercial Borrowings	891.76	1,115.38	The Loan outstanding is repayable in 8 semi-annual instalments during September and March of each year.	The ECB loan is secured by way of pari passu first ranking charge on the fixed assets of the company ensuring at least a cover of 1.25 times the value of the outstanding principal amount of the loan.	9.20%	9.20%
HSBC (External Commercial Borrowings)	277.29	650.31	The loan outstanding is repayable in 6 quarterly instalments starting from April, 2018.	The ECB loan is secured by way of pari passu first ranking charge on the fixed assets of the company.	9.50%	9.50%
IDFC Bank Limited	514.20	548.52	This balance loan outstanding is repayable in 38 quarterly instalments falling due on April, July, October and January every year	The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the company ensuring atleast a cover of 1.25 times the value of the outstanding principal amount of the loan.	8.65%	8.00%
IDFC Infrastructure Finance Limited	1,000.00	1,000.00	During the year 2015-16 the Company availed loan of ₹1000 million which is repayable in 3 annual instalments of 20% at the end of December 2029 (14th year), 40% at the end of December 2030 (15th year) and balance 40% at the end of December 2031 (16th year) from the date of first disbursement.	The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the company ensuring atleast a cover of 1.25 times the value of the outstanding principal amount of the loan.	9.60%	9.60%
ICICI Bank Limited	2,460.00	1,450.00	During the current year the company availed loan of ₹1010 million.	The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the company.	9.05%	8.50%
State Bank of India	3,611.44	2,050.44	The company is additionally availed a loan facility of ₹65 crores in the current year	The loan is secured by paripassu first charge with other term lenders and debenture holders on all the present and future movable and immovable fixed assets of the company with a minimum cover of 1.25 times the value of outstanding principal amount of the loan.	8.80%	8.00%
HSBC- Cash Credit	148.02	817.70	Repayable in various dates		8.75%	8.80%
Fixed Deposits	13.43	96.31	Represents the unclaimed fixed deposits outstanding as on March 31, 2019	-	8.75% to 9.25%	8.75% to 9.25%

Particluars	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018	Details of repayment terms and maturity	Nature of Security	Rate of Interest 31 Mar 19	Rate of Interest 31 Mar 18
Bank of Tokyo – Mitsubishi UFJ (External Commercial Borrowings)	1,109.15	1,300.31	The loan is repayable in 3 annual installments starting from the end of the 5th year from the date of advance.	-	9.20%	9.20%
Citi Bank - Bill Discounting	588.15	754.07	The company has been sanctioned bill discounting facility from Citi Bank for maximum outstanding of ₹1000 million.	-	8%	8%
HDFC Bank Limited	1,250.00	1,830.00	In the current year ₹58 milion was repaid		8.40%	7.85% - 8%
HDFC Bills payable	150.16	-	The company has availed a buyer's line of credit for the import of medical equipments which is repayable on various dates in FY 2019-20			0%
HDFC - CC A/c	570.76		Payable in various dates in FY 2019-20	Secured by hypothetication of stock and book debtors of the Company.	0%	0%
MUFG Bank Ltd.	2,000.00		The company has availed a loan of ₹2000 million in the current year. It is repayable in FY 19-20		8.50%	-
Axis Bank	247.22	247.98	The repayment is agreed in 24 quarterly instalments commencing from the end of 51st Month from the date of first disbursement of Loan	Secured by way of pari passu first ranking charge on the fixed assets of the company.	"3 Month MCLR+1.25%. Interest rates reset will happen every 6 months."	"6 Month MCLR+0.65%. Interest rates reset will happen every 6 months."
Lavasa Corporation Limited	97.23	97.23	The Company has taken Inter Corporate Deposit from Lavasa Corporation Limited amounting to ₹97.23 Mio.		12%	12%
Jugnu Jain - Director	2.36	2.36	The company has taken loan from the director which is repayable on demand		11%	11%
Yes Bank	284.31	334.68	The Company has availed Two Rupee Term Loans of ₹310 million and INR 100.10 Mio from YES Bank Limited, which are repayable in thirty six quarterly instalments, commencing from 26th Mar-13 and 24th Jul-17 respectively.	The loans are secured by first pari passu charge on all present and future movable and immovable fixed assets of the company along with minimum cover of 1.75 times the value of the outstanding considering movable & immovable assets (subject to 1.5 times cover considering immovable assets).The company repaid ₹50.49 million during the current financial year 18-19.	9.95%	9.40%

Particluars	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018	Details of repayment terms and maturity	Nature of Security	Rate of Interest 31 Mar 19	Rate of Interest 31 Mar 18
HDFC Bank	144.00	216.00	The Company has Rupee Term Loans of ₹409.50 million from HDFC Bank Limited, which are repayable in 28 quarterly instalments, commencing from 2nd Mar 2015.	The loans are secured by first pari passu charge on all present and future movable and immovable fixed assets of the company along with minimum cover of 1.75 times the value of the outstanding considering movable & immovable assets.The company repaid ₹72.00 million during the current financial year 18-19.	10.20%	9.75%
Yes Bank	148.36		The company has availed one Rupee Term Loans of ₹161.14 Million from YES Bank Limited, which are repayable in 28 quarterly instalments, commencing from January 2022 .	The loans are secured by first pari passu charge on all present and future movable and immovable fixed assets of the company along with minimum cover of 1.75 times the value of the outstanding considering movable & immovable assets (subject to 1.5 times cover considering immovable assets .The company has not commenced repayment and it is in Motrandum period .	9.80%	
Yes Bank	71.14	70.13	Tenure for 12 months & OD Facility to be zeroized every year with cooling period of 2 days.	-	9.40%	9.40%
Cumulative Redeemable Preference Shares	26.40	19.87	Redeemable Preference shares were amended in 2016-2017 for a cumulative non -discretionary dividend of 9% per annum. These redeemable preference shares do not contain any equity component.		9%	9%
Yes Bank	1,282.99	1,851.32	The loan is repayable in 28 structured quarterly instalments with an interest rate of 0.15% p.a over and above yearly MCLR payable monthly, after a moratorium period of 36 months from the date of disbursement to the Company.	Term loan from Yes Bank is secured by charge on movable fixed asset	Yearly MCLR plus 0.15% p.a	Yearly MCLR plus 0.15% p.a
Optionally Convertible Debentures	7.45	7.45	The Company has issued zero% Optionally Convertible Debentures for 9,550,000 on March 29, 2016. These OCD's are convertible into equity shares at the option of the holder and repayable on after 5 years or upon leaving.		-	-

Particluars	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018	Details of repayment terms and maturity	Nature of Security	Rate of Interest 31 Mar 19	Rate of Interest 31 Mar 18
HDFC Bank	817.97	309.95	The loan is repayable in 28 structured quarterly instalments, with an interest rate of 0.15% p.a over and above yearly MCLR payable monthly, after a moratorium period of 36 months from the date of disbursement to the Company.	Term loan from HDFC Bank is secured by charge on movable fixed assets, current assets and letter of comfort from Apollo Hospital Enterprises Limited	Yearly MCLR plus 0.15% p.a	Yearly MCLR plus 0.15% p.a
ICICI Bank Limited	354.43	210.38	The loan is repayable in 28 structured quarterly instalments, with an interest rate of 0.40% p.a over and above One Year MCLR payable monthly, after a moratorium period of 36 months from the date of disbursement to the Company.	Term loan from ICICI Bank is secured by charge on movable fixed assets, current assets	Yearly MCLR plus 0.40% p.a	Yearly MCLR plus 0.40% p.a
Dr GSK velu	24.20	0.32	The repayment is for a Tenure of 36 monthly Equal Instalments		14%	14%
Axis Bank	820.19	919.90	Complete repayment in the FY2026-27 [Instalment 1-8 - Each instalment is 2% of the value off the term loan (Total 16% of the term loan) and Instalment 9-36 (each instalment is 3% of the value of the term loan (total 84% of the term loan)	Exclusive charge on the moveable fixed assets of the company (present and future). Letter of comfort from Apollo Hospitals Enterprise Ltd	8.85%	8.50%
Axis Bank Cash Credit	-	119.11	The cash credit is repayable invarious dates in FY 2019 - 20	Exclusive charge on the entire current assets of the borrower, present and future. Collateral - All other securities / guarantees stipulated for Term Loan Facility	9.15%	8.65%
Philips India Pvt Ltd - PET CT - Finance Lease	24.73	40.59	The repayment is spread for 7 years starting from December 2013.	PET CT Equipment is given as the security to obtain the facility.	12%	12%

22 Other Financial Liabilities

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non-Current	Current	Non-Current	Current
(a) Interest accrued but not due on borrowings	-	433.34	-	233.24
(b) Unpaid dividends (Refer Note 16 (a))	-	34.77	-	34.44
(c) Security deposits	60.76	15.19	56.96	9.41
(d) Unpaid matured deposits and interest accrued thereon	-	13.43	-	96.31
(e) Current maturities of long-term debt	-	2,209.82	-	1,220.82
(f) Current maturities of finance lease obligations	-	17.87	-	15.85
(g) Derivative Financial instruments	-	-	43.68	-
(h) Gross Obligation under written put option (Refer Note 57)	4,712.88	-	4,620.47	-
(i) Other Payables	-	1,016.27	-	1,331.27
(j) Capital Creditors	-	1,220.08	-	1,125.45
Total	**4,773.64**	**4,960.77**	**4,721.11**	**4,066.79**

(i) During the year 2018-19 , the amount transferred to the Investors Education and Protection Fund of the Central Government as per the provisions of Section 124 (5) and 124 (6) of the Companies Act, 2013 is ₹3.66 Million (Previous year ₹2.76 Million)

23 Provisions

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non-Current	Current	Non-Current	Current
Provision for Bonus (Refer Note (i) below)	-	428.17	-	420.28
Provision for Gratuity and leave encashment (Refer Note 43 and 44)	114.40	593.75	62.31	370.31
Total	**114.40**	**1,021.92**	**62.31**	**790.59**

(i) The provision for bonus is based on the management's policy in line with the Payment of Bonus Act, 1965.

24 Deferred tax balances

Particulars	As at 31 March 2019	As at 31 March 2018
Deferred Tax Assets (Net)	(173.89)	(171.68)
Deferred Tax Liabilities (Net)	3,148.65	2,565.09
Total	**2,974.76**	**2,393.41**

The major components of deferred tax liabilities/(assets) arising on account of timing differences for the year ended March 31, 2019

Particulars	Opening Balance	Recognised in Profit or Loss	Recognised in other comprehensive income	Reclassified to provision for tax	Closing Balance
Property Plant and Equipment	8,350.32	(57.99)	-	-	8,292.33
Financial Assets	(204.40)	(211.21)	(0.06)	-	(415.67)
Retirement Benefit Plans	(214.54)	(14.37)	(159.61)	-	(388.51)
Business Loss carried forward under Income Tax	(1,100.48)	954.99	-	-	(145.49)
Minimum Alternate Tax Credit	(4,450.54)	(181.18)	-	266.10	(4,365.62)
Others Liabilities	13.04	(15.33)	-	-	(2.28)
Total	**2,393.41**	**474.91**	**(159.67)**	**266.10**	**2,974.76**

The major components of deferred tax liabilities/(assets) arising on account of timing differences for the year ended March 31, 2018

Particulars	Opening Balance	Recognised in Profit or Loss	Recognised in other comprehensive income	Reclassified to provision for tax	Closing Balance
Property Plant and Equipment	8,087.85	262.47	-	-	8,350.32
Financial Assets	26.19	(230.73)	0.14	-	(204.40)
Retirement Benefit Plans	(107.55)	(14.45)	(92.54)	-	(214.54)
Business Loss carried forward under Income Tax	(2,102.33)	1,001.85	-	-	(1,100.48)
Minimum Alternate Tax Credit	(3,672.23)	(778.31)	-	-	(4,450.54)
Others Liabilities	18.51	(5.46)	-	-	13.04
Total	**2,250.45**	**235.37**	**(92.40)**	**-**	**2,393.41**

Note: (i) The group has unused tax credits in the form of Minimum Alternate Tax (MAT) which would expire by financial year ended 2032-33.

(ii) Deferred income tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future. Accordingly, deferred income tax liabilities on cumulative earnings of subsidiaries have not been provided for in these consolidated financial statements for the year ended March 31, 2019.

25 Trade Payables

Particulars	As at 31 March 2019	As at 31 March 2018
Total outstanding dues of micro enterprises and small enterprises (Refer note 25.1)	104.05	160.21
Total outstanding dues of creditors other than micro and small enterprises	7,027.12	5,900.03
Total	**7,131.18**	**6,060.24**

(i) The average credit period on purchases of goods ranges from immediate payments to credit period of 45 days based on the nature of the expenditures.

(ii) Amounts payable to related parties is disclosed in note 58.1.

(iii) The Company's exposure to currency and liquidity risks related to trade payable is disclosed in note 46.

25.1 Due to Micro, Small and Medium Enterprises

Particulars	As at 31 March 2019	As at 31 March 2018
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	104.05	160.21
- Interest	0.66	0.50
The amount of interest paid by the buyer as per the MSMED Act	-	-
The amount of payments made to micro and small suppliers beyond the appointed day during the accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act	-	-

26 Income Tax Asset (Net)

Particulars	As at 31 March 2019	As at 31 March 2018
Advance Tax	2,705.40	2,714.28
Tax refund receivable	8,549.90	6,842.61
Others	-	-
	11,255.30	**9,556.89**
Less:		
Income tax payable	(8,715.80)	(7,787.24)
Total	**2,539.50**	**1,769.65**

27 Current Tax Liabilities (Net)

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for tax (Net)	10.60	12.71
Total	10.60	12.71

28 Other Liabilities

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non-Current	Current	Non-Current	Current
(a) Contractual Liabilities (Refer note (i))	-	900.25	-	598.71
(b) Balances with statutory authorities	-	491.18	-	261.50
(c) Deferred lease rent	26.86	40.58		27.00
(d) Others	2.80	15.64	29.65	63.03
Total	**29.66**	**1,447.65**	**29.65**	**950.24**

(i) Contract liabilities represents deferred revenue arises in respect of the Company's Loyalty Points Scheme, deposits collected from patients recognised in accordance with Ind AS 115 Revenue from contracts with customers

29 Revenue from Operations

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
The following is an analysis of the Company's revenue for the year from continuing operations		
(a) Revenue from healthcare services	51,190.76	44,955.10
(b) Revenue from sale of pharmaceutical products	38,860.37	32,688.80
(c) Revenue from Clinics	5,888.14	4,589.30
(d) Other Operating Income		
- Project Consultancy Income	168.03	146.63
- Franchise fees	16.00	18.35
- Income from Clinical Trials	51.07	36.50
Total	**96,174.37**	**82,434.68**

29.1 Dissaggregation of Revenue

Healthcare Services (Including Other Operating Income)

Region	Year ended 31 March 2019
Tamilnadu	20,091.55
AP, Telangana	10,847.09
Karnataka	6,205.53
Others	14,281.69
Total	**51,425.86**

Pharmaceutical Products

Region	Year ended 31 March 2019
Region 1 (Includes TamilNadu, Karnataka, Maharashtra, Pondicherry, Goa and Port Blair)	14,311.56
Region 2 (Includes Telangana, Chhatisgarh, Orissa, West Bengal, Andhra Pradesh , Assam and Jharkhand)	17,604.65
Region 3 (Bihar, J&k, New Delhi, Ahmedabad, Ludhiana, Chandigarh, Uttar Pradesh, Rajasthan, Haryana, Himachal Pradesh, Madhya Pradesh and Uttarakhand)	6,944.16
Total	**38,860.37**

Clinics

Category of Customer	Year ended 31 March 2019
Tamilnadu	1,452.87
AP, Telangana	1,521.05
Karnataka	1,028.39
Others	1,885.83
Total	5,888.14

Category of Customer	Year ended 31 March 2019
Cash	74,380.18
Credit	21,794.19
Total	**96,174.37**

Nature	Year ended 31 March 2019
In-Patient	44,031.42
Out-Patient	12,704.98
Sale of pharmaceutical products	38,860.37
Others	577.60
Total	**96,174.37**

Contract liability

During the financial year ended March 31, 2019, the company has recognised revenue of ₹573 million from its Patient deposit outstanding as on April 1, 2018

Reconciliation of revenue recognised with the contract price is as follows:

Healthcare Services (Including Other Operating Income)

Particulars	Year ended March 31 March 2019
Contract price (as reflected in the invoice raised on the customer as per the terms of the contract with customer)	59,658.08
Reduction in the form of discounts,commissions and provision for disallowance	1,502.93
Reduction towards amounts received on behalf of service consultants	6,729.29
Revenue recognised in the profit & loss account	**51,425.86**

Pharmaceutical Products

Particulars	Year ended March 31 March 2019
Contract price (as reflected in the invoice raised on the customer as per the terms of the contract with customer)	39,444.86
reduction in the form of discounts and commissions	584.49
Revenue deferred on account of unredeemed of loyalty credits	239.65
Revenue recognised in the profit & loss account	**38,860.37**

Clinics

Category of Customer	Year ended 31 March 2019
Contract price (as reflected in the invoice raised on the customer as per the terms of the contract with customer)	6,649.91
-Discounts granted to customers	327.40
-Fee for Service Consultants	434.37
Revenue recognised in the profit & loss account	5,888.14

The company receive payments from customers based upon contractual billing schedules and upon submission of requisite documentation; accounts receivable are recorded when the right to consideration becomes unconditional. Contract assets includes amounts related to our contractual right to consideration for completed performance obligations not yet invoiced . Contract liabilities include payments received in advance of satisfying a performance obligation as per the terms of the contract. Revenue in this case shall be recognised based on the aforementioned accounting policy as applicable to that customer.

Use of Practical expedients

Transaction price allocated to the remaining performance obligations

The Company has applied practical expedient with respect to non disclosure of information with respect of remaining performance obligations considering the fact that the company's performance obligations, i.e. the treatment in case of healthcare segment has an original expected duration of one year or less.

Contract modification

The Company has applied practical expedient with respect to contract modification and accordingly has not given the impact of the modifications to the contracts that occurred before the date of initial application of Ind AS 115 (i.e., before April 1, 2018). The impact of applying this practical expedient is insignificant.

Significant financing component

The company has applied the practical expedient with respect of non-adjustment of transaction price for the effects of significant financing components since the company expects at the inception of the contract that the period between the receipt of consideration from the customer and the satisfaction of performance obligations will be one year or less.

Recognition of asset with respect to cost of obtaining a contract and cost to fulfil the contract

The Company has applied practical expedient of recognizing the incremental costs of obtaining a contract as an expense when incurred since the company expects that the amortisation period of the asset that the entity otherwise would have recognised is one year or less.

30 Other Income

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
a) Interest income		
Interest income on financial assets that are not designated at Fair value through Profit or Loss		
Bank deposits	63.94	133.28
Other financial assets	81.23	51.19
Total	**145.17**	**184.47**
b) Dividend Income		
Dividend on investments	4.21	9.70
c) Other non-operating income (net of expenses directly attributable to such income)		
Provision for liabilities written back	35.17	50.43
Total	**35.17**	**50.43**
d) Other gains and losses		
Gain on disposal of Property Plant and Equipment	45.75	0.38
Net gain on disposal of financial assets	6.24	1.35
Gain/Loss on fair valuation of investment in Debentures	0.03	-
Net gain on financial assets measured at FVTPL	32.23	25.47
Net gain on foreign currency transactions and translation	(8.60)	(18.03)
Miscellaneous Income	34.88	48.67
Other income	19.32	19.09
Total	**129.84**	**76.93**
Total (a+b+c+d)	**314.40**	**321.52**

31 Cost of Materials Consumed

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Opening stock	1,409.90	1,202.00
Add: Purchases	15,922.50	14,817.62
Less: Closing stock	883.64	1,409.90
Cost of materials consumed	**16,448.76**	**14,609.72**

32 Changes in Inventory of Medical Consumables and Drugs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Inventories at the end of the year:	**(4,964.15)**	**(4,248.52)**
Inventories at the beginning of the year:	4,248.52	3,466.67
Net (increase) / decrease	**(715.63)**	**(781.85)**

33 Employee Benefits Expense

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Salaries and wages	14,176.54	12,050.58
Contribution to provident and other funds	1,148.54	996.64
Staff welfare expenses	657.31	616.34
Total	**15,982.39**	**14,043.91**

34 Finance Costs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest on bank overdrafts and loans	2,837.03	2,592.07
Other borrowing costs	433.13	358.61
Total	**3,270.16**	**2,950.68**

During the year, the company has capitalised borrowing cost of ₹350 Million (Previous year ₹349 million) relating to projects, inlcuded in Capital work in progress. The capitalisation rate used is the weighted average interest of 8.59% (previous year 9.17%).

35 Depreciation and Amortisation Expense

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Depreciation of property, plant and equipment	3,746.14	3,401.58
Amortisation of intangible assets	202.94	182.55
Depreciation of investment property	6.17	6.17
Total depreciation and amortisation expenses	**3,955.25**	**3,590.30**

36 Other Expenses

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Retainer Fees to Doctor`s	5,750.31	4,720.74
Power and fuel	1,706.07	1,551.60
House Keeping Expenses	324.82	450.47
Water Charges	132.23	115.19
Rent	3,502.15	3,189.97
Brokerage&Commission	-	22.26
Repairs to Buildings	163.76	216.71
Repairs to Machinery	773.02	617.92
Repairs to Vehicles	69.51	68.76
Office Maintenance & Others	819.24	793.55
Insurance	139.37	129.29
Rates and Taxes, excluding taxes on income	182.56	186.29
Printing & Stationery	428.40	416.59
Postage & Telegram	133.13	150.36

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Director Sitting Fees	6.58	5.88
Advertisement, Publicity & Marketing	1,838.84	1,742.75
Travelling & Conveyance	817.87	674.20
Subscriptions	22.78	22.26
Legal & Professional Fees	1,213.16	939.20
Continuing Medical Education & Hospitality Expenses	93.76	66.92
Hiring Charges	134.89	131.14
Seminar Expenses	57.54	58.64
Telephone Expenses	149.33	159.23
Books & Periodicals	15.84	17.51
Donations	25.44	8.73
Bad Debts Written off	429.81	110.89
Provision for Bad Debts	227.00	477.48
Outsourcing Expenses		
Food and Beverages	1,192.02	952.79
House Keeping Expenses	1,033.15	825.80
Security Charges	354.42	283.29
Bio Medical maintenance	230.50	184.24
Other Services	80.24	64.14
Franchise Service Charges	101.46	80.86
Loss on Sale of Property Plant and Equipments	60.41	80.47
Laboratory testing charges	103.51	80.56
Miscellaneous expenses	552.79	455.98
Total (a)	**22,865.91**	**20,052.66**

Expenditure incurred for corporate social responsibility (b)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(CSR amount required to be spent as per section 135 of The Companies Act, 2013, read with schedule 7 thereof by the company during the year is ₹80.82 (Previous year 79.70)	80.82	79.70
Total (a) +(b)	22,946.73	20,132.36

Note (i) :

Consequent to the requirements of section 135 of Companies Act 2013, the company has made contributions as stated below . The same is in line with activities specified Schedule VII of Companies Act, 2013.

a) Gross amount required to be spent by the company during the year is ₹80.82 million (previous year ₹79.70)

b) Amount spent during the year ended March 31, 2019 on corporate social responsibility activities:

Particulars	Year ended March 31 , 2019	Year ended March 31, 2018
Construction/acquisition of any asset	-	-
On purpose other than above	80.82	79.70

37 Income Taxes Relating to Continuing Operations

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Income tax recognised in profit or loss		
Current tax		
In respect of the current year	1,258.82	883.68
Total	**1,258.82**	**883.68**
Deferred tax		
In respect of the current year	**474.91**	**235.37**
Total	**474.91**	**235.37**
Total income tax expense recognised in the current year relating to continuing operations	**1,733.73**	**1,119.05**

38. The income tax expense for the year can be reconciled to the accounting profit as follows:

The Tax expenses as per the provision of Income Tax Act is lower than the Tax Payable as per MAT provision u/s 115JB

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Profit before tax from continuing operations	3,735.41	1,714.62
Enacted tax rates in India	34.94%	34.61%
Income tax expense calculated	1,305.30	593.39
Effect of income that is exempt from taxation	30.24	59.38
Effect of expenses that are not deductible in determining taxable profit	(27.30)	(17.40)
Effect of previously unrecognised and unused tax losses and deductible temporary differences now recognised as deferred tax assets	425.48	483.69
Tax as per Income tax provision	1,733.73	1,119.05

The tax as per normal provision of the income tax act 1961 is lower than Minimum Alternate Tax there fore current tax is provided as per Mat provision.

39. Amount recognised in Other Comprehensive Income (OCI)

Particulars	March 31, 2019	March 31, 2018
Re-measurement of defined benefit plans (Refer Note 43)	(288.40)	(172.40)
Equity instruments through other comprehensive income	(2.86)	0.40

40. Segment information

Operating Segments

The board of directors have been identified as the Chief Operating Decision Maker (CODM). Information reported to the CODM for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided.

The group operates mainly in India. Accordingly, there are no additional disclosures to be provided under Ind AS 108, other than those already provided in the financial statements.

The following are the accounting policies adopted for segment reporting :

a. Assets, liabilities, revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.

b. Healthcare segment includes hospitals and hospital based pharmacies. Retail pharmacy include pharmacy retail outlets. Clinics Segment include clinics, diagnostics, Spectra, Cradle, Sugar, Dental and Dialysis business. Other Segment includes revenue, assets and liabilities of companies not engaged in any of the aforementioned segments and treasury investments, fixed deposits and their related income of companies involved in all the three segments. Unallocated assets and liabilities includes those assets and liabilities which are not allocable to above mentioned segments such as Deferred tax, Borrowings, Investments etc.

c. Inter segment revenue and expenses are eliminated.

The Company has disclosed this Segment Reporting in Financial Statements as per Ind AS 108.

40.1 Segment revenues and results

The following is an analysis of the Company's revenue and results from continuing operations by reportable segment.

Name of the Body Corporate	Segment Revenue		Segment Profit	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
Healthcare	51,618.49	45,246.54	6,197.70	5,192.80
Retail Pharmacy	38,860.37	32,688.80	1,681.69	1,173.80
Clinics	5,887.47	4,589.20	(1,149.03)	(1,925.40)
Others	39.68	69.92	(49.00)	(99.70)
Total	**96,406.01**	**82,594.46**	**6,681.36**	**4,341.50**
Less: Inter Segment Revenue	231.64	159.77		
Total for continuing operations	96,174.37	82,434.68	6,681.36	4,341.50
Finance costs			(3,270.16)	(2,950.68)
Other un-allocable expenditure			314.41	321.48
Profit before tax (continuing operations)			3,725.61	1,712.30

Segment profit represents the profit before tax earned by each segment without allocation of finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

40.2 Segment assets and liabilities

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Segment Assets		
Healthcare	67,823.67	65,393.88
Retail Pharmacy	11,233.51	9,372.40
Clinics	4,580.51	5,058.10
Others	505.29	645.40
Total Segment Assets	**84,142.98**	**80,469.78**
Unallocated	7,687.74	5,658.10
Total assets	**91,830.71**	**86,127.89**

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Segment liabilities		
Health care	14,463.51	13,303.42
Retail Pharmacy	2,249.68	1,538.90
Clinics	1,692.60	1,727.70
Others	176.54	165.90
Total Segment liabilities	**18,582.33**	**16,735.92**
Unallocated	39,913.68	36,876.90
Total liabilities	**58,496.01**	**53,612.82**

41 Earnings per Share

EPS is calculated by dividing the profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The earnings and the weighted average number of shares used in calculating basic and diluted earnings per share is as follows:

Particulars	31 March 2019	31 March 2018
Basic earnings per share	16.97	8.44
Total basic earnings per share	**16.97**	**8.44**
Diluted earnings per share	16.97	8.44
Total diluted earnings per share	**16.97**	**8.44**

41.1 Basic and Diluted earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic and diluted earnings per share are as follows.

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Profit for the year attributable to owners of the Company	2,360.46	1,174.18
Earnings used in the calculation of basic earnings per share	2,360.46	1,174.18
Weighted average number of equity shares for the purposes of basic and diluted earnings per share	139,125,159	139,125,159

Employee Benefit Plans

42 Defined contribution plans

The group makes contributions towards provident fund and employees state insurance as a defined contribution retirement benefit fund for qualifying employees. The provident fund is operated by the regional provident fund commissioner. The amount recognised as expense towards contribution to provident fund amount to ₹591.66 millionThe Employee state insurance is operated by the employee state insurance corporation. Under these schemes, the Company is required to contribute a specific percentage of the payroll cost as per the statute. The amount recognised as expense towards contribution to Employee State Insurance amount to ₹257.81 million. The Company has no further obligations in regard of these contribution plans.

43 Defined benefit plans

a) Gratuity

The group operates post-employment defined benefit plan that provide gratuity. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement/exit. The Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation carried out by an independent actuary using the projected unit credit method. The Company recognizes actuarial gains and losses immediately in the statement of profit and loss. The Company accrues gratuity as per the provisions of the Payment of Gratuity Act, 1972 as applicable as at the balance sheet date.

The group contributes all ascertained liabilities towards gratuity to the Fund. The plan assets have been primarily invested in insurer managed funds. The Gratuity plan provides a lump sum payment to the vested employees at retirement, death, incapacitation or termination of employment based on the respective employees salary and tenure of the employment with the company.

The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Plan investment is a mix of investments in government securities, and other debt instruments.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

A. Change in Defined Benefit Obligation

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Opening defined benefit obligation	958.96	788.34
Current service cost	97.43	75.49
Past service cost,	7.42	12.23
Interest cost	70.13	51.31
Remeasurement (gains)/losses on account of change in actuarial assumptions	287.83	80.96
Benefits paid	(98.51)	(49.37)
Closing defined benefit obligation	**1,323.26**	**958.96**

B. Changes in Fair value of Plan Assets

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Opening fair value of plan assets	743.89	601.04
Interest income	60.66	43.90
Return on plan assets (excluding amounts included in net interest expense)	7.43	(15.64)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Contributions from the employer	185.61	163.96
Benefits paid	(87.53)	(49.37)
Closing fair value of plan assets	**910.06**	**743.89**

C. Amount Recognised in Balance Sheet

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Present value of funded defined benefit obligation	1,323.23	958.96
Fair value of plan assets	(910.06)	(743.89)
Funded status	413.17	215.07
Restrictions on asset recognised	-	-
Net liability arising from defined benefit obligation	**413.17**	**215.07**

D. Expenses Recognised in Statement of Profit and Loss

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Service cost:		
Current service cost	97.43	75.49
Past service cost and (gain)/loss from settlements	7.42	12.23
Net interest expense	67.64	7.41
Components of defined benefit costs recognised in profit or loss	**172.49**	**95.13**

E. Expenses Recognised in Other Comprehensive Income

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	(4.84)	15.64
Actuarial (gain) / loss arising from changes in demographic assumptions	(4.28)	(2.24)
Actuarial (gain) / loss arising from changes in financial assumptions	16.65	(15.48)
Actuarial (gain) / loss arising from experience adjustments	280.30	98.67
Components of defined benefit costs recognised in other comprehensive income	**287.83**	**96.60**
Remeasurement (gain) / loss recognised in respect of other long-term benefits	160.18	168.33
Total	**448.01**	**264.94**

F. Significant Actuarial Assumptions

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Discount rate(s)	Hospital-6.6%-8%	Hospital-7.06-7.85%
	Pharmacy-6.76%	Pharmacy-7.06%
	Clinics-7.6%-8%	Clinics-7.75%-8%

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Expected rate(s) of salary increase	Hospital: 5%-8%	Hospital:5.5%-7.5%
	Pharmacy:5.8%	Pharmacy:6%
	Clinics:5%-8%	Clinics:5%-8%
Attrition Rate	Hospital:3%-45%	Hospital:5%-37%
	Pharmacy:32%	Pharmacy:37%
	Clinics:2%-35%	Clinics:5%-35%
Retirement Age	58.00	58.00
Pre-retirement mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

The expected rate of return on plan assets is based on market expectations at the beginning of the year. The rate of return on long-term government bonds is taken as reference for this purpose.

G. Category of Assets

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Insurer managed funds	910.06	743.89
Total	910.06	743.89

Each year Asset Liability matching study is performed in which the consequences of strategic investments policies are analysed in terms of risk and returns profiles. Investments and Contributions policies are integrated within this study.

H. Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Change in assumption		Increase in assumption		Decrease in assumption	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
Discount rate	+100 basis points/-100 basis points	+100 basis points/-100 basis points	1,147.18	912.64	1,203.35	954.27
Salary growth rate	+100 basis points/-100 basis points	+100 basis points/-100 basis points	1,197.78	951.56	1,152.16	947.99
Attrition rate	+100 basis points/-100 basis points	+100 basis points/-100 basis points	1,174.66	920.97	1,173.19	920.72

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The defined benefit obligation shall mature in next 3 years.

The Company expects to make a contribution of ₹400 Million (as at March 31, 2018: ₹194 million) to the defined benefit plans during the next financial year.

44 Long Term Benefit Plans

Leave Encashment

The company pays leave encashment benefits to employees as and when claimed subject to the policies of the company. The company provides leave benefits through annual contributions to the fund

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Discount rate(s)	Hospital-6.6%-8%	Hospital-7.06-7.85%
	Pharmacy-6.76%	Pharmacy-7.06%
	Clinics-7.6%-8%	Clinics-7.75%-8%
Expected rate(s) of salary increase	Hospital: 5%-8%	Hospital:5.5%-7.5%
	Pharmacy:5.8%	Pharmacy:6%
	Clinics:5%-8%	Clinics:5%-8%
Attrition Rate	Hospital:3%-45%	Hospital:5%-37%
	Pharmacy:32%	Pharmacy:37%
	Clinics:2%-35%	Clinics:5%-35%
Retirement Age	58.00	58.00
Pre-retirement mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

45 Financial instruments

45.1 Capital management

The group manages its capital to ensure that entities in the group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the group consists of net debt and total equity of the group.

The group is not subject to any externally imposed capital requirements.

The group's risk management committee reviews the capital structure of the group on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The group has a target gearing ratio of 100% of net debt to total equity determined as the proportion of net debt to total equity. The gearing ratio at March 31, 2019 of 96% (Previous year 89%) was below the target range,

Gearing Ratio

The gearing ratio at end of the reporting period was as follows.

Particulars	As at 31 March 2019	As at 31 March 2018
Debt (includes Borrowings , Current Maturities of Long term Debt, finance lease obligations and unpaid maturities of deposits)	36,744.04	34,362.73
Cash and bank balances (Refer Note 15 & Note 16)	3,469.60	4,172.48

Particulars	As at 31 March 2019	As at 31 March 2018
Net Debt	33,274.44	30,190.25
Total Equity	34,689.31	33,839.41
Net debt to equity ratio	96%	89%

45.2 Categories of financial instruments

Financial Assets

Particulars	As at 31 March 2019	As at 31 March 2018
Measured at fair value through profit or loss (FVTPL)		
(i) Investments in Equity Instruments (Other than Joint Ventures and Associates)	190.91	59.45
(ii) Investments in Mutual Funds	688.30	611.30
(iii) Derivative Financial Instruments	288.21	285.85
Measured at amortised cost		
(i) Cash and Cash Equivalents	3,469.60	4,172.48
(ii) Trade Receivables	10,231.98	8,251.89
(iii) Investment in Debentures	80.00	80.00
(iv) Other Financial Assets	3,637.73	4,721.78
(v) Finance Lease Receivable	4.54	4.54
Measured at Cost		
(i) Investments in Joint ventures and Associated	3,654.45	2,763.51
Measured at Fair Value Through Other Comprehensive Income (FVTOCI)	**2.81**	**5.63**
Financial liabilities		
Measured at amortised cost		
(i) Trade Payables	7,131.18	6,060.24
(ii) Loans	34,502.93	33,029.73
(iii) Other Financial Labilities	5,021.53	4,123.75
(iv) Gross Obligation over written put options	4,712.88	4,620.47
Measured at fair value through profit or loss (FVTPL)		
(i) Derivative Financial Instruments	-	43.68

45.3 Financial risk management objectives

The group's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The group's exposure to credit risk is primarily from trade receivables which are in the ordinary course of business influenced mainly by the individual characteristic of each customer.

The group's exposure to currency risk is on account of borrowings and other credit facilities demoninated in currency other than Indian Rupees. The group seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the group's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non -derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Corporate Treasury function reports quarterly to the Company's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

The group's activities expose it to the financial risks of changes in foreign currency exchange rates and interest rates. For the purpose of managing its exposure to foreign currency and interest rate risk, the Company enters into a variety of derivative financial instruments, i.e. cross currency interest rate swaps

45.4 Market risk

The Company's activities expose it to the financial risks of changes in foreign currency exchange rates and interest rates. The Company enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk using currency cum interest swaps

45.5 Foreign currency risk management

The group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts

The carrying amounts of the group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Particulars	Liabilities as at		Assets as at	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
Foreign Currency Borrowings (in USD)	34.76	52.21	-	-
Foreign Currency Borrowings (in INR)	2,409.84	3,395.74	-	-
Trade Receivables (In USD)	-	-	0.26	0.30
Trade Receivables (In INR)	-	-	18.06	19.80

Foreign currency sensitivity analysis

Of the above, The borrowings of USD 32.86 Million as at March 31, 2019 and USD 47.15 Million as at March 31, 2018 are completely hedged against foreiign currency fluctation using forward contracts and Interest rate swaps. Therefore the exposure of the company of foreign exchange risk is limited to unhedged borrowings for which below sensitivity is provided

The group is mainly exposed to currency United States Dollar (USD).

The following table details the group's sensitivity to a 10% increase and decrease in the ₹against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the ₹strengthens 10% against the relevant currency. For a 10% weakening of the ₹against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

Particulars	Impact of USD			
	2018-2019		2017-2018	
	+10%	-10%	+10%	-10%
Impact on Profit or Loss for the year	(13.14)	13.14	(32.91)	32.91
Impact on Equity for the year	(13.14)	13.14	(32.91)	32.91

The group has entered into derivative contracts with banks for its External Commercial Borrowings for interest and currency risk exposure to manage and mitigate its exposure to foreign exchange rates.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

45.6 Interest rate risk management

The group is exposed to interest rate risk because the group borrow funds at both fixed and floating interest rates. The risk is managed by the group by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts and forward rate contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's:

- profit for the year ended March 31, 2019 would decrease/increase by ₹136.23 Million (for the year ended March 31, 2018: decrease/ increase by ₹106.86 million). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings

Cross Currency Interest rate swap contracts

Under interest rate swap contracts, the Company agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Company to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures on the issued variable rate debt. The average interest rate is based on the outstanding balances at the end of the reporting period. The Cross Currency Interest Rate Swaps on External Currency Borrowings hedges the interest rate risk on the USD Borrowing.

Outstanding Contracts	Spot Rate	Foreign Currency	Nominal Amount	Fixed Interest Rate	Fair Value
Contract 1	66.41	USD 20,000,000	1,328,200,000	9.20%	192.39
Contract 2	54.56	USD 30,000,000	1,636,800,000	9.20%	39.72
Contract 3	54.20	USD 25,000,000	1,355,000,000	9.50%	56.09

45.7 Credit risk management

Credit risk is a risk of financial loss to the Company arising from counterparty failure to repay according to contractual terms or obligations. Majority of the Company's transactions are earned in cash or cash equivalents. The Trade Receivables comprise mainly of receivables from Insurance Companies, Corporate customers, Public Sector Undertakings, State/Central Governments etc. The Insurance Companies are required to maintain minimum reserve levels and the Corporate Customers are enterprises with high credit ratings. Accordingly, the Company's exposure to credit risk in relation to trade receivables is considered low. Before accepting any new credit customer, the Company uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed annually. The outstanding with the debtors is reviewed periodically

Refer Note 12 For the credit risk exposure , ageing of trade receivable and impairment methodology for financial assets

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by credit-rating agencies

46 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

46.1 Liquidity and interest risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	Weighted average effective interest rate (%)	3 months to 1 year	1 Year to 5 years	> 5 years
March 31, 2019				
Non-interest bearing	-	9,882.49	-	4,773.65
Variable interest rate instruments	8.44%	6,363.52	6,456.26	14,603.55
Fixed interest rate instruments	10.74%	28.38	2,014.13	5,000.00
		16,274.39	8,470.39	24,377.20

Particulars	Weighted average effective interest rate (%)	3 months to 1 year	1 Year to 5 years	> 5 years
March 31, 2018				
Non-interest bearing	-	8,622.06	47.89	4,673.22
Variable interest rate instruments	8.47%	2,811.50	5,365.94	14,058.64
Fixed interest rate instruments	9.05%	2,035.35	2,024.73	5,000.00
		13,468.91	7,438.55	23,731.86
The carrying amounts of the above are as follows:				
		31-Mar-19	31-Mar-18	
Non-interest bearing		14,656.15	13,343.17	
Variable interest rate instruments		27,423.33	22,236.08	
Fixed interest rate instruments		7,042.51	9,060.08	
		49,121.99	44,639.33	

Non Interest bearing includes Trade Payables, Current Financial Liabilities, Non Current Financial liabilities excluding current maturities of Long term debts

Variable interest rate instruments and Fixed Interest rate instruments includes Long Term and Short Term Borrowings and current maturities of long term debt

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will he earned on those assets. The inclusion of information on non -derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	Weighted average effective interest rate(%)	3 months to 1 year	1 Year to 5 years	> 5 years
March 31, 2019				
Non-interest bearing	-	11,519.01	-	2,062.49
Fixed interest rate instruments	8.40%	80.00	108.00	
		11,599.01	108.00	2,062.49
March 31, 2018				
Non-interest bearing	-	15,201.59	506.81	4,878.03
Fixed interest rate instruments	8.40%	-	-	80.00
		15,201.59	506.81	4,958.03

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

The following table details the Company's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted gross outflows on settlement of these derivatives. These derivatives are taken by the company as against the External Commercial Borrowings (ECB) which have already been included as part of the Fixed rate instruments under the financial liabilities section.

Particulars	Less than 1 year	1-5 years
March 31, 2019		
Net Settled:		
- Cross Currency interest rate swaps	1,278.79	999.40
	1,278.79	999.40
March 31, 2018		
Net Settled:		
- Cross Currency interest rate swaps	928.96	2,137.61
	928.96	2,137.61

47 Financing Facilities

The group has access to financing facilities as described below. The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

Particulars	As at 31 March 2019	As at 31 March 2018
Secured bank loan facilities		
- amount used	33,236.53	32,150.72
- amount unused	4,264.83	8,425.42
	37,501.36	40,576.14
Unsecured bank loan facilities		
- amount used	2,934.52	2,212.00
- amount unused	793.68	210.00
	3,728.20	2,422.00

48 Fair Value Measurement

The following guidance has been followed for classification and measurement of financial assets that are measured at fair value :

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the- counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

Particulars	Fair Value as at		Fair Value Hierarchy	Valuation technique and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Financial Assets/Financial Liabilities	**March 31, 2019**	**March 31, 2018**				
Derivative Instruments	Assets-₹288.21	Assets-₹285.85	Level 2	Discount cash flow, Future Cash Flows are estimated based on forward exchange rates and contract forward rates discounted at a rate that reflects the credit risk of various counterparties	-	-
	-	Liabilities-₹43.68	Level 2		-	-
Investments in Mutual Funds	688.30	611.30	Level 1	Quoted bid price in active market	-	-
Investments in equity Instruments	190.91	59.45	Level 3	Discounted Cash Flow-Income approach	Discount rate, Risk free Return, Long term Market rate of return are the assumptions used	A slight change in assumptions will change the Fair value of the Investment
Investments in equity instrument at FVTOCI (unquoted)	2.81	5.63	Level 3	Discounted cash flow model under income approach was used to capture the present value of the expected future economic benefits to be derived from the ownership of the investee.	Long term growth rates, taking into account management's experience and knowledge of market conditions of the specific industry at 5%.	A slight change in assumptions will change the Fair value of the Investment

49 Fair Value of Financial Assets and Financial Liabilities that are not measured at fair value (but fair value disclosure are required)

The company considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements at amortized cost will reasonably approximate their fair values.

50 Reconciliation of Level 3 Fair Value Measurements

Particulars	As at 31 March 2019	As at 31 March 2018
Opening Balance	65.08	65.08
Add: Investments during the year	155.40	-
Less : Fair value gain/(loss)	(26.76)	-
Closing Balance	193.72	65.08

If the long term growth rate used were 1% higher/lower while all other variable were held constant the carrying amount of the shares would increase/decrease by ₹ 0.071 million and (₹0.071) million respectively.

1% increase/decrease in WACC or discount rate used while holding all other variable constant would decrease/ increase the carrying amount of the unquoted investment by ₹ 0.17 million and (₹ 0.19) million respectively.

51 Operating Lease Arrangements

51.1 The Company as lessee

Leasing arrangement

The company has an options to purchase the equipment for a nominal amount at the end of the lease term. The company's obligations under finance leases are secured by the lessors' title to the leased assets. The company has taken various medical equipment, hospital premises, office and residential premises under Operating leases. The leases typically run for a term ranging from 25-30 years for Hospitals and 1-3 years for Pharmacy with an option to renew the lease after term completion. The escalation clause range from 5 to 10% per annum effectively.

Payments recognised as an expense

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Minimum lease payments	3,502.15	3,189.97
Total	**3,502.15**	**3,189.97**

Non-cancellable operating lease commitments

Particulars	As at 31 March 2019	As at 31 March 2018
Not later than 1 year	363.45	355.60
Later than 1 year and not later than 5 years	1,291.69	1,124.60
Later than 5 years	5,298.15	4,600.10
	6,953.29	6,080.30

51.2 Finance lease liabilities

Particulars	Minimum Lease Payments		Present Value of Minimum Lease Payments	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
Not later than one year	19.87	19.87	17.87	15.85
Later than one year and not later than five years"	7.05	26.92	6.87	24.73

Particulars	Minimum Lease Payments		Present Value of Minimum Lease Payments	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
Later than five years		-		-
	26.92	46.79	24.73	40.58
Less: future finance charges	2.19	6.21	-	-
Present value of minimum lease payments	24.73	40.58	24.73	40.58

Particulars	31 March 2019	31 March 2018
Included in the financial statements as:		
- Current maturities of finance lease obligations	17.87	15.85
- borrowings	6.87	24.73
Total	**24.74**	**40.58**

52 Commitments

Particulars	31 March 2019	31 March 2018
Commitments to contribute funds for the acquisition of property, plant and equipment	4,102.49	8,880.80
Commitments to contribute funds towards Equity	551.83	1,710.25

53 Contingent Liabilities

Particulars	31 March 2019	31 March 2018
a) Claims against the Company not acknowledged as debt	2,408.91	2,463.68
(b) Guarantees excluding financial guarantees	-	
(c) Bank Guarantees	2,263.41	2,005.85
(d) Corporate Guarantee	4,321.43	4,072.68
(e) Letter of Credit	-	13.62
(f) Other money for which the company is contingently liable	-	
Customs Duty	99.70	99.70
Service Tax (Refer ii)	814.20	84.71
Value Added Tax	0.68	0.05
Income Tax (Refer i & iii)	323.05	521.96
Other Matters	59.24	26.51
Total	**10,290.62**	**9,288.76**

Notes

(i) In respect of the Apollo Hospitals Enterprise Limited (Parent), relating to the proceedings pending before the relevant income tax authority for the assessment years 2009-10 to 2016-17, the parent is of the opinion that no additional provision for tax expense is considered necessary in the financial statements.

(ii) In respect of the subsidiary company Imperial Hospital & Research Centre Limited (IHRCL) for Financial year 2006 – 2007 to 2010-2011, the service tax department has raised a demand of ₹1.89 million which is disputed and the company has deposited a sum of ₹1.89 million under protest against this demand. The company has filed an appeal against the said demand before CESTAT-Bengaluru, and the liability has been considered contingent until the conclusion of the appeal.

(iii) In respect of the subsidiary company Imperial Hospital & Research Centre Limited (IHRCL) for Assessment year 2007-2008, the income tax department has raised a demand of ₹1.43 million which is disputed and appealed against by the Company. The company has deposited a sum of ₹1.43 million under protest against this demand, pending disposal of its appeal. The liability will be considered contingent until the conclusion of the appeal.

(iv) In respect of Apollo Health & Lifestyle Limited, The Honourable supreme Court, has passed a decision on February 28, 2019 in relation to inclusion of certain allowances in "Basic wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Group is awaiting further clarifications from the judiciary/department in this matter in order to reasonably asses the impact on its financial statements, if any. Accordingly, the applicability of the judgement to the group, with respect to the period and the nature of allowances to be covered, and the resultant impact on the past provident fund liability, cannot be reasonably ascertained, at present.

(v) In respect of Apollo Health & Lifestyle Limited, the company received an order from Provident Fund authorities regarding Provident Fund (PF) payments on certain allowances given by the company to it employees for the period April 2014 to April 2016 aggregating to ₹13.96 Million excluding interest and penalties. The Company has deposited a sum of ₹4.8 Million under protest against this demand. Based on the legal opinion obtained, the company has filed an appeal against the demand and the liability is considered as contingent until the conclusion of the appeal.

(vi) During the year, in respect of Apollo Health & Lifestyle Limited, the company has received an order from the Income tax department for the Assessment Year 2016-17. The Parent Company has filed an appeal against the said order and contending that no additional provision fot tax expenses is necessary in the financial statements.

54 Expenditure in Foreign Currency

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
a. CIF Value of Imports:		
Machinery and Equipment	105.23	511.81
Stores and Spares	-	0.69
Other Consumables	65.97	20.57
b. Expenditure.		
Travelling Expenses	171.42	57.56
Professional Charges	137.78	49.68
Royalty	12.53	-
Advertisement	15.10	12.39
Business Promotion	28.23	17.97
c. Dividends		
Amount remitted during the year in foreign currency on account of dividends excluding the payment of dividends directly to the share-holder's Non-resident external bank account.	3.05	4.49
Non-Residents shareholders to whom remittance was made (Nos.)	144	170
Shares held by non-resident share-holders on which dividend was paid (Nos.)	6,09,795	6,24,264

55 Earnings in Foreign Currency

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Hospital Fees	**1,044.72**	**999.70**
Project Consultancy Services	20.94	17.77
Pharmacy Sales	17.72	1.93
Total	**1,083.38**	**1,019.40**

56 Share-based Payments

Employee share option plan of the Company

(i) Apollo Health and Lifestyle Limited

The Company has allotted 194,698 Ordinary (Equity) Shares of ₹10 each during the year ended 31st March, 2012 to the eligible employees of the Company. Options are granted under Employee Stock Option Plan - 2012 ("the Scheme") which vest over a period of four years commencing from the respective date of grant.

The compensation costs of stock options granted to employees are accounted by the Company using the Black Scholes option valuation method.

Summary of stock options	No. of stock options
Options outstanding on April 1, 2018	48,675
Options granted during the year	-
Options forfeited/lapsed during the year	25,290
Options exercised during the year	23,385
Options outstanding on March 31, 2019	-
Options vested but not exercised on March 31, 2019	-

Exercise price is ₹30

Management has estimated the fair values of options granted at ₹30

(ii) The Company has allotted 412,500 Ordinary (Equity) Shares of ₹10 each during the year ended 31st March, 2014 to the eligible employees of the Company. Options are granted under Employee Stock Option Plan - 2013 ("the Scheme") which vest over a period of four years commencing from the respective date of grant.

The compensation costs of stock options granted to employees are accounted by the Company using the Black Scholes option valuation method.

Summary of stock options	No. of stock options
Options outstanding on April 1, 2018	82,500
Options granted during the year	-
Options forfeited/lapsed during the year	-
Options exercised during the year	-
Options outstanding on March 31, 2019	82,500
Options vested but not exercised on March 31, 2019	82,500

Exercise price is ₹30

Management has estimated the fair values of options granted at ₹30

(iii) Apollo Specialty Hospitals Private Limited

The Company by virtue of service and subscription agreement entered into with the doctors for continuance of services with Apollo Specialty Hospitals Private Limited (ASH) inline with the scheme implemented by the erstwhile company (i.e. Nova Speciality Hospitals Private Limited) has agreed to issue Fully Convertible Debentures (FCD) for a value calculated in accordance with performance based formulae at the time of acquisition.

These FCD are issued in respect of the future services which will be rendered by the doctors' and hence is in the nature of share based payment in terms of Ind AS 102. These FCD issued would be convertible upon the expiry of service requirement and other conditions as stipulated by the respective agreements.

The compensation costs of stock options granted to employees are accounted by the Company using the Black Scholes option valuation method.

Summary of stock options	No. of stock options
Options outstanding on April 1, 2018	1,595
Options granted during the year	-
Options forfeited/lapsed during the year	-
Options exercised during the year	-
Options outstanding on March 31, 2019	1,595
Options vested but not exercised on March 31, 2019	-

Exercise price is ₹ Nil

Management has estimated the fair values of options granted at ₹ 25,764

(iv) Apollo Sugar Clinics Limited

The Company has allotted 44,370 Ordinary (Equity) Shares of ₹10 each during the year ended 31st March, 2018 to the eligible employees of the Company. Options are granted under ASCL Employee Stock Option Plan - 2017 ("ESOP 2017") which vest over a period of three years commencing from the respective date of grant.

The compensation costs of stock options granted to employees are accounted by the Company using the Black Scholes option valuation method.

Summary of stock options	No. of stock options
Options outstanding on April 1, 2018	44,370
Options granted during the year	-
Options forfeited/lapsed during the year	-
Options exercised during the year	-
Options outstanding on March 31, 2019	44,370
Options vested but not exercised on March 31, 2019	11,093

Exercise price is ₹89.42

Management has estimated the fair values of options granted at ₹275.70

(v) Alliance Dental Care Limited

The Company has allotted 56,735 Ordinary (Equity) Shares of ₹10 each during the year ended 31st March, 2017 to the directors and eligible employees of the Company. Options are granted under Alliance Dental ESOP Scheme 2016, which vest over a period of four years commencing from the respective date of grant.

The compensation costs of stock options granted to employees are accounted by the Company using the Black Scholes option valuation method.

Summary of stock options	No. of stock options
Options outstanding on April 1, 2017	56,735
Options granted during the year	-
Options forfeited/lapsed during the year	-
Options exercised during the year	28,367
Options outstanding on March 31, 2018	28,368
Options vested but not exercised on March 31, 2018	-

Exercise price is ₹10

Management has estimated the fair values of options granted at ₹194

(vi) Apollo Dialysis Private Limited

The Company has allotted 55,566 Ordinary (Equity) Shares of ₹10 each during the year ended 31st March, 2017 to the directors of holding company and directors and eligible employees of the Company. Options are granted under Apollo Dialysis ESOP Scheme 2016, which vest over a period of four years commencing from the respective date of grant.

The compensation costs of stock options granted to employees are accounted by the Company using the Black Scholes option valuation method.

Summary of stock options	No. of stock options
Options outstanding on April 1, 2018	55,566
Options granted during the year	-
Options forfeited/lapsed during the year	-
Options exercised during the year	27,783
Options outstanding on March 31, 2019	27,783
Options vested but not exercised on March 31, 2019	-

Exercise price is ₹10

Management has estimated the fair values of options granted at ₹27

57 Written Put option over Non-controlling Interest of subsidiary

Pursuant to the shareholder agreement read with put option agreement dated October 26, 2016 entered into with International Finance Corporation (IFC), IFC has the right to exercise the put option on shares from the end of 8th year to 12th year of subscription (i.e. 2016) either on Apollo Hospitals Enterprises Limited ("AHEL") or Apollo Health and Lifestyle Limited ("AHLL", subsidiary of AHEL).

The management based on the assessment of this put option, has accounted the same in accordance with note 3.23 included in the significant accounting policies.

58 Information on Related Party Transactions as required by Ind AS 24 - Related Party Disclosures for the year ended March 2019

S.No	Name of the company	Country of Incorporation	% of Holding as at 31st March, 2019	% of Holding as at 31st March, 2018
A)	**Subsidiary Companies: (where control exists)**			
1	Apollo Home Healthcare (India) Limited	India	100	100
2	AB Medical Centres Limited	India	100	100
3	Apollo Health and Life Style Limited	India	70.25	68.64
4	Apollo Nellore Hospitals Limited	India	79.44	79.44
5	Imperial Hospitals and Research Centre Limited	India	90	90
6	Samudra Health Care Enteprises Limited	India	100	100
7	Western Hospitals Corporation (P) Limited	India	100	100
8	Apollo Hospitals (UK) Limited	United Kingdom	100	100
9	Sapien Biosciences Private Limited	India	70	70
10	Assam Hospitals Limited	India	62.32	61.24
11	Apollo Lavasa Health Corporation Limited	India	51	51
12	Apollo Rajshree Hospitals Private Limited	India	54.63	54.63
13	Total Health	India	100	100
14	Apollo Home Healthcare Limited	India	58.12	74
15	Apollo Healthcare Technology Solutions Limited	India	40	40
16	Apollo Hospitals International Limited	India	50	50
17	Future Parking Private Limited	India	49	49
18	Apollo Hospitals Singapore PTE Limited	Singapore	100	100
19	Apollo Medicals Private Limited	India	100	0
B)	**Step Down Subsidiary Companies**			
1	Alliance Dental Care Limited	India	69.54	70
2	Apollo Dialysis Private Limited	India	59.53	70
3	Apollo Sugar Clinics Limited	India	80	80
4	Apollo Specialty Hospitals Private Limited	India	99.92	100
5	Apollo Bangalore Cradle Limited	India	100	100
6	Kshema Health Private Limited	India	100	100
7	AHLL Diagnostics Limited	India	100	-
8	AHLL Risk Management Private Limited	India	100	-
9	Apollo CVHF Limited	India	66.67	63.74
10	Apollo Pharmacies Limited	India	100	-
C)	**Joint Ventures**			
1	Apollo Gleneagles Hospitals Limited	India	50	50
2	Apollo Gleneagles PET-CT Private Limited	India	50	50
3	Apokos Rehab Private Limited	India	50	50
4	Medics International Lifesciences Ltd	India	50	0
D)	**Associates**			

S.No	Name of the company	Country of Incorporation	% of Holding as at 31st March, 2019	% of Holding as at 31st March, 2018
1	Family Health Plan Insurance (TPA) Limited	India	49	49
2	Indraprastha Medical Corporation Limited	India	22.03	22.03
3	Apollo Munich Health Insurance Company Limited	India	9.96	9.96
4	Stemcyte India Therapautics Private Limited	India	24.5	24.5
5	Apollo Amrish Oncology Services Private Limited	India	50	50
E)	**Key Management Personnel**			
1	Dr. Prathap C Reddy		-	-
2	Smt. Suneeta Reddy		-	-
3	Smt. Preetha Reddy		-	-
4	Smt. Sangita Reddy		-	-
5	Smt. Shobana Kamineni		-	-
6	Shri. Krishnan Akhileswaran		-	-
7	Shri. S M Krishnan		-	-
F)	**Directors**			
1	Shri. Sanjay Nayar		-	-
2	Shri. Vinayak Chatterjee		-	-
3	Shri. N.Vaghul (Refer note i)		-	-
4	Shri. Deepak Vaidya (Refer note ii)		-	-
5	Shri. BVR Mohan Reddy (Refer note iii)		-	-
6	Dr. T.Rajgopal		-	-
7	Shri. G.Venkataraman (Refer note iv)		-	-
8	Dr. Murali Doraiswamy (Refer note v)		-	-
9	Smt. V.Kavitha Dutt (Refer note vi)		-	-
10	Shri. MBN Rao (Refer note vii)		-	-
G)	**Enterprises over which key managerial personnel and their relatives are able to exercise significant influence / control / joint control**			
1	ABC Trading Corporation	India	-	-
2	Adeline Pharma Private Limited	India	-	-
3	Amg Health Care Destination Private Limited	India	-	-
4	Apex Agencies	India	-	-
5	Apex Communications	India	-	-
6	Apollo Hospitals Educational & Research Foundation	India	-	-
7	Apollo Family Benevolent Fund Trust	India	-	-
8	Apollo Health Resources Limited	India	-	-
9	Apollo Hospitals Educational Trust	India	-	-
10	Apollo Hospitals Health Research Foundation	India	-	-
11	Apollo Institute of Medical Science And Research	India	-	-

S.No	Name of the company	Country of Incorporation	% of Holding as at 31st March, 2019	% of Holding as at 31st March, 2018
12	Apollo Medical Centre LLC	India	-	-
13	Apollo Medskills Limited	India	-	-
14	Apollo Shine Foundation	India	-	-
15	Apollo Sindoori Hotels Limited	India	-	-
16	Apollo Tele Health Services Pvt Ltd	India	-	-
17	Apollo Telemedicine Networking Foundation	India	-	-
18	Apollo Teleradiology Private Limited	India	-	-
19	Associated Electrical Agencies	India	-	-
20	Bona Sera Hotels Limited	India	-	-
21	Dasve Convention Center Limited	India	-	-
22	Dhruvi Pharma Pvt Ltd	India	-	-
23	Ecomotel Hotel Limited	India	-	-
24	Emedlife Insurance Broking Services Limited	India	-	-
25	Faber Sindoori Management Services Private Limited	India	-	-
26	Family Health Plan Insurance (TPA) Limited	India	-	-
27	Focus Medisales Private Limited	India	-	-
28	Full Spectrum Adventure Limited	India	-	-
29	Gleneagles Development Pte Ltd	India	-	-
30	Gleneagles Management Services Pte Ltd	India	-	-
31	Green Channel Travels Services Private Limtied	India	-	-
32	Health Net Global Limited	India	-	-
33	Indian Hospital Corporation Limited	India	-	-
34	Indian Hospitex Private Limited	India	-	-
35	Indo- National Limited	India	-	-
36	Irm Enterprises Private Limited	India	-	-
37	Kei Rsos Petroleum And Energy Private Limited	India	-	-
38	Keimed Private Limited	India	-	-
39	Kurnool Hospital Enterprise Limited	India	-	-
40	Lakeshore Watersport Company Limited	India	-	-
41	Lavasa Corporation Limited	India	-	-
42	Lavasa Hotel Ltd	India	-	-
43	Lifetime Wellness Rx International Limited	India	-	-
44	Lucky Pharmaceuticals Private Limted - New Delhi	India	-	-
45	Matrix Agro Pvt Ltd	India	-	-
46	Medihauxe Healthcare Private Limited	India	-	-
47	Medihauxe International Private Limited	India	-	-
48	Medihauxe Pharma Private Limited - Hyderbad	India	-	-

S.No	Name of the company	Country of Incorporation	% of Holding as at 31st March, 2019	% of Holding as at 31st March, 2018
49	Medvarsity Online Limited	India	-	-
50	Meher Distributors Private Limited	India	-	-
51	Munchener Ruckvesicherung Geseil Schaft	India	-	-
52	My City Technology Ltd	India	-	-
53	Neelkanth Drugs Private Limited - New Delhi	India	-	-
54	Neelkanth Drugs Pvt Ltd	India	-	-
55	P Obul Reddy & Sons	India	-	-
56	Palepu Pharma Private Ltd	India	-	-
57	PCR Investments Limited	India	-	-
58	Ppn Power Generating Company Pvt Ltd	India	-	-
59	Rajshree Catering Services	India	-	-
60	Reasonable Housing Limited	India	-	-
61	Rjn Spectra Hosptals Pvt Ltd	India	-	-
62	Sahayadri Thrust Facility Service	India	-	-
63	Sahyadri City Management Limited	India	-	-
64	Sanjeevani Pharma Distributors Private Limited	India	-	-
65	Searchlight Health Private Limited	India	-	-
66	Srinivasa Medisales Private Limited	India	-	-
67	Starlit Resort Limited	India	-	-
68	Stemcyte India Therapautics Private Limited	India	-	-
69	Together Against Diabetic Foundation Trust	India	-	-
70	Trivitron Healthcare Private Limited	India	-	-
71	Vardhman Pharma Distributors Private Limited	India	-	-
72	Vasu Agencies Hyd Private Limited	India	-	-
73	Vasu Pharma Distributors Hyd Pvt Ltd	India	-	-
74	Vasu Vaccines & Speciality Drugs Private Limited	India	-	-
75	Warasgaon Power Supply Ltd.	India	-	-
76	Whistling Thrust Facility Service	India	-	-
77	Apollo Proton Cancer Centre Private Limited	India		

Note :-

(i) Shri. N. Vaghul ceased to be a director wef 1st April 2019

(ii) Shri. Deepak Vaidya resigned wef 5th September 2018

(iii) Shri. BVR Mohan Reddy resigned wef 20th August 2018

(iv) Shri. G. Venkatraman ceased to be a director wef 1st April 2019

(v) Shri. Murali Doraiswamy appointed as a director wef 27th September 2018

(vi) Smt. V. Kavitha Dutt appointed as a director wef 9th February 2019

(vii) Shri. MBN Rao appointed as a director wef 9th February 2019

58.1 Related Party Transactions

S.No.	Name of related parties	Nature of Balance/Transactions	31st March, 2019	31st March, 2018
1	Apollo Gleneagles Hospital	Investment in Equity	393.12	393.12
	Limited	Revenue from operations during the year	162.99	205.06
		Reimbursement of expenses during the year	49.98	111.70
		Salary and allowances	-	51.84
		Receivables as at year end	991.09	758.26
2	Apollo Gleneagles PET-CT	Investment in Equity	85.00	85.00
	Private Limited	Revenue from Operation during the year	2.68	1.74
		Reimbursement of expenses during the year	5.03	2.87
		IP&OP bills	37.34	-
		Rent on land	1.25	-
		Receivables as at year end	6.98	1.00
3	Apollo Munich Health Insurance	Investment in equity	357.09	357.09
	Company Limited	Investment in debentures	-	80.00
		Group mediclaim expense incurred	116.31	459.77
		Revenue	87.34	201.41
		Interest income	6.72	-
		For GPI and GMC Insurance	4.63	53.18
		Interest receivable	6.15	-
		Receivables as at year end	8.97	74.72
4	Family Health Plan Insurance	Investment in Equity	4.90	4.90
	(TPA) Limited	TPA Fees	9.53	347.51
		Revenue from operations during the year	238.51	378.85
		Deposit premium balance	-	1.91
		Receivables as at year end	77.73	39.60
5	Indraprastha Medical	Investment in Equity	393.72	393.72
	Corporation Limited	Dividend received	30.29	30.29
		Reimbursement of expenses during the year	61.67	70.75
		Commission on Pharmacy	119.08	138.01
		Licence Fee	12.00	12.45
		ITC amount	0.32	-
		Revenue from operations during the year	179.40	223.61
		Deposit premium balance	-	1.67
		Claim payments	-	161.74
		Receivables as at year end	344.71	40.67
6	Stemcyte India Therapautics	Investment in Equity	80.00	80.00
	Private Limited	Revenue from operations during the year	6.86	14.11
		Services availed	0.04	-
		Reimbursement of expenses during the year	2.48	2.31
		Receivables as at year end	1.55	8.62

S.No.	Name of related parties	Nature of Balance/Transactions	31st March, 2019	31st March, 2018
7	Dr.Prathap C Reddy	Remuneration Paid	96.61	95.86
8	Smt.Preetha Reddy	Remuneration Paid	39.63	38.22
9	Smt.Suneeta Reddy	Remuneration Paid	39.63	38.22
10	Smt.Sangita Reddy	Remuneration Paid	39.63	37.32
11	Smt.Shobana Kamineni	Remuneration Paid	39.63	38.76
12	Shri Krishnan Akhileswaran	Remuneration Paid	20.08	
13	Shri S M Krishnan	Remuneration Paid	6.94	
14	Apollo Sindoori Hotels Limited	Food and Beverage expense Incurred during the year	11.46	1,224.20
		Reimbursement of expenses during the year	2.06	6.79
		Services availed	59.42	-
		Rent Paid	-	4.07
		Repairs and Maintenance	148.65	-
		Payables as at year end	114.88	104.89
15	Faber Sindoori Management Services Private Limited	Outsourcing expense of housekeeping incurred during the year	962.86	1,096.18
		Premium income	-	2.09
		Claim payments	-	0.02
		Deposit premium balance	-	0.35
		Revenue from operations during the year	-	22.62
		Professional Charges	1.78	-
		Reimbursement of expenses during the year	63.12	57.11
		Payables as at year end	110.24	51.91
16	Lifetime Wellness Rx	Outsourcing expense during the year	15.09	-
	International Limited	Revenue from operations during the year	34.05	-
		Reimbursement of expenses during the year	7.49	-
		Loan Receivable	92.00	-
		Receivables as at year end	149.91	-
17	Apollo Health Resources Limited	Revenue from operations during the year	1.58	-
		Payable as at year end	0.29	-
18	P Obul Reddy & Sons	Premium Income	0.43	-
		Receivables as at year end	-	2.17
19	Keimed Private Limited	Purchases during the year	6,110.98	4,764.35
		Premium Income	-	0.95
		Deposit premium balance	-	0.01
		Reimbursement of expenses during the year	-	17.49
		Payables at the year end	156.35	176.63
20	Medvarsity Online Limited	Transactions during the year	-	-
		Reimbursement of expenses during the year	-	0.05

S.No.	Name of related parties	Nature of Balance/Transactions	31st March, 2019	31st March, 2018
		Revenue from operations during the year	1.13	3.09
		Deposit premium balance	-	0.21
		Receivables as at year end	5.46	8.45
21	Kurnool Hospitals Enterprise	Investment in Equity	-	1.73
	Limited	Revenue from operations during the year	-	2.51
		Receivables as at year end	-	9.29
22	AMG Health Care Destination	Investment in Equity	-	12.33
	Private Limited	Rent expense incurred during the year	-	32.36
		Premium income	-	0.14
		Reimbursement of expenses during the year	-	7.05
		Lease deposit	-	70.00
		Receivables as at year end	-	786.92
23	Apollo Hospital Educational	Rent expense incurrred during the year	16.91	-
	Trust	Receivables as at year end	1.78	-
24	Apollo Hospitals Educational & Research Foundation	Reimbursement of expenses during the year	33.54	-
		Receivables as at year end	20.77	-
25	Palepu Pharma Private Ltd	Medicine purchases during the year	5,252.53	4,491.12
		Payables as at year end	86.93	78.66
26	Medics International	Interest income	13.49	-
	Lifesciences Ltd	Investments	910.25	-
		Interest receivable	12.14	-
		Receivables as at year end	1.87	-
27	INDO- National Limited	Purchases	0.77	-
		Payables as at year end	0.12	-
28	Medihauxe International Private	Medicine purchases during the year	580.38	531.37
	Limited	Payables as at year end	53.14	52.76
29	Vardhman Pharma Distributors	Medicine purchases during the year	139.94	161.50
	Private Limited	Payables as at year end	0.18	7.31
30	Focus Medisales Private Limited	Medicine purchases during the year	39.46	170.72
		Payables as at year end	0.08	2.13
31	Srinivasa Medisales Private	Medicine purchases during the year	2,813.58	2,181.27
	Limited	Payables as at year end	137.06	202.39
32	Meher Distributors Private Limited - Mumbai	Reimbursement of expenses during the year	-	2.09
		Asset purchased	0.05	-
		Medicine purchases during the year	779.52	637.72
		Payables as at year end	34.54	34.90
33	Lucky pharmaceuticals pvt ltd - New Delhi	Reimbursement of expenses during the year	-	2.25
		Medicine purchases during the year	1,057.30	994.93
		Payables as at year end	42.33	49.59

S.No.	Name of related parties	Nature of Balance/Transactions	31st March, 2019	31st March, 2018
34	Neelkanth Drugs Pvt Ltd	Reimbursement of expenses during the year	-	1.83
		Medicine purchases during the year	1,823.06	1,649.41
		Payables as at year end	86.81	86.48
35	Dhruvi Pharma pvt ltd	Medicine purchases during the year	850.34	702.03
		Payables as at year end	60.33	64.18
36	Apokos Rehab Private Limited	Investment in equity	84.75	84.75
		Revenue from operations during the year	3.54	0.43
		Reimbursement of expenses during the year	10.96	17.66
		Rent Expense	15.96	-
		Receivables as at year end	12.33	2.81
37	Shri.Habibullah Badsha	Remuneration paid	-	0.05
38	Shri.Sanjay Nayar	Remuneration paid	1.23	1.30
39	Shri.Vinayak Chatterjee	Remuneration paid	1.65	1.55
40	Shri.Rafeeque Ahamed	Remuneration paid	-	0.10
41	Shri.N.Vaghul	Remuneration paid	1.75	1.70
42	Shri.Deepak Vaidya	Remuneration paid	0.79	1.95
43	Shri.Rajkumar Menon	Remuneration paid	-	0.20
44	Shri.BVR Mohan Reddy	Remuneration paid	0.63	1.03
45	DR T.Rajgopal	Remuneration paid	1.85	1.44
46	Shri.G.Venkataraman	Remuneration paid	2.10	1.90
47	Dr. Murali Doraiswamy	Remuneration paid	0.78	-
48	Smt. V.Kavitha Dutt	Remuneration paid	0.27	-
49	Shri. MBN Rao	Remuneration paid	0.32	-
50	Apollo Tele Health Services Pvt Ltd	Reimbursement of expenses during the year	25.57	0.01
		Loans and Advances	-	0.01
		Revenue	13.67	0.06
		Consultancy fee to doctors	0.22	12.64
		Receivables as at year end	0.01	1.33
		Payable as at year end	11.84	-
51	Apollo Medskills Limited	Reimbursement of expenses during the year	0.21	8.63
		Investigation Income	-	4.63
		Receivables as at year end	0.13	6.94
52	Sanjeevani Pharma Distributors	Purchases	2,799.32	4,264.01
	Private Limited	Payable as at Year end	236.59	116.04
53	Medihauxe Pharma Private	Purchases	264.11	262.66
	Limited - Hyderbad	Payables as at year end	20.83	16.73
54	Medihauxe Healthcare Private	Purchases	92.07	-
	Limited	Reimbursement of expenses during the year	0.23	-
		Payables as at year end	3.63	-

S.No.	Name of related parties	Nature of Balance/Transactions	31st March, 2019	31st March, 2018
55	Adeline Pharma Private Limited	Purchases	512.56	404.89
		Payables as at year end	38.98	33.00
56	Apollo Amrish Oncology Services Private Limited	Reimbursement of expenses during the year	12.81	84.21
		Services availed	-	24.07
		Revenue from operations during the year	35.00	27.22
		Payables as at year end	121.27	88.76
57	Matrix Agro Pvt Limited	Power charges paid	67.47	28.56
		Payables as at year end	3.10	0.84
58	Apollo Family Benevolent Fund	Company's Contribution to the trust fund	0.91	0.84
	Trust	Employee contribution collected and remitted to the trust	10.48	8.54
59	ABC Trading Corporation	Rental income	0.48	0.60
		Receivables as at year end	0.11	0.13
60	Searchlight Health Private	Repairs & Maintenance	1.49	-
	Limited	Health record services	-	3.78
		Payables as at year end	0.82	1.82
61	Health Net Global Limited	Call Centre services	7.98	8.09
		Pharmacy Expenditure	1.60	-
		Payables as at year end	2.30	0.46
62	Trivitron Healthcare Private	Availing of services	0.28	5.82
	Limited	Purchases	3.52	-
		Annual Maintenance contract	3.85	-
		Payables as at year end	4.02	3.70
63	Together Against Diabetic	Revenue from Operations	0.24	0.34
	Foundation Trust	Receivables as at year end	1.84	2.90
64	Indian Hospital Corporation	Rent Income	0.12	-
	Limited	Receivables as at year end	0.01	-
65	Indian Hospitex Private Limited	Purchases	-	0.15
		Payables as at year end	3.35	-
66	Rajshree Catering Services	Food and Beveages Outsourced	12.28	11.14
		Payables as at year end	3.58	1.16
67	Lavasa Corporation Limited	Revenue from Operations	1.25	1.82
		Share Capital	6.27	6.27
		Inter Corporate Deposit Outstanding	100.29	97.24
		Interest accrued but not due		87.60
		Interest on Inter Corporate Deposit	14.10	14.10
		Security deposit	0.05	-
		Rent and Advertisement	0.27	-
		Project and Other Services	-	0.20
		Receivables as at year end	7.23	5.48
		Payables as at year end	0.26	-
68	Full Spectrum Adventure Limited	Revenue from Operations	-	-
		Receivables as at year end	0.01	0.01

S.No.	Name of related parties	Nature of Balance/Transactions	31st March, 2019	31st March, 2018
69	Bona Sera Hotels Limited	Revenue from Operations	0.03	0.03
		Receivables as at year end	0.10	0.07
70	Ecomotel Hotel Limited	Revenue from Operations	0.03	0.04
		Payables as at year end	0.03	0.04
		Project and Other Services	-	0.06
71	Lavasa Hotel Ltd	Revenue from Operations	-	0.05
		Receivables as at year end	0.21	0.16
72	Sahyadri City Management	Revenue from Operations	-	-
	Limited	Payables as at year end	-	7.04
		Project and Other Services	-	2.28
73	Starlit Resort Limited	Revenue from Operations	-	0.01
		Receivables as at year end	0.00	-
74	Dasve Convention Center	Revenue from Operations	0.01	0.02
	Limited	Receivables as at year end	0.01	0.02
75	Reasonable Housing Limited	Project and Other Services	0.55	0.68
		Advances	0.26	0.68
		Payables as at year end	2.50	-
76	My City Technology Ltd	Payables as at year end	2.43	2.43
77	Sahayadri Thrust Facility Service	Payables as at year end	8.32	7.04
		Project and Other Services	2.43	-
78	Whistling Thrust Facility Service	Payables as at year end	0.68	0.68
79	Warasgaon Power Supply Ltd.	Payables as at year end	0.02	0.02
80	Green Channel Travels Services	Services availed	10.24	6.90
	Private Limtied	Payables as at year end	0.68	0.15
81	IRM Enterprises Private Limited	Services availed	0.05	0.04
		Rental Income	0.11	0.12
		Payables as at year end	0.00	0.01
82	Apollo CVHF Limited	Reimbursement of expenses during the year	-	2.34
		Receivables as at year end	0.00	-
83	Vasu Agencies Hyd Private	Purchases	2,262.84	-
	Limited	Payables as at year end	75.31	-
84	Vasu Vaccines & Speciality Drugs Private Limited	Purchases	25.87	-
		Payables as at year end	3.63	-
85	Vasu Pharma Distributors Hyd	Purchases	0.67	-
	Private Limited	Payables as at year end	0.03	-
86	Apollo Shine Foundation	Reimbursement of expenses during the year	-	0.10
		Loan receivable	16.00	-
		Pharmacy Income	0.50	-
		Payables as at year end	0.50	-
87	Dr.GSK Velu	Unsecured Loan	-	0.40

S.No.	Name of related parties	Nature of Balance/Transactions	31st March, 2019	31st March, 2018
88	Jugnu Jain	Interest	0.23	-
		Reimbursement of expenses during the year	0.58	-
		Outstanding	0.71	-
89	Apollo Institute of Medical	Rental Income	12.96	-
	Science and Research	Power charges paid	10.22	-
		Reimbursement of expenses during the year	7.49	-
		Revenue from Operation during the year (Lab Tests)	0.71	-
		Funds Received	32.16	-
		Receivables as at year end	10.36	-
90	Emedlife Insurance Broking services Limited	Receivables as at year end	0.18	-
91	Apex communications	Reimbursement of expenses during the year	0.43	-
		Payables as at year end	0.04	-
92	Apex agencies	Premium Income	-	0.18
93	Associated Electrical Agencies	Premium Income	-	0.30
94	Munchener Ruckvesicherung	Premium on cession o reinsurers	-	1,736.60
	Geseil schaft	Reinsurance comission earned	-	618.58
		Lossed recovered from reinsurer	-	596.81
		Payables as at year end	-	486.79
95	Gleneagles Management Services Pte Ltd	Trademark, Management and Technical Fees	-	124.26
		Payables as at year end	-	225.14
		Unsecured Loan	-	36.54
96	Gleneagles Development Pte Ltd	Unsecured Loan	-	124.39
97	Apollo Teleradiology Pvt Ltd	Services received from	6.47	-
		Payables as at year end	6.52	-
98	Apollo Medical Centre LLC	Reimbursement of expenses during the year	2.15	-
		Doctors Consultancy Fees	0.12	-
		Payables as at year end	17.49	-
99	PCR Investments Limited	Donations received	3.50	-
		Rent Income	0.12	-
		Receivables as at year end	0.01	-
100	Apollo Hospitals Educational & Research Foundation	Income from Jute Bags	0.70	-

59 Particulars of Loans, Guarantees & Investments

Details of loans, Guarantees and Investments covered under the provisions of section 186 of the Companies Act, 2013 are provided in notes 9,10,11 and 21 to the financial statements.

60 Scheme of Arrangement

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

The requisite applications have been submitted to the Stock Exchanges and Competition Commission of India. The disposal group has not been classified as discontinued operations, pending approval of the Scheme by the shareholders. Further, pending receipt of necessary approvals, no effect for the Scheme has been given in the financial statements for the year ended March 31,2019

61 There are no subsequent events after the reporting period

62 Figures for the previous year are reclassified / regrouped wherever necessary.

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018

Vikas Bagaria
Partner
Membership No. 060408

Place : Mumbai
Date : May 30, 2019

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
Vice President - Finance
& Company Secretary

Place : Chennai
Date : May 30, 2019

For and on behalf of the Board of Directors

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Executive Vice Chairperson

Suneeta Reddy
Managing Director

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF APOLLO HOSPITALS ENTERPRISE LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Apollo Hospitals Enterprise Limited (hereinafter referred to as "the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), which includes Group's share of profit/loss in its associates and its joint ventures, comprising the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its Associates and Joint ventures in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, its associates and its joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries, associates and joint ventures referred to below in the Other Matters paragraph, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2018, and it's consolidated profit, consolidated total comprehensive income, consolidated statement of changes in equity and it's consolidated cash flows for the year ended on that date.

Emphasis of Matter

Attention is drawn to Note No. 5(iv) to the consolidated financial statements. There are legal proceedings initiated against the Company's subsidiary Imperial Hospitals & Research Centre Limited, by Government of Karnataka, which in the opinion of the management is not sustainable. The above matter has been reported in the Emphasis of Matter paragraph in the Audit report of the standalone financial statements of the Subsidiary Company audited by other auditors.

Our opinion is not modified in respect of this matter.

Other Matters

(a) We did not audit the financial statements of 22 subsidiaries, whose financial statements reflect total assets of ₹11,865.38 million as at 31st March, 2018, total revenues of ₹7,385.78 million and net cash outflows amounting to ₹257.75 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹62.63 million for the year ended 31st March, 2018, as considered in the consolidated financial statements, in respect of 4 associates and 2 joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on the reports of the other auditors.

(b) We did not audit the financial statements of 2 subsidiaries, whose financial statements reflect total assets of ₹ 0.52 million as at 31st March, 2018, total revenues of ₹ Nil million and net cash inflows amounting to ₹ 0.14 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹15.24 million for the year ended 31st March, 2018, as considered in the consolidated financial statements, in respect of 1 associate, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and joint venture companies incorporated in India, referred in the Other Matters paragraph above, 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 of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income) Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Company as on 31st March, 2018 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture companies incorporated in India, none of the directors of the Group companies, its associate companies and joint venture companies incorporated in India is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein. With respect to the associate, StemCyte India Therapeutics Private Limited, a Private Limited Company incorporated in India, covered by the exemption under notification number GSR 464(E) dated 5th June, 2015 as amended by notification number GSR 583(E) dated 13th June, 2017, reporting on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 is not applicable for the year ended 31st March, 2018, based on the corresponding report of the auditor of the said associate.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group its associates and joint ventures.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies, associate companies and joint venture companies incorporated in India.

For DELOITTE HASKINS &SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Vikas Bagaria
(Partner)
(Membership No. 060408)

Place: Singapore
Date: 30th May, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements'section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2018, we have audited the internal financial controls over financial reporting of Apollo Hospitals Enterprise Limited (hereinafter referred to as "Company") and its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, associate companies and joint ventures, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Company, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 22 subsidiary companies, 3 associate companies and 2 joint ventures, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For DELOITTE HASKINS &SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Vikas Bagaria
(Partner)
(Membership No. 060408)

Place: Singapore
Date: 30th May, 2018

CONSOLIDATED BALANCE SHEET

(₹ in million)

Particulars	Note	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	5	43,785.65	42,093.10
(b) Capital work-in-progress		7,121.97	3,468.59
(c) Investment Property	6	71.48	77.65
(d) Goodwill	7	3,461.99	3,462.52
(e) Other Intangible assets	8	409.47	277.29
(f) Financial Assets			
(i) Investments			
- Investment in Equity Accounted Investee	9	2,763.51	2,785.06
- Other Investments	10	93.44	216.94
(ii) Investments in Debentures	11	80.00	-
(iii) Other financial assets	13	2,527.89	2,896.11
(g) Deferred Tax Asset	25	171.68	162.70
(h) Income Tax Asset (Net)	27	1,769.65	1,338.20
(i) Other non-current assets	17	1,670.30	3,122.54
Total non - current assets		**63,927.03**	**59,900.70**
Current assets			
(a) Inventories	14	5,658.42	4,668.67
(b) Financial assets			
(i) Investments	10	578.73	1,058.45
(ii) Trade receivables	12	8,846.18	7,505.34
(iii) Cash and cash equivalents	15	3,063.33	2,827.82
(iv) Bank balances other than (iii) above	16	1,109.15	2,417.17
(v) Other financial assets	13	1,604.21	1,395.68
(c) Other current assets	17	1,341.23	1,419.03
Total current assets		**22,201.25**	**21,292.16**
Total Assets		**86,128.28**	**81,192.86**
Equity			
(a) Equity Share capital	18	695.63	695.63
(b) Convertible non-participating preference share capital		-	34.50
(c) Other equity	19	31,819.42	32,401.89
Equity attributable to owners of the Company		**32,515.05**	**33,132.02**
Non-controlling Interests	20	1,324.37	1,245.75
Total Equity		**33,839.42**	**34,377.77**
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	29,238.01	29,533.75
(ii) Other financial liabilities	22	4,721.11	5,188.49
(b) Provisions	23	62.31	46.14
(c) Deferred tax liabilities	24	2,565.09	2,413.15
(d) Other non-current liabilities	29	29.65	-
Total non - current liabilities		**36,616.17**	**37,181.53**
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	3,791.72	706.87
(ii) Trade payables	26	5,888.24	5,011.93
(iii) Other financial liabilities	22	4,066.79	1,896.42
(b) Other current liabilities	29	950.24	1,059.48
(c) Provisions	23	962.99	958.86
(d) Income Tax Liabilities (Net)	28	12.71	-
Total current liabilities		**15,672.69**	**9,633.56**
Total Liabilities		**52,288.86**	**46,815.08**
Total Equity and Liabilities		**86,128.28**	**81,192.86**

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date attached
For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Registration No. 117366W/W-10018
Vikas Bagaria
Partner
Membership No. 060408
Place : Singapore
Date : May 30, 2018

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
Vice President - Finance
& Company Secretary
Place: Chennai
Date : May 30, 2018

For and on behalf of the Board of Directors
Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Executive Vice Chairperson

Suneeta Reddy
Managing Director

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

Particulars	Note	Year ended March 31, 2018	Year ended March 31, 2017
Income			
Revenue from Operations	30	82,434.68	72,557.03
Other Income	31	321.52	224.93
Total Income		**82,756.20**	**72,781.96**
Expenses			
Cost of materials consumed	32	14,609.72	13,662.11
Purchases of Stock-in-trade		26,498.74	22,800.05
Changes in inventory of stock-in-trade	33	(781.85)	(473.41)
Employee benefits expense	34	14,043.91	11,964.98
Finance costs	35	2,950.68	2,573.50
Depreciation and amortisation expense	36	3,590.30	3,140.39
Other expenses	37	20,132.36	17,317.44
Total expenses		**81,043.86**	**70,985.06**
Profit before share of equity accounted investee method and income tax		**1,712.35**	**1,796.90**
Share of profit of equity accounted investee		2.27	423.89
Profit before tax		**1,714.62**	**2,220.79**
Tax expense			
(1) Current tax	38	883.68	835.79
(2) Deferred tax	38	235.37	73.80
Total Tax Expenses		1,119.05	909.59
Profit for the year		**595.57**	**1,311.20**
Other Comprehensive Income	39		
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of the defined benefit plans		(264.80)	(335.41)
(b) Equity instruments through other comprehensive income		0.40	0.51
(c) Income tax effect		92.40	115.90
Total Other Comprehensive Income		**(172.00)**	**(219.00)**
Total comprehensive income for the year		**423.57**	**1,092.20**
Profit for the year attributable to:			
Owners of the Company		1,174.18	2,209.90
Non Controlling Interest		(578.61)	(898.70)
Other Comprehensive Income for the year attributable to			
Owners of the Company		(171.10)	(219.00)
Non Controlling Interest		(0.90)	-
Total Comprehensive Income for the year attributable to			
Owners of the Company		1,003.08	1,990.90
Non Controlling Interest		(579.51)	(898.70)
Earnings per equity share			
Basic (in ₹)	41	8.44	15.88
Diluted (in ₹)	41	8.44	15.88

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date attached
For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Registration No. 117366W/W-10018
Vikas Bagaria
Partner
Membership No. 060408
Place : Singapore
Date : May 30, 2018

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
Vice President - Finance
& Company Secretary
Place: Chennai
Date : May 30, 2018

For and on behalf of the Board of Directors
Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Executive Vice Chairperson

Suneeta Reddy
Managing Director

Consolidated Statement of Changes in Equity

a. Equity share capital

(₹ in million)

Balance at April 1, 2016	695.63
Changes in equity share capital during the year	-
Balance at March 31, 2017	695.63
Changes in equity share capital during the year	-
Balance at March 31, 2018	695.63

b. Other Equity

(₹ in million)

Particulars	General reserve	Securities Premium Reserve	Capital Reserves	Other reserve #	Share Options Outstanding	Retained earnings	Items of Other Comprehensive Income (OCI)		Non Controlling Interest	Total
							Equity instruments through OCI	Defined benefit obligation		
Balance at April 1, 2016	11,249.58	17,138.52	30.44	742.02	8.33	4,887.51	(5.47)	(19.03)	779.30	34,811.20
Profit for the year	-	-	-	-		2,209.90			(898.70)	1,311.20
Other comprehensive income for the year, net of income tax	-	-	-			-	0.51	(219.51)	-	(219.00)
Total comprehensive income for the year	11,249.58	17,138.52	30.44	742.02	8.33	7,097.41	(4.96)	(238.54)	(119.40)	35,903.40
Payment of dividends	-	-	-	-		(43.75)		-		(43.75)
Gross Obligation over written Put Option on Non-controlling Interest of a subsidiary Company	-		-	-		(3,581.58)		-	(918.50)	(4,500.08)
Stock based compensation					4.42					4.42
Additional non-controlling interest on acquisition of a subsidiary	-	-	-	-		-	-	-	583.67	583.67
Movement on account of change in shareholding of existing subsidiaries									1,699.98	1,699.98
Balance at March 31, 2017	11,249.58	17,138.52	30.44	742.02	12.75	3,472.08	(4.96)	(238.54)	1,245.75	33,647.64
Profit for the year	-	-	-	-	-	1,174.18	-	-	(578.61)	595.57
Other comprehensive income for the year, net of income tax	-	-	-			-	0.40	(171.10)	(0.90)	(171.60)
Total comprehensive income for the year	11,249.58	17,138.52	30.44	742.02	12.75	4,646.26	(4.56)	(409.64)	666.24	34,071.61
Payment of dividends (including Dividend Distribution Tax)						(1,008.37)				(1,008.37)
Gross Obligation over written Put Option on Non-Controlling Interest						(500.45)			500.45	-
Adjustments towards Non Controlling Interest						(83.30)				(83.30)
Transfer to Reserves				452.50		(452.50)				-
Stock based compensation					6.17				43.10	49.27
Movement on account of change in shareholding of existing subsidiaries									114.58	114.58
Balance at March 31, 2018	11,249.58	17,138.52	30.44	1,194.52	18.92	2,601.64	(4.56)	(409.64)	1,324.37	33,143.80

Other reserves includes Debenture Redemption Reserve, Capital Redemption Reserve and Reserves arising on transition from Previous GAAP to IND AS

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date attached
For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Registration No. 117366W/W-10018
Vikas Bagaria
Partner
Membership No. 060408
Place : Singapore
Date : May 30, 2018

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
Vice President - Finance
& Company Secretary
Place: Chennai
Date : May 30, 2018

For and on behalf of the Board of Directors
Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Executive Vice Chairperson

Suneeta Reddy
Managing Director

1 General Information

Apollo Hospitals Enterprise Limited ('the Company') is a public Company incorporated in India. The address of its registered office and principal place of business is at 19, Bishop Gardens, Raja Annamalaipuram, Chennai, Tamilnadu. The main business of the Company is to enhance the quality of life of patients by providing comprehensive, high-quality hospital services on a cost-effective basis and providing / selling high quality pharma and wellness products through a network of pharmacies. The principal activities of the Company and its subsidiaries (hereinafter referred to as 'the group') include operation of multidisciplinary private hospitals, clinics, diagnostic centres and pharmacies.

2 Application of new and revised Ind ASs

The group has applied all the Ind ASs notified by the MCA.

Standards issued but not yet effective

i. Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The group is in the process of assessing the impact of the said standard on its financial statements.

ii. Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs (MCA) has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The amendments are applicable to the group from April 1, 2018. The group is in the process of assessing the impact of the said standard on its financial statements.

3 Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of the standalone financial statements. These policies have been consistently applied to all the years presented unless otherwise stated.

3.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act 2013 (the Act) and other relevant provisions of the act.

The consolidated financial statements for the year ended March 31, 2017 were audited by S. Viswanathan LLP (Firm's Registration No: 004770S/S200025), the predecessor auditor.

The financial statements were authorised for issue by the Company's Board of Directors on May 30, 2018.

3.2 Basis of preparation and presentation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

3.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

  The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

  When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The following subsidiaries were consolidated as at 31 March 2018

Sl. No.	Name of the Subsidiary/Step down Subsidiary Company	Country of Incorporation	% of holding	
			As at 31st March 2018	As at 31st March 2017
1	Apollo Home Health Care (India) Limited	India	100.00%	100.00%
2	Apollo Home Healthcare Limited	India	74.00%	80.87%
3	AB Medical Centres Limited	India	100.00%	100.00%
4	Apollo Health and Lifestyle Limited	India	68.64%	68.64%
5	Samudra Healthcare Enterprise Limited	India	100.00%	100.00%
6	Imperial Hospital & Research Centre Limited	India	90.00%	90.00%
7	Apollo Hospital (UK) Limited	United Kingdom	100.00%	100.00%
8	Apollo Nellore Hospitals Limited	India	79.44%	79.44%
9	Apollo Rajshree Hospitals Private Limited	India	54.63%	54.63%
10	Apollo Lavasa Health Corporation Limited	India	51.00%	51.00%
11	Western Hospitals Corporation Private Limited	India	100.00%	100.00%
12	Apollo Hospitals Singapore Pte Ltd, Singapore	Singapore	100.00%	100.00%
13	Sapien Biosciences Private Limited	India	70.00%	70.00%
14	Total Health	India	100.00%	100.00%
15	Apollo Health Care Technology Solutions Limited	India	40.00%	40.00%
16	Apollo Assam Hospitals Limited	India	61.24%	59.08%
17	Apollo Hospitals International Limited	India	50.00%	50.00%
18	Future Parking Private Limited	India	49.00%	49.00%
19	**Step down subsidiaries**			
20	Apollo CVHF Limited	India	63.74%	50.00%
21	Apollo Dialysis Private Limited	India	70.00%	70.00%
22	Alliance Dental Care Limited	India	70.00%	70.00%
23	Apollo Sugar Clinics Limited	India	80.00%	80.00%
24	Apollo Speciality Hospitals Private Limited	India	99.92%	99.92%
25	Apollo Bangalore Cradle Limited (Step down subsidiary of Apollo Health and Lifestyle Limited)	India	100.00%	100.00%
26	Kshema Health Care Private Limited (Step down subsidiary of Apollo Health and Lifestyle Limited)	India	100.00%	100.00%

3.4 Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

3.5 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

a) deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;

b) liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payment at the acquisition date

c) assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard

On acquisition, the Group assesses the classification of the acquiree's assets and liabilities and reclassifies them where the classification is inappropriate for Group purposes.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

3.6 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note 3.4 above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described at note 3.7 below.

3.7 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but does not denote control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Distributions received from an associate or a joint venture reduce the carrying amount of the investment. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

Investments in associates

Particulars	Place of Incorporation	% of holding	
		31st March 2018	31st March 2017
Indraprastha Medical Corporation Limited	India	22.03%	22.03%
Stemcyte India Therapeutics Private Limited	India	24.50%	24.50%
Apollo Munich Health Insurance Company Limited	India	10.00%	10.00%
Family Health Plan Insurance (TPA) Limited	India	49.00%	49.00%

Investments in Joint Ventures

Particulars	Place of Incorporation	% of holding	
		31st March 2018	31st March 2017
Apollo Gleneagles Hospitals Limited	India	50.00%	50.00%
Apollo Gleneagles Hospitals PET CT Private Limited	India	50.00%	50.00%
ApoKos Rehab Private Limited	India	50.00%	50.00%
Family Health Plan Insurance (TPA) Limited	India	49.00%	49.00%
Apollo Amrish Oncology Private Limited (Associate of Apollo Hospitals International Limited)	India	50.00%	50.00%

3.8 Revenue recognition

3.8.1 Rendering of services

Healthcare Services

Revenue primarily comprises fees charged for inpatient and outpatient hospital services. Services include charges for accommodation, theatre, medical professional services, equipment, radiology, laboratory and pharmaceutical goods used. 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.

Unbilled revenue is recorded for the service where the patients are not discharged and invoice is not raised for the service. Revenue is measured at the fair value of the consideration received or receivable.

The service revenues are presented net of related doctor fees and diagnostic charges in cases where the Group is not the primary obligor and does not have the pricing latitude.

Unbilled revenue is recorded for the services where the patients are not discharged and invoice is not raised for the service rendered.

Other Services

(i) Hospital Project Consultancy income is recognised as and when it becomes due, on percentage completion method, on achievement of milestones.

(ii) Income from Clinical Trials on behalf of Pharmaceutical Companies is recognized on completion of the service, based on the terms and conditions specified to each contract.

(iii) One-time franchise license fees is recognised based on achievement of the milestones as per the terms of the contract and where ever there is no bifurcation of total fee then over the period of the agreement.

(iv) Other Franchisee license fee is recognised on accrual basis as per the terms of the contracts.

(v) Other services fee is recognized on basis of the services rendered and as per the terms of the agreement.

(vi) Royalty income is recognised on an accrual basis in accordance with the terms of the relevant agreement.

3.8.2 Sale of Goods

Pharmacy Sales are recognised when the risk and reward of ownership is passed to the customer. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue is reduced for rebates and loyalty points granted upon purchase and are stated net of returns and discounts wherever applicable.

3.8.3 Loyalty Points

Sales of goods that result in award credits for customers, under the Group's Loyalty Points Schemes are accounted for as multiple element revenue transactions and the fair value of the consideration received or receivable is allocated between the goods supplied and the award credits granted. The consideration allocated to the award credits is measured by reference to their fair value – the amount for which the award credits could be sold separately. Such consideration is not recognised as revenue at the time of the initial sale transaction – but is deferred and recognised as revenue when the award credits are redeemed and the Group's obligations have been fulfilled.

3.8.4 Revenue from Insurance business

a. Premium:

Premium (net of service tax) is recognized as income over the contract period or period of risk, whichever is appropriate. Any subsequent revision or cancellation of premium is accounted for in the year in which they occur.

b. Commission on Reinsurance Premium:

Commission on reinsurance ceded is recognized as income in the year of cession of reinsurance premium. Profit commission under reinsurance treaties, wherever applicable, is recognized in the year of determination of the profits and as intimated by the reinsurer.

c. Premium Deficiency:

Premium deficiency is recognized whenever the ultimate amount of expected claims, related expenses and maintenance costs exceeds the related sum of premium carried forward to the subsequent accounting period as reserve for unexpired risk.

d. Reserve for Unexpired Risk:

Reserve for unexpired risk represents that part of the net premium (premium net of reinsurance ceded) attributable to the succeeding accounting period subject to a minimum amount of reserves as required by Section 64V (1) (ii) (b) of the Insurance Act, 1938.

e. Interest / Dividend Income:

Interest income is recognized on accrual basis. Dividend is recognized when the right to receive the dividend is established.

f. Accretion / Amortization of Discounts/ Premium

Accretion of discounts and amortization of premium relating to debt securities is recognized over the holding / maturity period.

3.8.5 Revenue from Third Party Administrator (TPA) Business

Revenue is measured at the fair value of the considerations received or receivable. Income from TPA operations is recognised exclusive of applicable Service tax/ GST. The Company derived its revenue primarily as service fee on Third Party Administration contracts entered into he Insurance Companies. Revenue accrues to the Company bases on the contract entered with the Insurance Company, in respect of policies entrusted to the Company for rendering the TPA Services. All the TPA streams of revenue are being recognized on an accrual basis. Income from TPA operations is recognized exclusive of applicable service tax . Provision for estimated losses on incomplete contract is recorded in the year in which such losses become probable based on the current contract estimates

3.8.6 Revenue from export benefit schemes

Under the "Served from India Scheme" introduced by the Government of India, an exporter of service is entitled to certain export benefits on foreign currency earned. The revenue in respect of export benefits is recognized on the basis of the foreign exchange earned at the rate at which the said entitlement accrues to the extent there is no significant uncertainty as to the amount of consideration that would be derived and as to its ultimate collection.

3.8.7 Revenue from stem cell and other ancillary services

Stemcyte India Therapeutics Private Limited, an associate Company provides services such as stem cell processing, handling, storage and related services. Revenue from delivering services is recognised under the percentage of completion method when the outcome of services provided can be estimated reliably. The safe of completion of a service contract is measured by the percentage of the actual services performed as of the financial reporting date to the total services to be performed. If the outcome of a service contract cannot be estimated reliably, contract revenue should be recognised only to the extent that contract costs incurred are likely to be recoverable

3.8.8 Voluntary contributions

Total Health, a subsidiary Company incorporated under section 8 of the Act is engaged in non-profit activities. Voluntary contributions are accounted on receipt basis.

3.8.9 Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.8.10 Rental income

The Group's policy for recognition of revenue from operating leases is described under note 3.9.1 below.

3.9 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

3.9.1 The Group as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

3.9.2 The Group as lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see note 3.11 below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3.10 Foreign currencies

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

3.11 Borrowings and Borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.12 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

3.13 Employee benefits

3.13.1 Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected in retained earnings and is not reclassified to statement of profit and loss. Past service cost is recognised in statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Group presents the first two components of defined benefit costs in statement of profit and loss in the line item 'Employee benefits expense'.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

3.13.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

3.14 Share-based payment arrangements

3.14.1 Share-based payment transactions

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in the notes to accounts.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is re-measured, with any changes in fair value recognised in profit or loss for the year.

3.15 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

3.15.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Advance taxes and provisions for current income taxes are presented in the Balance Sheet after off-setting advance tax paid and income tax provision

3.15.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3.15.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in accounting for the business combination.

3.16 Property, plant and equipment

Land and buildings mainly comprise of hospitals and offices. Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Expenses in the nature of general repairs and maintenance , i.e. in the nature of day to day service costs are charged to income statement during the financial period in which they are incurred.

Parts of some items of property, plant and equipment may require replacement at regular intervals and this would enhance the life of the asset. The Group recognises these in the carrying value of property, plant & equipment and amortised over the period which is lower of replacement period and its useful life. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of Ind AS 16.

Fixtures, and medical equipment are stated at cost less accumulated depreciation and accumulated impairment losses. All repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Estimated useful lives of the assets are as follows:

Category of assets	Useful Life (in years)
Buildings (Freehold)	60 years
Buildings (Leasehold)	Lease term or 30 years, whichever is shorter (Non cancellable with renewable clause)
Plant and Machinery	15 Years
Electrical Installation and Generators	10 Years
Medical Equipment	13 Years
Surgical Instruments	3 Years
Furnitures and Fixtures	10 Years
Vehicles	8 Years
Office Equipments	5 Years
Computers	3 Years
Servers	6 Years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.17 Intangible assets

3.17.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimates being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

3.17.2 Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

3.17.3 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit and loss when the asset is derecognised.

3.17.4 Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Category of assets	Useful Life (in years)
Software License	3 years
Non Compete Fees	3 years
Trademarks	3 years

3.17.5 Review of useful life and method of depreciation

The amortisation period and method are reviewed at the end of each reporting period to check if the expected useful life of the asset changes from previous estimates, the effect of such change in estimates are accounted for prospectively.

3.18 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of profit and loss.

3.19 Inventories

Inventories of medical consumables, drugs and stores & spares are valued at cost or lower of net realizable value. Net Realizable Value represents the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

Cost is determined as follows:

a. 'Medicines' under healthcare segment is valued on First in First Out (FIFO) basis.
b. 'Medicines' under retail pharmacies segment is valued on weighted average rates.
c. 'Stores and spares' is valued on First in First Out (FIFO) basis.
d. 'Other consumables (including laboratory consumables)' is valued on First in First Out (FIFO) basis.

e. Inventories consist of UCB stem cells stored in the public bank, which are recorded at attributable direct costs to those public stem cells available for transplant. Net realisable value of public stem cells is measured by evaluating various factors impacting the likelihood of being sold within a reasonable storage period.

3.20 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.20.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

3.21 Financial instruments

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value are recognised immediately in profit or loss.

3.21.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(i) Classification of financial assets

Financial Assets that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI) (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

(ii) Amortised Cost and Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

(iii) Investments in equity instruments at FVTOCI

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

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

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

3.21.3 Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

The impairment provisions for trade receivables is based on assumptions about risk of default and expected loss rates. The Group uses judgements in making certain assumptions and selecting inputs to determine impairment of these trade receivables, based on the Group's historical experience towards potential billing adjustments, delays and defaults at the end of each reporting period.

3.21.4 Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

3.21.5 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.

3.22 Financial liabilities and equity instruments

3.22.1 Classification as debt or equity

Debt and equity instruments issued by a Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3.22.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

3.22.3 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below :

3.22.4 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a Group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for not-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group as at fair value through profit or loss are recognised in profit or loss.

3.22.5 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

3.22.6 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a group entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

3.22.7 Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3.22.8 Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

3.23 Put Options

The Group has issued written put option to non-controlling interests in certain subsidiaries of the Group in accordance with the terms of underlying agreement with such option holders. Should the option be exercised, the Group has to settle such liability by payment of cash.

Accounting on Initial Recognition:

The amount that may become payable under the option on exercise is recognised as a financial liability at fair value on the transaction date with a corresponding charge directly to the shareholders' equity.

Subsequent Measurement:

The liability is subsequently accreted through finance charges recognised under finance cost in the Statement of Profit and Loss up to the redemption amount that is payable at the date on which the option first becomes exercisable. In the event that the option expires unexercised, the liability is derecognised with a corresponding adjustment to equity.

3.24 Segment reporting

The Group uses the management approach for reporting information about segments in annual financial statements. The management approach is based on the way the Chief Operating Decision maker organises segments within a Group for making an operating decision and assessing performance. Reportable segments are based on services, legal structure, management structure and any other manner in which the management disaggregates a Company. Based on the management approach model the Group has determined that its business model is comprised of Clinics and Diagnostics. "

3.25 Non Current Asset Held for Sale

The Group classifies non-current assets held for sale if their carrying amounts will be principally recovered through a sale rather than through continuing use of assets and action required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

4 Critical accounting judgements and key sources of estimation uncertainty

The preparation of these financial statements in conformity with recognition and measurement principles of IND AS requires the management of the Group to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amount of income and expenses for the periods presented

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see note 4.2 below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

4.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4.2.1 Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

4.2.2 Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The business acquisitions made by the Company are also accounted at fair values.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group's engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Chief Financial Officer reports the findings to the board of directors of the Company every quarter to explain the cause of fluctuations in the fair value of the assets and liabilities.

4.2.3 Employee Benefits - Defined benefit obligations

The cost of defined benefit plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increase

4.2.4 Litigations

The amount recognised as a provision shall be the best estimate of the expenditure required to settle the present obligation arising during the reporting period

4.2.5 Revenue Recognition

Revenue from fees charged for inpatient and outpatient hospital/clinical services rendered to insured and corporate patients are subject to approvals for the insurance companies and corporates. Accordingly, the Group estimates the amounts likely to be disallowed by such companies based on past trends.

4.2.6 Useful lives of property plant and equipment

The Group reviews the useful life of property plant and equipment at the end of each reporting period. This reassessment may result in depreciation expense in future periods

4.2.7 Recoverability of Deferred Tax Asset

The deferred tax assets recognised primarily relate to business losses, Minimum Alternate Tax (MAT) credit and other deductible temporary differences. The deferred tax asset has been recognized on the basis of management estimate that its recovery is probable in the foreseeable future

4.2.8 Impairment of Financial Assets

The impairment provisions for trade receivables is based on assumptions about risk of default and expected loss rates. The Group uses judgements in making certain assumptions and selecting inputs to determine impairment of these trade receivables, based on the Group's historical experience towards potential billing adjustments, delays and defaults at the end of each reporting period

4.2.9 Impairment of Non - Financial Assets

Determining whether the asset is impaired requires to assess the recoverable amount of the asset or Cash Generating Unit (CGU) which is compared to the carrying amount of the asset or CGU, as applicable. Recoverable amount is the higher of fair value less costs of disposal and value in use. Where the carrying amount of an asset or CGU exceeds the recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

4.2.10 Loyalty Points

Estimations based on past trends of redemption of customer loyalty points is made to determine the value of revenue to be deferred

4.2.11 Income Taxes

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Group reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcomes which could lead to significant adjustment to the amounts reported in the financial statements.

5 Property, Plant and Equipment and Capital Work-in-progress

Particulars	As at March 31, 2018	As at March 31, 2017
Carrying amounts of:		
Land	3,608.96	3,303.49
Buildings	16,429.75	15,911.07
Leasehold Improvements	4,126.20	4,115.61
Plant and Machinery	4,941.61	5,034.57
Medical Equipment	10,778.24	9,981.01
Furniture and Fixtures	2,816.58	2,591.22
Office Equipments	432.16	435.11
Computers	314.88	336.57
Vehicles	337.26	384.44
	43,785.65	**42,093.10**
Capital Work-in-progress	7,121.97	3,468.59
Total	**50,907.62**	**45,561.69**

Particulars	Land (Refer note iv)	Buildings	Leasehold Improvements	Plant & Machinery@	Medical Equipment*	Furniture and Fittings	Office Equipments	Computers#	Vehicles	Total
Balance as at April 1, 2016	**3,305.47**	**12,670.20**	**4,515.18**	**5,598.44**	**10,561.01**	**2,900.13**	**720.65**	**864.02**	**573.91**	**41,709.01**
Additions	-	3,897.46	478.10	1,678.30	2,238.40	534.75	172.19	203.93	145.72	9,348.85
Disposals	(1.98)		(29.31)	(41.02)	(191.34)	(2.81)	(23.95)	(3.61)	(4.53)	(298.56)
Adjustment/ Reclassification	-	-	20.62	5.43	12.68	1.39	0.96	1.37	1.37	43.81
Balance at March 31, 2017	**3,303.49**	**16,567.66**	**4,984.59**	**7,241.15**	**12,620.75**	**3,433.45**	**869.86**	**1,065.71**	**716.46**	**50,803.11**
Additions	305.47	833.82	346.62	473.92	2,206.29	710.69	122.37	152.43	30.18	5,181.80
Disposals	-	(0.01)	(17.66)	(15.03)	(68.26)	(100.86)	(17.24)	(17.22)	(14.78)	(251.05)
Adjustment/ Reclassification	-	-	-	(23.72)	(9.48)	5.21	25.23	(2.55)	-	(5.30)
Balance at March 31, 2018	**3,608.96**	**17,401.48**	**5,313.55**	**7,676.33**	**14,749.30**	**4,048.49**	**1,000.22**	**1,198.37**	**731.86**	**55,728.55**

Accumulated depreciation and impairment

Particulars	Land (Refer note iv)	Buildings	Leasehold Improvements	Plant & Machinery@	Medical Equipment*	Furniture and Fittings	Office Equipments	Computers#	Vehicles	Total
Balance as at April 1, 2016		**401.84**	**684.12**	**1,751.61**	**1,439.36**	**435.21**	**319.29**	**587.61**	**269.82**	**5,888.86**
Eliminated on disposals	-	-	(16.09)	(17.25)	(171.44)	(0.90)	(17.93)	(0.22)	(3.84)	(227.67)
Depreciation expense		254.75	180.34	466.78	1,359.12	406.54	132.41	140.39	64.67	3,005.01
Adjustment/ Reclassification	-	-	20.62	5.43	12.68	1.39	0.96	1.37	1.37	43.81
Balance at March 31, 2017	**-**	**656.59**	**868.98**	**2,206.58**	**2,639.73**	**842.23**	**434.75**	**729.14**	**332.02**	**8,710.01**
Eliminated on disposals	-	(11.88)	(4.07)	(8.63)	(53.26)	(43.34)	(15.65)	(16.58)	(11.83)	(165.24)
Depreciation expense		327.02	322.43	540.75	1,385.15	432.08	144.33	175.42	74.41	3,401.58
Adjustment/ Reclassification	-	-	-	(3.97)	(0.56)	0.94	4.64	(4.49)	-	(3.45)
Balance at March 31, 2018	**-**	**971.73**	**1,187.35**	**2,734.72**	**3,971.06**	**1,231.90**	**568.06**	**883.48**	**394.60**	**11,942.90**
Carrying amount as on March 31, 2017	**3,303.49**	**15,911.07**	**4,115.61**	**5,034.57**	**9,981.01**	**2,591.22**	**435.11**	**336.57**	**384.44**	**42,093.10**
Carrying amount as on March 31, 2018	**3,608.96**	**16,429.75**	**4,126.20**	**4,941.61**	**10,778.24**	**2,816.58**	**432.16**	**314.88**	**337.26**	**43,785.65**

@ Includes electrical installation and generators | * Includes surgical equipments | # Includes Servers

Notes:

(i) Refer Note 21 for information on Property, Plant & Equipment pledged as security by the Company for securing financing facilities from banks and financial institutions.

(ii) Refer Note 52 for the contractual capital commitments for purchase of Property, plant & equipment.

(iii) Refer note 35 for details of interest capitalised during the year under Capital Work in Progress.

(iv) In respect of one of its subsidiary company Imperial Health and Research Company Limited (IHRCL) which operates its hospital from a land that was originally allotted by State Government of Karnataka which was subject to compliance of certain terms and conditions. During the year 2014-15IHRCL had received an order from the Special Deputy Commissioner alleging non-compliance of certain conditions associated with the allotment of the land. Further the said authority has also demanded to surrender the land along with the building constructed thereon, in favour of a Government run Hospital.

IHRCL had approached legal experts and taken their legal opinions to say that:

(a) there is no violation on the part of the IHRCL of any terms and conditions of the allotment

(b) There is no threat to the marketable title of the property held by IHRCL

A notice dated 19.04.2018, issued by the Directorate of Medical Education, Government of Karnataka was received by IHRCL seeking to handover the property along with the operations of the hospital to the designated committee. On receipt of this Notice, IHRCL approached the Hon. Karnataka High Court and has obtained the stay order dated 27th April 2018, against the operation of the order dated 19.03.2015 of the Special Deputy commissioner and also against the notice dated 19.04.18 of the Directorate of Medical Education. Thus the entire proceedings is stayed by the High court and the matter is sub-judice.

The senior counsel and legal experts have given a clear opinion about the matter and have stated that ""there is no likelihood of Imperial losing the property since Imperial has been able to establish that there is no violation of the grant conditions"", indicating that there is no threat to the title, ownership or possession of the land and building and also for carrying out their operations.

6 Investment Property

Particulars	As at March 31, 2018	As at March 31, 2017
Carrying amounts of:		
Building (Multi-level Car Park)	71.48	77.65
Total	**71.48**	**77.65**

Particulars	Building
Balance at beginning of the year	83.82
Additions	-
Disposals	-
Balance at end of year 2017	**83.82**
Additions	-
Disposals	-
Balance at end of year 2018	83.82
Accumulated depreciation and impairment	
Balance at beginning of year	**-**
Amortisation expense	6.17
Eliminated on Disposals	-
Balance at end of year 2017	**6.17**
Amortisation expense	6.17
Eliminated on Disposals	-
Balance at end of year 2018	**12.34**
Carrying amount as on March 31, 2017	77.65
Carrying amount as on March 31, 2018	71.48

Fair Value of Group's investment Property

The group obtained independent valuations for its investment property. Accordingly the fair value of the group's investment properties as at March 31, 2018 is ₹ 276.80 Million on the basis of valuation carried out by independent valuers not related to Company. The said valuers are registered with the authority which governs the valuers in India and have appropriate qualifications and relevant experience in the valuation of properties in the relevant locations.

Basis for arriving the fair value

The guideline value as pronounced by the government has been considered as base for fair valuation. Further, detailed enquiries have been made to arrive at the prevailing market rates for smilar plots in that area. Appropriate premiums as necessary as considered on a conservative basis taking into account the topography, location advantage.

7 Goodwill

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Balance	3,462.52	3,462.52
Accumulated impairment losses	(0.53)	-
Total	**3,461.99**	**3,462.52**

(i) Allocation of goodwill to cash generating units:

Goodwill has been allocated for impairment testing purposes to the following cash-generating unit. The following table presents the allocation of goodwill to reportable segments:

Cash generating units	As at March 31, 2018	As at March 31, 2017
Standalone Pharmacies	948.30	948.30
Healthcare	2,061.73	2,061.73
Clinics	384.49	385.02
Others	67.47	67.47
Total	**3,461.99**	**3,462.52**

(ii) Key assumptions used for value-in-use calculations

The Company tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which uses cash flow projections based on financial budgets approved by management covering periods ranging from 5 - 6 years as the Company believes this to be the most appropriate time scale for reviewing and considering annual performance before applying a fixed terminal value multiple to the final cash flows.

Key Assumptions	Standalone Pharmacy
Discount Rate	12% - 17%
Growth Rate (used for determining Terminal Value)	2% - 5%

Discount Rate- Management estimates discount rates using pre-tax rates that reflect current market assessments of the risks specific to the CGU, taking into consideration the time value of money and individual risk of the underlying asset that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and its operating segments and is derived from its weighted average cost of the capital (WACC)

Growth Rates- The growth rates are based on the industry growth forecast. Management determines the budgeted growth rate based on past performance and its expectation on its market development. The weighted average growth rate used were consistent with industry reports

Based on the assessment, the management has concluded that there is no impairment of goodwill in respect of CGU. The management believes that any reasonably possible further change in key assumptions on which recoverable amount is based would not cause the carrying amount to exceed its recoverable amount.

8 Intangible Assets

Particulars	As at March 31, 2018	As at March 31, 2017
Carrying amounts of:		
Software Licence	392.30	214.00
Trademark	2.29	21.77
Non Compete Fee	14.88	41.52
Total	**409.47**	**277.29**

Particulars	Software Licence	Trademark	Non Compete Fee	Total
Balance at beginning of the year	403.67	66.66	115.37	585.71
Additions	170.26	-	-	170.26
Disposals	(0.06)			(0.06)
Adjustment/Reclassification	0.05		(31.38)	(31.33)
Balance at end of year 2017	**573.92**	**66.66**	**83.99**	**724.58**
Additions	336.55	-	-	336.55
Disposals	(0.03)	(0.26)	(15.74)	(16.03)
Adjustment/Reclassification	0.69			0.69
Balance at end of year 2018	**911.12**	**66.40**	**68.25**	**1,045.79**
Accumulated depreciation and impairment				
Balance at beginning of year	281.39	21.32	22.59	325.31
Amortisation expense	80.35	23.56	25.31	129.22
Eliminated on Disposals	(1.86)		(5.44)	(7.30)
Adjustment/Reclassification	0.05			0.05
Balance at end of year 2017	**359.92**	**44.88**	**42.47**	**447.28**
Amortisation expense	157.28	19.45	5.81	182.54
Eliminated on Disposals	0.63	(0.23)	5.09	5.49
Adjustment/Reclassification	1.00			1.00
Balance at end of year 2018	**518.82**	**64.11**	**53.37**	**636.32**
Carrying amount as on March 31, 2017	**214.00**	**21.77**	**41.52**	**277.29**
Carrying amount as on March 31, 2018	**392.30**	**2.29**	**14.88**	**409.47**

9 Investment in Equity Accounted Investee

Name of the Body Corporate	Associate/ Joint Ventures	Quoted / Unquoted	As at 31st March, 2018		As at 31st March, 2017	
			Quantity	Amount	Quantity	Amount
Indraprastha Medical Corporation Limited	Associate	Quoted	20,190,740	657.71	20,190,740	640.99
Stemcyte India Therapeutics Private Limited	Associate	Unquoted	240,196	68.34	240,196	74.40
Apollo Gleneagles Hospitals Ltd	Joint Venture	Unquoted	54,675,697	1,137.06	54,675,697	1,212.60
Apollo Gleneagles PET-CT Pvt Ltd	Joint Venture	Unquoted	8,500,000	45.76	8,500,000	51.02
ApoKos Rehab Pvt Ltd	Joint Venture	Unquoted	5,750,000	69.88	5,750,000	69.51
Apollo Munich Health Insurance Company Ltd	Associate	Unquoted	35,709,000	434.41	35,709,000	419.17
Family Health Plan Limited	Associate	Unquoted	490,000	350.35	490,000	317.37
Total				**2,763.51**		**2,785.06**

Aggregate book value of quoted investments	657.71	640.99
Aggregate market value of quoted investments	975.21	1,104.43
Aggregate carrying value of unquoted investments	2,105.81	2,144.07

9.1 Details of material associates

The Group has interest in the following companies. The Group has significant influence either by virtue of shareholding being more than 20% or through Board representation. However the Group does not have control or joint control over any of them.

Name	Principal Activity	Place of Incorporation and Principal place of Business	Proportion of ownership interest / voting rights held by the Group	
			Amount 31st March, 2018	Amount 31st March, 2017
Indraprastha Medical Corporation Limited	Health Care and services	India	22.03%	22.03%
Stemcyte India Therapeutics Private Limited	Health Care and services	India	24.50%	24.50%
Apollo Munich Health Insurance Company Limited	Health Insurance	India	10.00%	10.00%
Family Health Plan Limited	Health Insurance	India	49.00%	49.00%

9.1.1 All the above associates are accounted for using the equity method in these consolidated financial statements.

9.1.2 In respect of its associate Company Apollo Munich Health Insurance Company Limited, although the group holds less than 20% of equity shares and less than 20% of voting power at shareholder meetings, the group exercises significant influence by virtue of its joint contractual right to appoint 4 out of 6 directors of that Company along with Apollo Energy Limited which has been jointly referred as "Apollo Group" in the shareholder agreement.

9.2 Summarised financial information of material associates

The summarised financial information below represents amounts shown in the material's associate financial statements prepared in accordance with Ind ASs adjusted by the Group for equity accounting purposes.

9.2.1 Indraprastha Medical Corporation Limited (IMCL)

	As at March 31, 2018	As at March 31, 2017
Non-current assets	3,000.87	3,005.04
Current assets	1,361.11	1,579.40
Non-current liabilities	(622.50)	(418.74)
Current liabilities	(1,416.35)	(1,857.40)
Net Assets	**2,323.13**	**2,308.30**
Ownership held by the group	22.03%	22.03%
Group's Share of Net Assets	511.79	508.52
Add: Goodwill on consolidation	160.21	160.21
Add: Others	(14.29)	(27.74)
Carrying amount of group's interest in IMCL	**657.71**	**640.99**

	As at March 31, 2018	As at March 31, 2017
Revenue	7,483.56	7,657.16
Profit from continuing operations (after tax)	211.03	262.45
Other comprehensive income for the year	2.43	6.94
Total comprehensive income for the year	213.46	269.39
Proportion of the Group's ownership interest in Total Comprehensive Income	**47.03**	**59.35**

9.2.2 Family Health Plan Insurance TPA Limited (FHPTL)

	As at March 31, 2018	As at March 31, 2017
Non-current assets	751.10	608.48
Current assets	419.65	342.86
Non-current liabilities	(204.88)	(134.76)
Current liabilities	(220.86)	(138.89)
Net Assets	**745.01**	**677.69**
Ownership held by the group	49%	49%
Group's Share of Net Assets	365.05	332.07
Add: Goodwill on consolidation	(14.70)	(14.70)
Carrying amount of group's interest in FHPTL	**350.35**	**317.37**

9.3 Investments in joint ventures

9.3.1 Details of material joint ventures

The Group has interest in the following companies. This has been accounted for using the equity method in the consolidated financial statements. The Group has joint control by virtue of contractual arrangements.

Name of associate	Principal Activity	Proportion of ownership interest / voting rights held by the Group	
		As at March 31, 2018	As at March 31, 2017
Apollo Gleneagles Hospitals Limited	Healthcare and services	50.00%	50.00%
Apollo Gleneagles Hospitals PET CT Private Limited	Healthcare and services	50.00%	50.00%
ApoKos Rehab Private Limited	Healthcare and services	50.00%	50.00%

9.3.2 Summarised financial information of material joint ventures

The summarised financial information below represents amounts shown in the joint venture Company's financial statements prepared in accordance with Ind ASs adjusted by the Group for equity accounting purposes.

	As at March 31, 2018	As at March 31, 2017
Non-current assets	3,569.00	3,722.18
Current assets	1,443.12	1,104.86
Non-current liabilities	(542.25)	(702.96)
Current liabilities	(2,286.48)	(1,789.60)
Net Assets	**2,183.39**	**2,334.48**
Ownership held by the group	50%	50%
Group's Share of Net Assets	1,091.70	1,167.24
Add: Goodwill on consolidation	45.36	45.36
Carrying amount of group's interest in AGHL	**1,137.06**	**1,212.60**

	As at March 31, 2018	As at March 31, 2017
Revenue	5,327.73	6,397.56
Loss from continuing operations (after tax)	(151.21)	325.47
Other comprehensive income for the year	0.11	(2.69)
Total comprehensive income for the year	(151.10)	322.78
Proportion of the Group's ownership interest in Total Comprehensive Income	**(75.55)**	**161.39**

9.3.3. Apollo Gleneagles Hospital Limited (AGHL)

	As at March 31, 2018	As at March 31, 2017
Revenue	1,085.79	940.32
Profit from continuing operations (after tax)	55.03	80.21
Other comprehensive income for the year	12.28	89.95
Total comprehensive income for the year	67.31	170.16
Proportion of the Group's ownership interest in Total Comprehensive Income	**32.98**	**83.38**

9.3.4 Apollo Gleneagles PET-CT Private Limited (Pet CT)

	As at March 31, 2018	As at March 31, 2017
Non-current assets	91.73	75.15
Current assets	34.85	49.15
Non-current liabilities	(19.46)	(7.62)
Current liabilities	(15.59)	(14.65)
Net Assets	**91.53**	**102.04**
Ownership held by the group	50.00%	50.00%
Group's Share of Net Assets	45.76	51.02
Carrying amount of group's interest in Pet CT	**45.76**	**51.02**

	As at March 31, 2018	As at March 31, 2017
Revenue	104.33	98.58
Profit from continuing operations (after tax)	(10.33)	(12.33)
Other comprehensive income for the year	(0.19)	(0.11)
Total comprehensive income for the year	(10.52)	(12.44)
Dividends received from the associate during the year	-	-
Proportion of the Group's ownership interest in Total Comprehensive Income	**(5.26)**	**(6.22)**

9.3.5 ApoKos Rehab Private Limited (ApoKos)

	As at March 31, 2018	As at March 31, 2017
Non-current assets	99.93	107.87
Current assets	59.49	41.45
Non-current liabilities	(1.55)	(0.82)
Current liabilities	(18.10)	(9.48)
Net Assets	**139.77**	**139.01**
Ownership held by the group	50%	50%
Group's Share of Net Assets	69.88	69.51
Carrying amount of group's interest in ApoKos	**69.88**	**69.51**

	As at March 31, 2018	As at March 31, 2017
Revenue	65.37	27.92
Profit from continuing operations (after tax)	0.92	(15.25)
Other comprehensive income for the year	(0.16)	(0.00)
Total comprehensive income for the year	0.76	(15.25)
Proportion of the Group's ownership interest in Total Comprehensive Income	**0.38**	**(7.62)**

9.4 The group's share of commitment and contingent liabilities in respect of its associates and joint venture is disclosed as part of Note 52 and Note 53.

10 Other Investments

Particulars	Year Ended March 31, 2018		Year Ended March 31, 2017	
	Non Current	Current	Non Current	Current
Investment carried at Fair Value through Profit and Loss				
(a) Mutual Funds	32.57	578.73	155.69	1,058.45
(b) Other Investments	129.90	-	133.67	-
Investments in equity instruments at FVTOCI				
(a) Investment in Equity instruments	5.63	-	5.08	-
Investments carried at amortised cost				
(a) Other Investments	37.23	-	34.37	-
(b) Investments in Government or Trust securities	0.02	-	0.04	-
(c) Guarantee Provided	0.39	-	0.39	-
Grand Total (A + B)	**205.74**	**578.73**	**329.24**	**1,058.45**
Less : Provision for diminution in the value of Investments	(112.30)	-	(112.30)	-
Total	**93.44**	**578.73**	**216.94**	**1,058.45**
Aggregate carrying value of unquoted investments	93.44	578.73	216.94	1,058.45
Total	**93.44**	**578.73**	**216.94**	**1,058.45**

10.1 Investment carried at Fair Value through Profit and Loss - Non Current

Name of the Body Corporate	Quoted / Unquoted	Partly Paid / Fully paid	Amount March 31, 2018	Amount March 31, 2017
Mutual Funds				
Reliance Income Fund Retail plan - Growth plan Option (Growth)	Unquoted	Fully paid	1.66	-
Kotak Flexi Debt	Unquoted	Fully paid	30.91	-
UTI Floating rate fund	Unquoted	Fully paid	-	3.90
DHFL Pramerica Insta Cash plus fund	Unquoted	Fully paid	-	32.72
IDFC All seasons Bond Fund	Unquoted	Fully paid	-	14.96
Kotak Floater short term	Unquoted	Fully paid	-	32.00
Kotak Bond short term	Unquoted	Fully paid	-	20.77
Reliance short term fund	Unquoted	Fully paid	-	20.64
Reliance income fund - 30231	Unquoted	Fully paid	-	1.61
Kotak flexi - 1386366	Unquoted	Fully paid	-	29.09
Total			**32.57**	**155.69**

10.2 Investment carried at Fair Value through Profit and Loss - Current

Name of the Body Corporate	Quoted / Unquoted	Partly Paid / Fully paid	Amount March 31, 2018	Amount March 31, 2017
Mutual Funds				
Canara Robeco Short Term Fund - Reg - Growth	Unquoted	Fully paid	-	13.70
DHFL Pramerica Short Maturity Fund - Growth	Unquoted	Fully paid	-	142.59
ICICI Prudential STP - Growth	Unquoted	Fully paid	-	119.97
Reliance Short Term Fund - Growth	Unquoted	Fully paid	-	367.80
Canara Robeco Medium Term Opportunities Fund - Reg - Growth	Unquoted	Fully paid	-	2.88
Canara Robeco Savings Plus Fund - Reg - Growth	Unquoted	Fully paid	-	35.70
HDFC Debt Fund for Cancer Cure 2014 - Reg - 100% Dividend Donation	Unquoted	Fully paid	20.06	20.05
Reliance Income Fund	Unquoted	Fully paid	0.02	8.68
Reliance Short term Fund	Unquoted	Fully paid	0.46	10.10
Birla Sun Life	Unquoted	Fully paid	53.64	59.68
HDFC High interest Fund	Unquoted	Fully paid	-	58.92
ICICI Prudential	Unquoted	Fully paid	54.39	59.92
Kotak Mutual Funds	Unquoted	Fully paid	-	30.13
DHFL Pramerica Banking PU Debt Fund	Unquoted	Fully paid	-	2.30
UTI Floating rate fund	Unquoted	Fully paid	4.17	
DHFL Pramerica Insta Cash Plus Fund	Unquoted	Fully paid	34.43	104.36
IDFC All Seasons Bond Fund	Unquoted	Fully paid	21.68	-
Kotak Floater Short Term	Unquoted	Fully paid	34.17	-
Kotak Bond Short Term	Unquoted	Fully paid	21.92	-
Reliance Short Term Fund	Unquoted	Fully paid	72.74	-
Axis Short Term Fund	Unquoted	Fully paid	20.53	-
Aditya Birla Sun life Short term fund	Unquoted	Fully paid	51.13	-
HDFC Short Term Opp. Fund	Unquoted	Fully paid	20.63	-
ICICI Equity Arbitrage Fund	Unquoted	Fully paid	51.34	-
ICICI Short Term Plan Growth	Unquoted	Fully paid	20.46	-
Reliance Short Term Fund - (STAGG)	Unquoted	Fully paid	4.58	-
SBI STD Fund - Reg plan Growth	Unquoted	Fully paid	50.96	21.67
IDFC Arbitrage Fund Growth	Unquoted	Fully paid	20.69	-
Kotak Equity Arbitrage Fund	Unquoted	Fully paid	20.73	-
Total			**578.73**	**1,058.45**

10.3 Investment carried at Fair Value through Profit and Loss (Non Current)

Name of the Body corporate	Face Value	Quoted/ Unquoted	Fully paid/ Partly paid	As at March 31, 2018		As at March 31, 2017	
					Amount	Quantity	Amount
Other Investments							
Searchlight Health Private Limited	10.00	Unquoted	Fully Paid	4,06,514	16.27	4,06,514	21.34
Kurnool hospitals Enterprise Limited	10.00	Unquoted	Fully Paid	1,57,500	1.73	1,57,500	1.73
AMG Health care Destination Private Limited	10.00	Unquoted	Fully Paid	12,32,500	12.33	12,32,500	12.33
Cureus .Inc (Stanford - US)	10.00	Unquoted	Fully Paid	9,35,000	27.43	9,35,000	27.43
British American Hospitals Enterprises Limited	100MUR	Unquoted	Fully Paid	4,64,333	67.94	4,64,333	67.94
Cholamandalam Finance	10.00	Unquoted	Fully Paid	1,000	1.45	1,000	0.96
The Karur Vysya Bank Ltd	10.00	Unquoted	Fully Paid	12,811	2.25	12,811	1.44
Matrix Agro Pvt Ltd	10.00	Unquoted	Fully Paid	5,00,000	0.50	5,00,000	0.50
Total					**129.90**		**133.67**

10.4 Investments in equity instruments at FVTOCI (Non-Current)

Name of the Body corporate	Face Value	Quoted/ Unquoted	Fully paid/ Partly paid	As at March 31, 2018		As at March 31, 2017	
					Amount	Quantity	Amount
Searchlight Health Private Limited	10.00	Unquoted	Fully paid	2,01,000.00	5.63	2,01,000.00	5.08
Sunrise Medicare Private Limited	10.00	Unquoted	Fully paid	78.00	0.00	78.00	0.00
Total					**5.63**	**2,01,078.00**	**5.08**

10.5 Investments carried at amortised cost (Non-Current)

Name of the Body corporate	Face Value	Quoted/ Unquoted	Fully paid/ Partly paid	As at March 31, 2018		As at March 31, 2017	
					Amount	Quantity	Amount
Other Investments							
Clover energy Private Limited	10	Unquoted	Fully Paid	1,929,250	14.16	1,929,250	16.22
Leap Green Energy Private Limited	10	Unquoted	Fully Paid	97,600	1.43	97,600	1.43
Indo Wind Power Private Limited	10	Unquoted	Fully Paid	10,650	-	10,650	0.15
Tirunelveli Vayu Energy Generation Private Limited	1000	Unquoted	Fully Paid	36	13.60	36	13.61
Iris Ecopower Venture Private Limited	10	Unquoted	Fully Paid	-	1.83	-	1.11
VMA Wind Energy India Private Limited	10	Unquoted	Fully Paid	130,000	1.30	130,000	1.30
Array land developers Private Limited	10	Unquoted	Fully Paid	50,000	0.50	50,000	0.50
Morgan securities & credit Private Limited	10	Unquoted	Fully Paid	5,000	0.05	5,000	0.05
Citron ECO Power Private Limited	10	Unquoted	Fully Paid	-	4.36	-	-
Total					**37.23**		**34.34**

10.6 Investments in Government or Trust securities

Name of the Body corporate	Quoted/ Unquoted	Fully paid/Partly paid	As at March 31, 2018	As at March 31, 2017
National Savings Certificate	Unquoted	Fully Paid	0.02	0.04
Total			**0.02**	**0.04**

11 Investments in Debentures

Name of the Body corporate	Face Value	No. of Shares/Units as at March 31, 2018	No. of Shares/Units as at March 31, 2017	Quoted/ Unquoted	Fully paid/ Partly paid	March 31, 2018	March 31, 2017
Investments carried at Amortised Cost							
Apollo Munich Health Insurance Company Limited (Redeemable non-convertible debentures)	10,00,000	80	-	Unquoted	Fully paid	80.00	-
Total						**80.00**	**-**
Aggregate carrying value of unquoted investments						80.00	-

12 Trade Receivables

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
Trade receivables				
Unsecured, considered good	-	8,846.18	-	7,505.34
Doubtful	-	1,182.32	-	716.60
Allowance for doubtful debts (expected credit loss allowance)	-	(1,182.32)	-	(716.60)
Total	**-**	**8,846.18**	**-**	**7,505.34**

Majority of the Groups' transactions are earned in cash or cash equivalents. The trade receivables comprise mainly of receivables from Insurance Companies, Corporate customers and Government Undertakings. The entity's exposure to credit risk in relation to trade receivables is low.

The average credit period on sales of services is 30-60 days.

The Group has used a practical expedient by computing the expected credit loss allowance for receivables. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix.

No single customer represents 10% or more of the group's total revenue during the year ended March 31, 2018 and March 31, 2017. Therefore the customer concentration risk is limited due to the large and unrelated customer base.

12.1 The provision matrix at the end of the reporting period is as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Less than 6 months past due	0.00%	0.00%
6 months to 12 months past due	upto 12.5%	upto 12.5%
1 to 2 years past due	Upto 35%	Upto 35%
2 to 3 years past due	upto 96%	upto 96%
>3 years past due	upto 100%	upto 100%

12.2 Ageing

Particulars	As at March 31, 2018	As at March 31, 2017
Less than 1 year	7,484.70	6,505.30
More than 1 year	2,543.80	1,716.64
Total	**10,028.50**	**8,221.94**

12.3 Movement in the expected credit loss allowance

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Balance at beginning of the year	**716.60**	**690.28**
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	465.72	26.32
Balance at end of the year	**1,182.32**	**716.60**

13 Other Financial Assets

(Unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
(a) Security Deposits	2,021.08	199.90	2,012.76	74.50
(b) Other Advances	173.00	1,092.90	472.07	1,106.19
(c) Advances for Investments	42.25	-	8.26	-
(d) Advances to employees	0.17	159.11	-	128.69
(e) Derivative Financial Instruments	285.85	-	396.06	-
(f) Interest receivable	1.00	91.26	-	61.84
(g) Rent Receivable		2.53	-	-
(h) Finance Lease Receivable (Refer Note (i))	4.54		6.97	0.54
(i) Unbilled Revenue		29.92	-	-
(j) Franchise Fee Receivable	-	28.59	-	23.92
Total	**2,527.89**	**1,604.21**	**2,896.11**	**1,395.68**

(i) Leasing arrangements

The Company entered into finance lease arrangements with AHERF for its Building in Hyderabad. All leases are denominated in Indian Rupees. The average term of finance leases entered into is 99 years.

Amounts receivable under finance leases

Particulars	As at March 31, 2018		Present value of minimum lease payments	
	As at March 31, 2018	As at March 31, 2018	As at March 31, 2018	As at March 31, 2018
Not later than one year	0.54	0.54	0.00	0.00
Later than one year and not later than five years	2.18	2.18	0.00	0.00
Later than five years	47.62	48.17	4.54	4.54
Less: unearned finance income	45.80	46.35	-	-
Present value of minimum lease payments receivable	4.54	4.54	4.54	4.54
Allowance for uncollectible lease payments	-	-	-	-
Total	**4.54**	**4.54**	**4.54**	**4.54**

The interest rate inherent in the leases is considered as the average incremental borrowing rate which is approximately 12% per annum (as at March 31, 2017: 12% per annum).

14 Inventories

Particulars	As at March 31, 2018	As at March 31, 2017
Inventories ((Lower of cost and net realisable value))		
(a) Medicines	5,196.57	4,107.30
(b) Stores and Spares	238.31	191.08
(c) Lab Materials	69.54	151.07
(d) Other Consumables	154.00	219.22
Total	**5,658.42**	**4,668.67**

The mode of valuation of inventories has been stated in note 3.19

The cost of inventories recognised as an expenses includes ₹14,609.72 Million as at March 31,2108 and ₹13,662.11 as at March 31, 2017.

15 Cash and Cash Equivalents

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Balances with Banks (including deposits with original maturity upto 3 months)		
(i) In Current Accounts	2,678.38	2,149.96
(ii) In Deposit Accounts	178.61	497.73
(b) Cash on hand	181.88	112.07
(c) Cheques on Hand	24.46	68.06
Total	**3,063.33**	**2,827.82**

16 Other Bank Balance

Particulars	As at March 31, 2018	As at March 31, 2017
Balances with Banks in earmarked accounts		
(a) Unpaid Dividend Accounts	34.44	31.98
(b) Term Deposits held as Margin Money	1,074.71	2,385.19
Total	**1,109.15**	**2,417.17**

17 Other Assets

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
(a) Capital Advances	641.70		2,190.55	-
(b) Advance to suppliers	7.21	762.29	11.05	920.90
(c) Prepaid Expenses	85.47	455.94	-	498.13
(d) Prepayment towards leasehold land (Refer Note i)	654.44		666.30	
(e) Balances with Statutory Authorities	281.47	1.60	254.63	-
(f) Other Receivable	-	121.40		-
Total	**1,670.30**	**1,341.23**	**3,122.54**	**1,419.03**

Note (i) : Includes ₹603.65 million (Previous year ₹615.52 million) being the upfront lease premium paid to the City and Industrial Development Corporation of Maharashtra Limited ("CIDCO") by the Company for granting a leasehold right for a period of 60 years to use the allotted land for developing a multi speciality hospital at Navi Mumbai.

18 Equity Share Capital

Particulars	As at March 31, 2018	As at March 31, 2017
Equity share capital		
Authorised Share capital		
200,000,000(2017-18 : 200,000,000) Equity Shares of ₹5/- each	1000.00	1000.00
1,000,000(2017-18 : 1,000,000) Preference Shares of ₹100/- each	100.00	100.00
Issued		
139,658,177 (2017-18: 139,658,177) Equity shares of ₹5/- each	698.29	698.29
Subscribed and Paid up capital		
139,125,159 fully paid equity shares of ₹5 each (as at March 31, 2017: 139,125,159)	695.63	695.63
Total	**695.63**	**695.63**

18.1 Fully paid equity shares

Particulars	Number of shares	Share capital
Balance at April 1, 2017	139,125,159	695.63
Movement during the year 2017-18	-	-
Balance at March 31, 2018	139,125,159	695.63

18.2 Details of shares held by each shareholder holding more than 5% shares

The Company has equity shares having a nominal value of ₹5 each. Accordingly, all equity shares rank equally with regard to dividend and share in the Company's residual assets. Each holder of equity shares is entitled to one vote per share. The equity shares are entitled to receive dividend as declared from time to time. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

18.3 Details of shares held by each shareholder holding more than 5% shares

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of Shares held	% holding of equity shares	Number of Shares held	% holding of equity shares
Fully paid equity shares				
PCR Investments Limited	27,223,124	19.57	27,223,124	19.57
Integrated (Mauritius) Healthcare Holdings Limited	-	-	6,654,172	4.78
Oppenheimer Developing Markets Fund	11,818,039	8.49	11,784,285	8.47

The Company had issued 9,000,000 Global Depository Receipts of ₹10 (now 18,000,000 Global Depository Receipts of ₹5) each with two-way fungibility during the year 2005-06. Total GDRs converted into underlying Equity shares for the year ended 31st March 2018 is 762,690 (31st March 2017 is 83,138) of ₹5 each and total Equity shares converted back to GDR for the year ended 31st March 2018 is 83,784 (31st March 2017 is 384,562) of ₹5 each. Total GDRs outstanding as at 31st March 2018 is 423,866 (Previous year 1,102,772).

19 Other Equity

Particulars	Note	As at March 31, 2018	As at March 31, 2017
General reserve	19.1	11,249.58	11,249.58
Securities premium reserve	19.2	17,138.52	17,138.52
Capital Reserves	19.3	30.44	30.44
Retained earnings	19.4	2,601.64	3,472.08
Capital redemption reserve	19.5	60.02	60.02
Debenture redemption reserve	19.6	1,750.00	1,297.50
Revaluation Reserve	19.7	77.61	77.61
Shares Options Outstanding Account	19.8	18.92	12.75
Reserve for defined benefit obligation through other comprehensive income	19.9	(409.64)	(238.54)
Reserve for equity instruments through other comprehensive income	19.10	(4.56)	(4.96)
IND AS Transition reserve		(693.11)	(693.11)
Balance at the end of the year		**31,819.42**	**32,401.89**

19.1 General reserve

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at beginning of year	11,249.58	11,249.58
Transfer from Profit and Loss	-	
Balance at the end of the year	**11,249.58**	**11,249.58**

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit or loss.

19.2 Securities premium reserve

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at beginning of year	17,138.52	17,138.52
Movement during the year	-	-
Balance at the end of the year	**17,138.52**	**17,138.52**

Securities premium is used to record premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013 (the "Companies Act").

19.3 Capital Reserves

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at beginning of year	30.44	30.44
Movement		
Balance at the end of the year	**30.44**	**30.44**

19.4 Retained earnings

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at beginning of year	3,472.08	4,887.51
Movement during the year :-		
Gross Obligation over written Put Option	(500.45)	(3,581.58)
Profit attributable to owners of the Company	1,174.18	2,209.90
Non-Controlling Interest	(73.82)	-
Adjustments towards Non Controlling Interest	(9.48)	-
Transfer to Debenture Redemption Reserve	(452.50)	-
Payment of dividends on equity shares	(1,007.08)	(36.35)
Dividend Distribution Tax	(1.29)	(7.40)
Balance at the end of the year	**2,601.64**	**3,472.08**

In respect of the year ended March 31, 2018, the directors propose that a dividend of ₹5 per share be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. For the year 2016-17 dividend of ₹6 per share was paid.

19.5 Capital Redemption reserve

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at beginning of year	60.02	60.02
Movement during the year	-	-
Balance at the end the of year	**60.02**	**60.02**

The Companies Act requires that where a Company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet. The capital redemption reserve account may be applied by the Company, in paying up unissued shares of the Company to be issued to shareholders of the Company as fully paid bonus shares.

19.6 Debenture Redemption reserve

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at beginning of year	1,297.50	1,297.50
Movement during the year	452.50	-
Balance at the end the of year	**1,750.00**	**1,297.50**

Debenture Redemption Reserve is created out of the profits of the Company available for the payment of dividends and such reserve shall be utilised only for the redemption of debentures.

19.7 Revaluation reserve

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at beginning of year	77.61	77.61
Movement during the year	-	-
Balance at the end the of year	**77.61**	**77.61**

19.8 Share Options Outstanding Account

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at beginning of year	12.75	8.33
Movement during the year	6.17	4.42
Balance at the end the of year	**18.92**	**12.75**

Shares options outstanding account relates to share options granted by the Company to its employees under its employees share option plan. These will be transformed to retained earnings after the exercise of the underlying options.

19.9 Reserve for Defined Benefit Obligations through other comprehensive income

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at beginning of year	(238.54)	(19.03)
Movement during the year	(171.10)	(219.51)
Balance at the end the of year	**(409.64)**	**(238.54)**

19.10 Reserve for equity instruments through other comprehensive income

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at beginning of year	(4.96)	(5.47)
Movement during the year	0.40	0.51
Balance at the end the of year	**(4.56)**	**(4.96)**

20 Non-Controlling Interests

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Balance	1,245.75	779.30
Loss attributable to Non Controlling Interest (NCI)	(578.61)	(898.70)
Other comprehensive Income	(0.90)	-
Movement on account of share based compensation	43.10	-
Additional non-controlling interest on acquisition of a subsidiary	-	583.67
Movement on account of change in shareholding of existing subsidiaries	114.58	1,699.98
Gross obligation over written put option	500.45	(918.50)
Balance at end of year	**1,324.37**	**1,245.75**

20.1 Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of the Subsidiaries	Proportion of ownership interests and voting rights held by non - controlling interests		Profit (loss) allocated to non- controlling interest		Accumulated non - controlling interests Amount in Million	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Imperial Hospital and Research Centre Limited	10.00%	10.00%	9.00	8.13	65.95	56.95
Apollo Health & Lifestyle Limited	31.36%	31.36%	(549.84)	(839.26)	104.10	106.94
Apollo Rajshree Hospital Private Limited	45.37%	45.37%	(22.58)	(27.74)	9.44	32.93
Apollo Lavasa Health Corporation Limited	49.00%	49.00%	(18.50)	(19.08)	255.32	273.52
Sapien Biosciences Private Limited	30.00%	30.00%	0.57	(0.97)	(9.35)	(9.92)
Apollo Home Health Care Limited	26.00%	19.13%	(19.66)	(20.06)	(32.75)	(21.35)
Assam Hospitals Limited	38.76%	40.92%	17.06	20.71	379.83	362.78
Apollo Hospitals International Limited (Refer Note (i))	50.00%	50.00%	16.06	(6.37)	550.55	440.65
Future Parking Private Limited (Refer Note (ii))	51.00%	51.00%	(12.00)	(14.05)	-	3.25
Apollo Nellore Hospitals	20.56%	20.56%	1.28	-	1.28	-
Total			**(578.61)**	**(898.70)**	**1,324.37**	**1,245.75**

Note (i): In respect of the subsidiary Company Apollo Hospitals International Limited (AHIL), the group holds 50% ownership and voting power along with its wholly owned subsidiary Apollo Home Healthcare (India) Limited. Based on the contractual arrangements between the group and other investors, the group has the right in respect of appointment of Key Managerial Personnel (KMP) and approval of business plan coupled with the affirmative voting rights, the Company concluded that the group has the practical ability to direct the relevant activities and hence group exercises control on the AHIL.

Note (ii): In respect of the subsidiary Company Future Parking Private Limited (FPPL), though the group holds 49% ownership and voting power, based on the contractual arrangements between the group and other investor, the group has the unilateral right to direct the relevant activities and hence the Company concluded that the group exercises control on FPPL.

21 Borrowings

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
Unsecured				
(a) Term loans				
from banks	1,759.12	70.13	4,623.26	315.19
from other parties	70.98	142.05	-	-
(b) Deposits from Public	-	-	134.10	-
(c) Bank Overdrafts	-	888.03	-	391.68
Secured				
(a) Redeemable Non-Convertible Debentures	7,000.00	-	8,000.00	-
(b) Term loans				
from banks	20,259.60	1,937.44	16,407.42	-
(c) Finance Lease Obligations	24.73	-	40.59	-
(d) Letter of Credit	123.58	754.07	328.38	-
Total	**29,238.01**	**3,791.72**	**29,533.75**	**706.87**

(i) There is no breach of loan covenants as at March 31, 2018 and March 31, 2017

(ii) The secured listed non-convertible debentures of the Company aggregating to 7000 million as on March 31, 2018 are secured by way of first mortgage/charge on the Company's properties. The asset cover on the secured listed non-convertible debentures of the Company exceeds hundred percent of the principal amount of the said debentures.

21.1 Summary of Borrowing arrangements

(a) Redeemable Non-Convertible Debentures

Particulars	Principal Outstanding as at March 31, 2018	Principal Outstanding as at March 31, 2017	Details of repayment terms and maturity	Nature of Security	Rate of Interest March 31, 2018	Rate of Interest March 31, 2017
10.3% Non Convertible Debentures	-	1,000.00	During the current financial year 2017-18, 50% of the debentures were redeemed on December 28, 2017 and the balance 50% of the debentures were redeemed on March 22, 2018.	"Secured by way of Pari passu first charge on the fixed assets of the Company, existing and future along with Bank and Institutions; such Pari passu first charge ensuring at least a cover of 1.25 times the value of outstanding principal amount of the loan	10.30%	10.30%
10.2% Non Convertible Debentures	2,000.00	2,000.00	"The company issued 2000 nos of 10.20% Non Convertible Redeemable Debentures of 1 Million each on August 22, 2014 to banks and financial institutions, with an option to re-purchase/ re-issue some or all of its debentures in the secondary market or otherwise at any time prior to the specified date of redemption of August 22, 2028.	"Secured by way of Pari passu first charge on the fixed assets of the Company, existing and future along with Bank and Institutions; such Pari passu first charge ensuring at least a cover of 1.25 times the value of outstanding principal amount of the loan	10.20%	10.20%
8.7% Non Convertible Debentures	3,000.00	3,000.00	The company issued 3000 nos. of 8.70% Non Convertible Debentures of 1 Million each on October 7, 2016, with 2 call options to re-purchase/ re-issue some or all of its debentures in the secondary market or otherwise at any time prior to the specified date of redemption of October 7, 2026.	"Secured by way of Pari passu first charge on the fixed assets of the Company, existing and future along with Bank and Institutions; such Pari passu first charge ensuring at least a cover of 1.25 times the value of outstanding principal amount of the loan	8.70%	8.70%
7.8% Non Convertible Debentures	2,000.00	2,000.00	The company issued 2000 nos. of 7.80% Non Convertible Debentures of 1 Million each on March 7, 2017, and the specified date of redemption is March 7, 2022.	"Secured by way of Pari passu first charge on the fixed assets of the Company, existing and future along with Bank and Institutions; such Pari passu first charge ensuring at least a cover of 1.25 times the value of outstanding principal amount of the loan	7.80%	7.80%

21.1 Summary of Borrowing arrangements

(b) Secured and Unsecured borrowing facilities from banks and others

Particulars	Principal Outstanding as at March 31, 2018	Principal Outstanding as at March 31, 2017	Details of repayment terms and maturity	Nature of Security	Rate of Interest March 31, 2018	Rate of Interest March 31, 2017
HDFC Bank Limited	48.00	240.00	The Company has availed Rupee Term Loan of 1300 million which is repayable in twenty quarterly instalments commencing from September, 2013.	The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the Company along with minimum cover of 1.25 times the value of the outstanding .	8.50%	8.50%
HDFC Bank Limited	3,500.00	3,500.00	The loan is repayable in 22 half yearly instalments (with a moratorium period of 4 years from the date of the first disbursement) commencing from September 8, 2020.	The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the Company along with minimum cover of 1.25 times the value of the outstanding principal amount of the loan.	8.25%	8.50%
HDFC Bank - Bills Payable	-	15.84	During the year 2017-18, the last instalment was repaid in the month of June, 2017.		0.00%	0.00%
Axis Bank Limited	3,000.00	3,000.00	The loan is repayable in 40 Quarterly instalments (with a moratorium of 4 years from the date of 1st disbursement) commencing from December 15, 2018.	The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the Company along with minimum cover of 1.25 times) the value of the outstanding principal amount of the loan	8.25%	8.50%
Bank of India	2,500.00	2,500.00	This loan is repayable in 40 Quarterly instalments (with a moratorium of 4years from the date of 1st disbursement) commencing from December,30, 2018.	The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the Company along with minimum cover of 1.25 times the value of the outstanding principal amount of the loan.	8.40%	8.40%
HSBC	1,925.00	1,975.00	The Company has availed Rupee Term Loan of 2000 Million from HSBC Bank Limited, out of which 1000 Million is repayable in 16 semi-annual instalments commencing from March 2, 2017 and the balance 1000 Million is repayable in 16 semi-annual instalments commencing from November 13, 2018.	The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the Company ensuring at least a cover of 1.25 times the value of the outstanding principal amount of the loan.	8.05%	8.05%

Particulars	Principal Outstanding as at March 31, 2018	Principal Outstanding as at March 31, 2017	Details of repayment terms and maturity	Nature of Security	Rate of Interest March 31, 2018	Rate of Interest March 31, 2017
HSBC Bills Payable	329.42	463.16	The Company has availed a buyer's line of credit of from HSBC for the import of medical equipments which is repayable on various dates in FY2019	The loan is secured by first pari passu ranking charge on entire existing and future movable fixed asset of the Company with minimum cover of 1.25 times the value of the outstanding principal amount of the loan.	6 months libor +0.55	6 months libor +0.80 and libor +0.55
International Finance Corporation (External Commercial Borrowings	1,115.38	1,389.62	The Loan outstanding is repayable in 8 semi-annual instalments during September and March of each year.	The ECB loan is secured by way of pari passu first ranking charge on the fixed assets of the Company ensuring at least a cover of 1.25 times the value of the outstanding principal amount of the loan.	9.20%	9.20%
HSBC (External Commercial Borrowings)	650.31	1,037.42	The loan outstanding is repayable in 6 quarterly instalments starting from April, 2018.	The ECB loan is secured by way of pari passu first ranking charge on the fixed assets of the Company.	9.50%	9.50%
IDFC Bank Limited	548.52	582.84	This balance loan outstanding is repayable in 38 quarterly instalments falling due on April, July, October and January every year	The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the Company ensuring at least a cover of 1.25 times the value of the outstanding principal amount of the loan.	8.00%	8.35%
IDFC Infra Structure Debt Fund	1,000.00	1,000.00	During the year 2015-16 the Company availed loan of ₹ 1000 million which is repayable in 3 annual instalments of 20% at the end of December 2029 (14th year), 40% at the end of December 2030 (15th year) and balance 40% at the end of December 2031 (16th year) from the date of first disbursement.	The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the Company ensuring at least a cover of 1.25 times the value of the outstanding principal amount of the loan.	9.60%	9.60%
ICICI Bank Limited	1,450.00	1,450.00	The loan is repayable in 48 quarterly instalments commencing from June 30, 2019.	The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the Company.	8.50%	9.25% for 1100 and 9.20% for balance

Particulars	Principal Outstanding as at March 31, 2018	Principal Outstanding as at March 31, 2017	Details of repayment terms and maturity	Nature of Security	Rate of Interest March 31, 2018	Rate of Interest March 31, 2017
State Bank of India	2,050.44	500.00	The balance outstanding is repayable from February 1, 2019 in 41 quarterly instalments	The loan is secured by paripassu first charge with other term lenders and debenture holders on all the present and future movable and immovable fixed assets of the Company with a minimum cover of 1.25 times the value of outstanding principal amount of the loan.	8.00%	8.05%
HSBC- Cash Credit	817.70	339.00	The Company has been sanctioned 1000 Million overdraft facility by HSBC.		8.80%	8.70%
Fixed Deposits	94.70	150.21	These deposits are from public which will be repaid in the month of August, 2018.	-		
Bank of Tokyo – Mitsubishi UFJ (External Commercial Borrowings)	1,301.92	1,298.65	The loan is repayable in 3 annual instalments starting from the end of the 5th year from the date of advance.	-	9.20%	9.20%
Citi Bank - Bill Discounting	754.07	-	The Company has been sanctioned bill discounting facility from Citi Bank for maximum outstanding of 1000 million.	-	8%	-
HDFC Bank Limited	1,830.00	-	The amount outstanding is payable within June 2018.	-	Variable rates for few tranches ranging between 7.90% and 8.00%	-
Axis Bank	247.98	234.36	The repayment is agreed in 24 quarterly instalments commencing from the end of 51st Month from the date of first disbursement of Loan	Secured by way of pari passu first ranking charge on the fixed assets of the Company.	6 Month MCLR+0.65%. Interest rates reset will happen every 6 months."	12 Month MCLR + 0.90%

Particulars	Principal Outstanding as at March 31, 2018	Principal Outstanding as at March 31, 2017	Details of repayment terms and maturity	Nature of Security	Rate of Interest March 31, 2018	Rate of Interest March 31, 2017
Lavasa Corporation	97.23	97.23	The Company has taken Inter Corporate Deposit from Lavasa Corporation Limited amounting to ₹ 97.23 million.		12%	12%
Jugnu Jain - Director	2.36	2.36	The Company has taken loan from the director which is repayable on demand		11%	11%
Yes Bank	334.68	274.76	The Company has availed Two Rupee Term Loans of 310 million and INR 100.10 Mio from YES Bank Limited, which are repayable in thirty six quarterly instalments, commencing from 26th Mar-13 and 24th Jul-17 respectively. .The Company repaid38.94 million during the current financial year 17-18.	The loans are secured by first pari passu charge on all present and future movable and immovable fixed assets of the Company along with minimum cover of 1.75 times the value of the outstanding considering movable & immovable assets (subject to 1.5 times cover considering immovable assets	9.40%	10.75%
HDFC Bank	216.00	288.00	The Company has Rupee Term Loans of ₹ 409.50 million from HDFC Bank Limited, which are repayable in 28 quarterly instalments, commencing from 2nd Mar 2015. The Company repaid ₹ 72.00 million during the current financial year 17-18.	The loans are secured by first pari passu charge on all present and future movable and immovable fixed assets of the Company along with minimum cover of 1.75 times the value of the outstanding considering movable & immovable assets.	9.75%	10.15%
Yes Bank	70.13	51.97	Tenure for 12 months & OD Facility to be zeroized every year with cooling period of 2 days.	-	9.40%	10.75%
Cumulative Redeemable Preference Shares	19.87	9.82	Redeemable Preference shares were amended in 2016-2017 for a cumulative non -discretionary dividend of 9% per annum. These redeemable preference shares do not contain any equity component.			
Yes Bank	1,851.32	1,753.53	The loan is repayable in 28 structured quarterly instalments with an interest rate of 0.15% p.a over and above yearly MCLR payable monthly, after a moratorium period of 36 months from the date of disbursement to the Company.	Term loan from Yes Bank is secured by charge on movable fixed asset		
Optionally Convertible Debentures	7.45	8.80	The Company has issued zero% Optionally Convertible Debentures for 9,550,000 on March 29, 2016. These OCD's are convertible into equity shares at the option of the holder and repayable on after 5 years or upon leaving.			

Particulars	Principal Outstanding as at March 31, 2018	Principal Outstanding as at March 31, 2017	Details of repayment terms and maturity	Nature of Security	Rate of Interest March 31, 2018	Rate of Interest March 31, 2017
HDFC Bank	309.95	5.08	The loan is repayable in 28 structured quarterly instalments, with an interest rate of 0.15% p.a over and above yearly MCLR payable monthly, after a moratorium period of 36 months from the date of disbursement to the Company.	Term loan from HDFC Bank is secured by charge on movable fixed assets, current assets and letter of comfort from Apollo Hospital Enterprises Limited		
ICICI Bank Limited	210.38	176.55	The loan is repayable in 28 structured quarterly instalments, with an interest rate of 0.40% p.a over and above One Year MCLR payable monthly, after a moratorium period of 36 months from the date of disbursement to the Company.	Term loan from ICICI Bank is secured by charge on movable fixed assets, current assets		
Dr GSK velu	0.32	-	The repayment is for a Tenure of 36 monthly Equal Instalments		14%	14%
Axis Bank	919.90	-	Complete repayment in the FY2026-27 (Instalment 1-8 - Each instalment is 2% of the value off the term loan (Total 16% of the term loan) and Instalment 9-36 (each instalment is 3% of the value of the term loan (total 84% of the term loan)	Exclusive charge on the moveable fixed assets of the company (present and future). Letter of comfort from Apollo Hospitals Enterprise Ltd		
Axis Bank Cash Credit	119.11	-	The Limit of Cash Credit is ₹ 150 million as at 31.03.2018	Exclusive charge on the entire current assets of the borrower, present and future. Collateral - All other securities / guarantees stipulated for Term Loan Facility	8.65%	
Yes Bank Term Loan II	-	20.00	The Loan was repaid in the FY 17-18	First charge on immovable fixed assets of borrower. Exclusive First charge on movable Property plant & equipment (present and future not exclusive charged to any other lender) of borrower. Exclusive charge on equipments purchased under YBL Term Loan. Second Charge on current assets (present and future) of borrower. Exclusive charge on equipments purchased under Yes Bank Term Loan. Deposits maintained as per the DSRA requirements	10.65%	10.65%

Particulars	Principal Outstanding as at March 31, 2018	Principal Outstanding as at March 31, 2017	Details of repayment terms and maturity	Nature of Security	Rate of Interest March 31, 2018	Rate of Interest March 31, 2017
Yes Bank Term Loan III	-	143.87	The Loan was repaid in the FY 17-18	First charge on immovable fixed assets of borrower. Exclusive First charge on movable fixed assets (present and future not exclusive charged to any other lender) of borrower. Exclusive charge on equipments purchased under YBL Term Loan. Second Charge on current assets (present and future) of borrower. Exclusive charge on equipments purchased under YBL Term Loan. Deposits maintained as per the DSRA requirements. Refer note 9.		10.70%
Indus Ind Bank Term Loan	-	162.47	The Repayment is in 20 quarterly instalment.	All present and future of the movable and immovable properties of the borrower - First pari-passu charge on all the movable fixed assets of the borrower (present and future) and Second pari-passu charge on all the current assets of the borrower both present and future. All present and future book debts. All present and future stock in trade. Deposits maintained as per the DSRA requirements. Refer note 9.		11.50%
HDFC Bank Ltd - Term Loan I	-	447.23	The Loan was repaid in the FY 17-18	First paripassu charge on movable and immovable fixed assets of the Company	0	10.20%
HDFC Bank Ltd - Term Loan 2	-	98.42	The Loan was repaid in the FY 17-18	First paripassu charge on movable and immovable fixed assets of the Company	0	9.85%
Philips India Pvt Ltd - PET CT - Finance Lease	40.59	54.66	Monthly Repayment Y1 1.24 m, Y2 ₹ 1.37m , Y3 1.49, Y4 1.65, Y5 1.65, Y6 1.65, Y7 1.65 starting from Dec 2013 for total 7 years	PET CT Equipment is given as the security to obtain the facility.	12%	12%

22 Other Financial Liabilities

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
(a) Interest accrued on borrowings	-	233.23	-	319.44
(b) Unpaid dividends (Refer Note i below)	-	34.44	-	31.98
(c) Security deposits	52.75	9.41	629.37	-
(d) Unpaid matured deposits and interest accrued thereon	-	96.31	-	17.92
(e) Current maturities of long-term debt	-	1,220.82	-	998.23
(f) Current maturities of Finance Lease Obligations		15.85	-	14.07
(g) Financial guarantee contracts (Refer Note ii below)		-		-
(h) Derivative Financial Instruments	43.68	-	59.03	-
(i) Capital subsidy	4.21	-	-	-
(j) Gross Obligation under written Put Option	4,620.47	-	4,500.07	-
(k) Other Payables	-	1,331.27	-	230.31
(l) Capital Creditors		1125.43	-	284.46
Total	**4,721.11**	**4,066.79**	**5,188.49**	**1,896.42**

(i) During the year 2017-18 , the amount transferred to the Investors Education and Protection Fund of the Central Government as per the provisions of Section 124 (5) and 124 (6) of the Companies Act, 2013 is ₹2.76 million (₹2.40 million as at March 31, 2017)

23 Provisions

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
Provision for Bonus (Refer Note i below)	-	420.28	-	421.55
Provision for Gratuity and Leave Encashment (Refer Note 43)	62.31	370.31	46.14	258.00
Other Provision		172.40		279.31
Total	**62.31**	**962.99**	**46.14**	**958.86**

(i) The provision for Bonus is based on the Management's policy in line with the Payment of Bonus Act, 1965.

24 Deferred Tax Liabilities [Net]

Particulars	As at 31-Mar-2018	As at March 31, 2017
Deferred Tax Assets	(5,802.28)	(4,790.89)
Deferred Tax Liabilities	8,367.37	7,204.04
Total	**2,565.09**	**2,413.15**

25 Deferred Tax Asset [Net]

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred Tax Assets	171.68	162.70
Deferred Tax Liabilities		
Total	**171.68**	**162.70**
Net Deferred Tax	**2,393.42**	**2,250.45**

The major components of deferred tax liabilities/(assets) arising on account of timing differences for the year ended March 31, 2018 are as follows :

Particulars	Opening Balance	Recognised in Profit or Loss	Recognised in other comprehensive income	Closing Balance
Property Plant and Equipment	8,087.85	262.47	-	8,350.32
Impairment of Trade Receivables as per Expected Credit Loss Model	15.90	(229.24)	-	(213.34)
Others Assets	10.29	(1.49)	0.14	8.94
Retirement Benefit Plans	(107.55)	(14.45)	(92.54)	(214.54)
Business Loss carried forward under Income Tax	(2,102.33)	1,001.85	-	(1,100.48)
Minimum Alternate Tax Credit	(3,672.23)	(778.31)	-	(4,450.54)
Others Liabilities	18.51	(5.46)	-	13.05
Total	**2,250.45**	**235.36**	**(92.40)**	**2,393.42**

The major components of deferred tax liabilities/(assets) arising on account of timing differences for the year ended March 31, 2017 are as follows :

Particulars	Opening Balance	Recognised in Profit or Loss	Recognised in other comprehensive income	Recognised through equity	Closing Balance
Property Plant and Equipment	5,832.72	2,251.20	-	3.93	8,087.85
Fair Value Adjustments on Financial Assets	(139.36)	152.97	-	2.29	15.90
Others Assets	54.44	(44.32)	0.17	-	10.29
Retirement Benefit Plans	15.81	(11.05)	(116.07)	3.77	(107.55)
Business Loss carried forward under Income Tax	(588.92)	(1,513.41)	-	-	(2,102.33)
Minimum Alternate Tax Credit	(2,907.94)	(764.29)	-	-	(3,672.23)
Others Liabilities	15.81	2.70	-	-	18.51
Total	**2,282.57**	**73.80**	**(115.90)**	**9.98**	**2,250.45**

26 Trade Payables

Particulars	As at March 31, 2018	As at March 31, 2017
Total outstanding dues of micro enterprises and small enterprises (Refer note 26.1)	160.71	119.48
Total outstanding dues of creditors other than micro and small enterprises	5,727.53	4,892.45
Total	**5,888.24**	**5,011.93**

(i) The average credit period on purchases of goods ranges from immediate payments to credit period of 45 days based on the nature of the expenditure. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

(ii) Amounts payable to related parties is disclosed in note 60.

(iii) The Company's exposure to currency and liquidity risks related to trade payable is disclosed in note 46.

26.1 Due to Micro, Small and Medium Enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2018 has been made in the financial statements based on information received and available with the Group. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ('The MSMED Act') is not expected to be material. The Group has not received any claim for interest from any supplier.

Particulars	As at March 31, 2018	As at March 31, 2017
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	160.21	119.48
- Interest	0.50	
The amount of interest paid by the buyer as per the MSMED Act	-	-
The amount of payments made to micro and small suppliers beyond the appointed day during the accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act	-	-

27 Tax Asset [Net]

Particulars	As at March 31, 2018	As at March 31, 2017
Tax Assets		
Advance Tax	2,714.28	2,648.40
Tax refund receivable	6,842.61	5,657.52
	9,556.89	**8,305.92**
Tax Liabilities		
Income tax payable	(7,787.24)	(6,967.72)
Total	**1,769.65**	**1,338.20**

28 Tax Liabilities [Net]

Particulars	As at March 31, 2018	As at March 31, 2017
Tax Liabilities (Net)		
Income tax payable	12.71	-
Total	**12.71**	**-**

29 Other Liabilities

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
(a) Deferred revenue arising from customer loyalty programme (Refer Note i)	-	176.87	-	157.33
(b) Patient Deposits	-	403.51	-	334.68
(c) Healing Card Deposit	-	19.32	-	65.41
(d) Deferred Lease Rent	-	27.00	-	69.47
(e) Balances with Statutory Authorities	-	261.50	-	387.76
(f) Retention money on capital contracts	-	-	-	13.26
(g) Others	29.65	63.03	-	31.57
Total	**29.65**	**950.24**	**-**	**1,059.48**

(i) Deferred revenue arises in respect of the Company's Loyalty Points Scheme recognised in accordance with Appendix B to Ind AS 18 Customer Loyalty Program.

30 Revenue from Operations

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
(a) Revenue from rendering of health care services	44,955.10	40,610.45
(b) Revenue from sale of pharmacies	32,688.80	27,851.93
(c) Revenue from Clinics	4,589.30	3,854.10
(d) Other Operating Income		
- Project Consultancy Income	146.63	176.06
- Management fees	18.35	18.79
- Income from Clinical Trials	36.50	45.69
Total	**82,434.68**	**72,557.03**

31 Other Income

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
a) Interest income		
Bank deposits	133.28	122.67
Other financial assets	51.19	-
Total	**184.47**	**122.67**
b) Dividend Income		
Dividend on Equity Investments	**9.70**	**7.78**
c) Other non-operating income		
Provision for investment write back	50.43	-
Others	0.03	0.03
Total	**50.46**	**0.03**
d) Other gains and losses		
Gain on disposal of Property Plant and Equipment	0.38	5.08
Net gain on disposal of financial assets	1.36	18.63
Net gain on financial assets measured at FVTPL	25.47	70.40
Miscellaneous Income	48.64	20.20
Net gain/(loss) on account of financial derivative contracts measured at FVTPL	(94.86)	(218.37)
Net gain on financial liabilities designated at FVTPL	19.09	10.06
Net foreign exchange gain	76.83	186.95
Gain on fair valuation of investment in Debentures	-	1.51
Gain on fair valuation of equity investments	-	1.29
Sub Total	**76.90**	**94.45**
Total (a+b+c+d)	**321.52**	**224.93**

32 Cost of materials consumed

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Opening stock	1,202.00	1,068.03
Add: Purchases	14,817.62	13,796.08
Less: Closing stock	1,409.90	1,202.00
Total	**14,609.72**	**13,662.11**

33 Changes in inventory of medical consumable and drugs

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Inventories at the beginning of the year:	3,466.67	2,993.26
Inventories at the closing of the year:	(4,248.52)	(3,466.67)
Total	**(781.85)**	**(473.41)**

34 Employee Benefits Expense

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Salaries and wages	12,050.58	10,132.64
Contribution to provident and other funds	996.64	795.66
Bonus	380.35	370.89
Staff welfare expenses	616.34	665.79
Total	**14,043.91**	**11,964.98**

35 Finance Costs

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Interest on bank overdrafts and loans	2,592.07	2,284.33
Other borrowing costs	358.61	289.17
Total	**2,950.68**	**2,573.50**

The weighted average capitalisation rate on funds borrowed generally is 8.59% per annum. The amount of interest capitalised to the qualifying asset is ₹ 349 Million (March 31, 2017 : ₹ 575 Million)

36 Depreciation and Amortisation Expense

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Depreciation of property, plant and equipment	3,401.58	3,005.01
Depreciation of investment property	6.17	6.17
Amortisation of intangible assets	182.54	129.22
Total	**3,590.30**	**3,140.39**

37 Other Expenses

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Professional charges to Doctors	4,720.74	3,709.07
Power and fuel	1,551.60	1,188.46
House Keeping Expenses	450.47	417.84
Water Charges	115.19	90.44
Rent	3,189.97	3,142.43
Brokerage Commission	22.26	-
Repairs to Buildings	216.71	153.80
Repairs to Machinery	617.92	683.99
Repairs to Vehicles	68.76	48.66
Office Maintenance & Others	793.55	903.79
Insurance	129.29	117.74
Rates and Taxes	186.29	163.56
Printing & Stationery	416.59	411.49
Postage & Telegram	150.36	38.88
Director Sitting Fees	5.88	3.85
Advertisement, Publicity & Marketing	1,742.75	1,320.28
Travelling & Conveyance	674.20	615.75
Subscriptions	22.26	8.95
Legal & Professional Fees	939.20	937.91
Continuing Medical Education & Hospitality Expenses	66.92	68.23
Hiring Charges	131.14	92.97
Seminar Expenses	58.64	41.01
Telephone Expenses	159.23	259.21
Books & Periodicals	17.51	11.35
Donations	8.73	22.67
Bad Debts Written off	110.89	180.06
Provision for doubtful debts	477.48	88.83
Outsourcing Expenses:		
Food and Beverages	952.79	796.01

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
House Keeping	825.80	736.67
Security Charges	283.29	223.85
Bio Medical Maintenance	184.24	150.80
Other Services	64.14	57.06
Loss on Sale of Property Plant and Equipment	80.47	52.01
Loss on sale Investment	-	0.04
Laboratory Testing Charges	80.56	53.68
Miscellaneous expenses	448.81	317.79
Stock based compensation	6.17	4.42
Franchise Service Charges	80.86	134.89
Total (a)	**20,052.66**	**17,248.44**
Expenditure incurred for corporate social responsibility (Refer note (i) below)	79.70	69.00
Total (a) +(b)	**20,132.36**	**17,317.44**

Note (i) :

Consequent to the requirements of section 135 of Companies Act 2013, the Company has made contributions as stated below . The same is in line with activities specified Schedule VII of Companies Act, 2013.

a) Gross amount required to be spent by the Company during the year is ₹ 79.70 million (previous year69 million)
b) Amount spent during the year ended March 31, 2018 on corporate social responsibility activities:

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Construction/acquisition of any asset	-	-
On purpose other than above	79.70	69.00

38 Income taxes relating to continuing operations

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Current tax		
In respect of the current year	883.68	835.79
Total	**883.68**	**835.79**
Deferred tax		
In respect of the current year	235.37	73.80
Total	**235.37**	**73.80**
Total income tax expense recognised in the current year relating to continuing operations	**1,119.05**	**909.59**

39 Amount recognised in Other Comprehensive Income (OCI)

Particulars	For the year ended March 31, 2018			For the year ended March 31, 2017		
	Before tax	Tax (Expense)/ Benefit	Net of Tax	Before tax	Tax (Expense)/ Benefit	Net of Tax
Items that will not be reclassified subsequently to profit or loss						
Re-measurement of defined benefit plans	(264.80)	92.54	(172.26)	(335.41)	116.07	(219.34)
Equity instruments through other comprehensive income	0.40	(0.14)	0.26	0.51	(0.17)	0.34

The income tax expense for the year can be reconciled to the accounting profit as follows:

The Tax expenses as per the provision of Income Tax Act is lower than the Tax Payable as per MAT provision u/s 115JB

Profit before share of equity accounted investee method and income tax	1,712.35	1,796.90
Tax using the Company's applicable domestic rate (current year 34.608% previous year 34.608%)	592.61	621.87
Tax Effect of:		
Weighted deduction under section 35D of Income Tax Act in respect of eligible capital expenses incurred	-	(589.44)
Adjustments in respect of current tax of prior years	-	85.00
Reassessment/Adjustments of Deferred Taxes on brought forward business losses	478.73	781.08
Income exempt from taxation	59.38	5.07
Expenses that are not deductible in determining taxable profit	(16.63)	-
Others	4.96	6.01
Income tax expenses reported	**1,119.05**	**909.59**

40 Segment Information

Operating Segments

The Board of Directors have been identified as the Chief Operating Decision Maker (CODM). Information reported to the CODM for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided.

The group operates mainly in India. Accordingly, there are no additional disclosures to be provided under Ind AS 108, other than those already provided in the financial statements.

The following are the accounting policies adopted for segment reporting:

a. Assets, liabilities, revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.

b. Healthcare segment includes hospitals and hospital based pharmacies. Retail pharmacy include pharmacy retail outlets. Clinics Segment include clinics, diagnostics, Spectra, Cradle, Sugar, Dental and Dialysis business. Other Segment includes revenue, assets and liabilities of companies not engaged in any of the aforementioned segments and treasury investments, fixed deposits and their related income of companies involved in all the three segments.

c. Inter segment revenue and expenses are eliminated.

The Company has disclosed this Segment Reporting in Financial Statements as per Ind AS 108.

40.1 Segment revenues and results

The following is an analysis of the Company's revenue and results from continuing operations by reportable segment.

Particulars	Segment Revenue		Segment Profit	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Healthcare	45,246.50	40,819.20	5,192.78	4,976.93
Retail Pharmacy	32,688.80	27,851.93	1,173.75	976.57
Clinics	4,589.30	3,854.10	(1,925.40)	(1,841.80)
Others	425.60	298.23	221.90	258.70
Total	**82,950.20**	**72,823.46**	**4,663.08**	**4,370.40**
Less: Inter Segment Revenue	194.00	41.50		
Total	**82,756.20**	**72,781.96**	**4,663.03**	**4,370.44**
Finance costs			2,950.68	2,573.50
Profit before tax (continuing operations)			**1,712.35**	**1,796.90**

Segment profit represents the profit before tax earned by each segment without allocation of finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

40.2 Segment assets and liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Segment Assets		
Healthcare	65,534.60	61,433.10
Retail Pharmacy	9,372.40	7,691.20
Clinics	5,058.10	5,681.70
Others	4,392.48	4,886.16
Total Segment Assets	**84,357.58**	**79,692.16**
Unallocated	1,770.70	1,500.70
Total Assets	**86,128.28**	**81,192.86**
Segment liabilities		
Health care	12,132.50	10,799.00
Retail Pharmacy	1,538.90	1,132.30
Clinics	1,623.60	1,127.20
Others	178.30	90.48
Total Segment Liabilities	**15,473.30**	**13,148.98**
Unallocated	36,815.56	33,666.10
Total liabilities	**52,288.86**	**46,815.08**

41 Earnings per Share

EPS is calculated by dividing the profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The earnings and the weighted average number of shares used in calculating basic and diluted earnings per share is as follows:

Particulars	March 31, 2018	March 31, 2017
Basic earnings per share	8.44	15.88
Total basic earnings per share	**8.44**	**15.88**
Diluted earnings per share	8.44	15.88
Total diluted earnings per share	**8.44**	**15.88**

41.1 Basic and Diluted earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic and diluted earnings per share are as follows.

Particulars	March 31, 2018	March 31, 2017
Profit for the year attributable to owners of the Company	1,174.18	2,209.90
Earnings used in the calculation of basic earnings per share	1,174.18	2,209.90
Weighted average number of equity shares for the purposes of basic and diluted earnings per share	139,125,159	139,125,159

Employee Benefit Plans

42 Defined Contribution Plans

The Company makes contributions towards provident fund and employees state insurance as a defined contribution retirement benefit fund for qualifying employees. The provident fund is operated by the regional provident fund commissioner. The amount recognised as expense towards contribution to provident fund amount to ₹781.03 million. The Employee state insurance is operated by the employee state insurance corporation. Under these schemes, the Company is required to contribute a specific percentage of the payroll cost as per the statute. The amount recognised as expense towards contribution to Employee State Insurance amount to ₹215.01 million. The Company has no further obligations in regard of these contribution plans.

43 Defined Benefit Plans

a) Gratuity

The Company operates post-employment defined benefit plan that provide gratuity. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement/exit. The Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation carried out by an independent actuary using the projected unit credit method. The Company recognizes actuarial gains and losses immediately in the statement of profit and loss. The Company accrues gratuity as per the provisions of the Payment of Gratuity Act, 1972 as applicable as at the balance sheet date.

The Company contributes all ascertained liabilities towards gratuity to the Fund. The plan assets have been primarily invested in insurer managed funds. The Gratuity plan provides a lump sum payment to the vested employees at retirement, death, incapacitation or termination of employment based on the respective employees salary and tenure of the employment with the Company.

The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Plan investment is a mix of investments in government securities, and other debt instruments.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

A. Change in Defined Benefit Obligation

Particulars	March 31, 2018	March 31, 2017
Opening defined benefit obligation	788.34	601.91
Current service cost	75.49	63.24
Past service cost,	12.23	2.00
Interest cost	51.31	44.89
Remeasurement (gains)/losses	80.96	122.58
Benefits paid	(49.37)	(46.28)
Closing defined benefit obligation	**958.96**	**788.34**

B. Changes in Fair value of Plan Assets

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening fair value of plan assets	601.04	491.10
Interest income	43.90	42.83
Return on plan assets (excluding amounts included in net interest expense)	(15.64)	17.61
Contributions from the employer	163.96	95.78
Benefits paid	(49.37)	(46.28)
Closing fair value of plan assets	**743.89**	**601.04**

C. Amount recognised in Balance Sheet

Particulars	March 31, 2018	March 31, 2017
Present value of funded defined benefit obligation	958.96	788.34
Fair value of plan assets	(743.89)	(601.04)
Funded status	**215.07**	**187.30**
Restrictions on asset recognised	-	-
Net liability arising from defined benefit obligation	**215.07**	**187.30**

D. Expenses recognised in statement of profit and loss

Particulars	March 31, 2018	March 31, 2017
Service cost:		
Current service cost	75.49	63.24
Past service cost and (gain)/loss from settlements	12.23	2.00
Net interest expense	7.41	2.06
Components of defined benefit costs recognised in profit or loss	**95.13**	**67.30**

E. Expenses recognised in Other Comprehensive Income

Particulars	March 31, 2018	March 31, 2017
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	15.64	(17.61)
Actuarial (gains) / losses arising from changes in demographic assumptions	(2.24)	(35.21)
Actuarial (gains) / losses arising from changes in financial assumptions	(15.48)	34.81
Actuarial (gains) / losses arising from experience adjustments	98.67	122.98
Components of defined benefit costs recognised in other comprehensive income	96.60	104.97
Total	**191.73**	**172.27**

F. Significant Actuarial Assumptions

Particulars	March 31, 2018	March 31, 2017
Discount rate(s)	7.06%-7.85%	6.46%-8%
Expected rate(s) of salary increase	5.5%-7.5%	5%-8%
Attrition Rate	8%-37%	8%-37%
Retirement Age	58.00	58.00
Pre-retirement mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

The expected rate of return on plan assets is based on market expectations at the beginning of the year. The rate of return on long-term government bonds is taken as reference for this purpose.

G. Category of Assets

Particulars	March 31, 2018	March 31, 2017
Insurer managed funds	743.89	601.04
Total	**743.89**	**601.04**

Each year Asset Liability matching study is performed in which the consequences of strategic investments policies are analysed in terms of risk and returns profiles. Investments and Contributions policies are integrated within this study.

H. Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumption		Increase in assumption		Decrease in assumption	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Discount rate	+100 basis points/ -100 basis points	+100 basis points/ -100 basis points	912.64	756.16	954.27	792.75
Salary growth rate	+100 basis points/ -100 basis points	+100 basis points/ -100 basis points	951.56	789.07	947.99	785.64
Attrition rate	+100 basis points/ -100 basis points	+100 basis points/ -100 basis points	920.97	760.94	920.72	750.29

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The defined benefit obligation shall mature in next 3 years.

The Company expects to make a contribution of ₹222 Million (as at March 31, 2017: ₹194 million) to the defined benefit plans during the next financial year.

44 Long Term Benefit Plans

Leave Encashment

The Company pays leave encashment benefits to employees as and when claimed subject to the policies of the Company. The Company provides leave benefits through annual contributions to the fund.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	Fair value of plan assets as at	
	March 31, 2018	March 31, 2017
Discount rate(s)	7.06%-7.85%	6.46%-8%
Expected rate(s) of salary increase	5.5%-7.5%	5%-8%
Attrition Rate	8%-37%	8%-37%
Retirement Age	58 Years	58 Years
Pre-mortality rate	Indian Assured Lives Mortality (2006-08) Ultimate	

45 Financial Instruments

45.1 Capital management

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt and total equity of the Company.

The Company is not subject to any externally imposed capital requirements.

The Company's risk management committee reviews the capital structure of the Company on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The Company has a target gearing ratio of 100% of net debt to total equity determined as the proportion of net debt to total equity. The gearing ratio at March 31, 2018 of 81% (Previous year 73%) was below the target range.

Particulars	As at March 31, 2018	As at March 31, 2017
Gearing ratio		
The gearing ratio at end of the reporting period was as follows.		
Debt (includes Borrowings , Current Maturities of Long term Debt, finance lease obligations and unpaid maturities of deposits)	34,362.73	31,270.84
Cash and bank balances (Refer Note 15 & Note 16)	4,172.48	5,244.99
Net Debt	**30,190.25**	**26,025.85**
Total Equity	**33,839.42**	**34,377.77**
Net debt to equity ratio	**89%**	**76%**

45.2 Categories of financial instruments

Particulars	As at March 31, 2018	As at March 31, 2017
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
(i) Investments in Equity Instruments (Other than Joint Ventures and Associates)	129.90	133.67
(ii) Investments in Mutual Funds	611.30	1,214.14
(iii) Derivative Financial Instruments	285.85	396.06
Measured at amortised cost		
(i) Cash and Cash Equivalents	4,172.48	5,244.99
(ii) Trade Receivables	8,846.18	7,505.34
(iii) Investment in Debentures	80.00	-
(iv) Other Financial Assets	3,846.24	3,895.73
(v) Other Investments	37.64	34.79
Measured at Cost		
(i) Investments	2,763.51	2,785.06
Measured at Fair Value Through Other Comprehensive Income (FVTOCI)	**5.63**	**5.60**
Financial liabilities		
Measured at amortised cost		
(i) Trade Payables	5,888.24	5,011.93
(ii) Loans	33,029.74	30,240.62
(iii) Other Financial Liabilities	4,123.76	2,525.80
(iv) Gross Obligation over written put options	4,620.47	4,500.07
Measured at fair value through profit or loss (FVTPL)		
(i) Derivative Financial Instruments	43.68	59.03

45.3 Financial risk management objectives

The Company's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non -derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Corporate Treasury function reports quarterly to the Company's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

The Company's activities expose it to the financial risks of changes in foreign currency exchange rates and interest rates. For the purpose of managing its exposure to foreign currency and interest rate risk, the Company enters into a variety of derivative financial instruments, i.e. cross currency interest rate swaps.

45.4 Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk using currency cum interest swaps.

45.5 Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Particulars	Liabilities as at		Assets as at	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Foreign Currency Borrowings (in USD)	52.21	64.82	-	-
Foreign Currency Borrowings (in INR)	3,395.74	4,202.93	-	-
Trade Receivables (In USD)	-	-	0.30	0.71
Trade Receivables (In INR)			19.80	45.83

Foreign currency sensitivity analysis

Of the above, The borrowings of USD 47.15 Million as at March 31, 2018 and USD 57.43 Million as at March 31, 2017 is completely hedged against foreign currency fluctuation using forward contracts and Interest rate swaps. Therefore the exposure of the Company of foreign exchange risk is limited to unhedged borrowings for which below sensitivity is provided:

The Company is mainly exposed to currency dollars.

The following table details the Company's sensitivity to a 10% increase and decrease in the ₹ against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the ₹ strengthens 10% against the relevant currency. For a 10% weakening of the ₹ against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

Impact of USD

Particulars	2017-2018		2016-2017	
	+10%	-10%	+10%	-10%
Impact on Profit or Loss for the year	(32.91)	32.91	(47.83)	47.83
Impact on Equity for the year	(32.91)	32.91	(47.83)	47.83

The Company has entered into derivative contracts with banks for its External Commercial Borrowings for interest and currency risk exposure to manage and mitigate its exposure to foreign exchange rates.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

45.6 Interest rate risk management

The Company is exposed to interest rate risk because the Company borrow funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts and forward rate contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's:

- profit for the year ended March 31, 2018 would decrease/increase by ₹ 106.86 Million (for the year ended March 31, 2017: decrease/ increase by ₹ 89.53 million). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings

Cross Currency Interest rate swap contracts

Under interest rate swap contracts, the Company agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Company to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures on the issued variable rate debt. The average interest rate is based on the outstanding balances at the end of the reporting period. The Cross Currency Interest Rate Swaps on External Currency Borrowings hedges the interest rate risk on the USD Borrowing.

Outstanding Contracts	Average Exchange Rates	Foreign Currency	Nominal Amount	Fixed Interest Rate	Fair Value
Contract 1	66.41	USD 20,000,000	13282,00,000	9.20%	43.68
Contract 2	54.56	USD 30,000,000	16368,00,000	9.20%	(189.61)
Contract 3	54.20	USD 25,000,000	13550,00,000	9.50%	(96.24)

45.7 Credit risk management

Credit risk is a risk of financial loss to the Company arising from counter party failure to repay according to contractual terms or obligations. Majority of the Company's transactions are earned in cash or cash equivalents. The Trade Receivables comprise mainly of receivables from Insurance Companies, Corporate customers, Public Sector Undertakings, State/Central Governments etc. The Insurance Companies are required to maintain minimum reserve levels and the Corporate Customers are enterprises with high credit ratings. Accordingly, the Company's exposure to credit risk in relation to trade receivables is considered low. Before accepting any new credit customer, the Company uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed annually. The outstanding with the debtors is reviewed periodically.

Refer Note 12 For the credit risk exposure , ageing of trade receivable and impairment methodology for financial assets

The credit risk on liquid funds and derivative financial instruments is limited because the counter parties are banks with high credit-ratings assigned by international credit-rating agencies.

46 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

46.1 Liquidity and interest risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the un-discounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	Weighted average effective interest rate(%)	3 months to 1 year	1 Year to 5 years	> 5 years
March 31, 2018				
Non-interest bearing	-	8,622.05	47.89	4,673.22
Variable interest rate instruments	8.47%	2,811.50	5,365.94	14,058.64
Fixed interest rate instruments	9.05%	2,035.35	2,024.73	5,000.00
		13,468.90	**7,438.56**	**23,731.86**
March 31, 2017				
Non-interest bearing	-	5,878.13	59.04	5,129.45
Variable interest rate instruments	8.47%	1,375.91	4,757.30	13,189.23
Fixed interest rate instruments	9.05%	21.02	3,201.84	5,016.90
		7,275.06	**8,018.18**	**23,335.58**

The carrying amounts of the above are as follows:

Particulars	March 31, 2018	March 31, 2017
Non-interest bearing	13,343.16	11,066.62
Variable interest rate instruments	22,236.08	19,322.44
Fixed interest rate instruments	9,060.08	8,239.76
Total	**44,639.32**	**38,628.83**

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will he earned on those assets. The inclusion of information on non -derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	Weighted average effective interest rate(%)	3 months to 1 year	1 Year to 5 years	> 5 years
March 31, 2018				
Non-interest bearing	-	15,201.59	506.81	4,878.03
Fixed interest rate instruments	8.40	-	-	80.00
		15,201.59	**506.81**	**4,878.03**
March 31, 2017				
Non-interest bearing	-	15,204.46	883.35	5,014.76
Fixed interest rate instruments	-	-	-	-
	-	15,204.46	883.35	5,014.76

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

The following table details the Company's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted gross outflows on settlement of these derivatives. These derivatives are taken by the Company as against the External Commercial Borrowings (ECB) which have already been included as part of the Fixed rate instruments under the financial liabilities section.

Particulars	3 months to 1 year	1-5 years
March 31, 2018		
Net settled:		
- Cross Currency interest rate swaps	928.96	2,137.61
	928.96	2,137.61
March 31, 2017		
Net settled:		
- Cross Currency interest rate swaps	756.95	2,951.69
	756.95	2,951.69

47 Financing Facilities

The Company has access to financing facilities as described below. The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

Particulars	As at March 31, 2018	As at March 31, 2017
Secured bank loan facilities		
- amount used	32,150.72	29,486.81
- amount unused	8,425.42	9,065.51
	40,576.14	**38,552.32**
Unsecured bank loan facilities		
- amount used	2,212.00	1,784.03
- amount unused	210.00	694.17
	2,422.00	**2,478.20**

48 Fair Value Measurement

The following guidance has been followed for classification and measurement of financial assets that are measured at fair value :

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the- counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

	Fair Value as at		Fair Value Hierarchy	Valuation technique and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Financial Assets/ Financial Liabilities	**31st March, 2018**	**31st March, 2017**				
Derivative Instruments	Assets- ₹285.85	Assets- ₹396.06	Level 2	Discount cash flow, Future Cash Flows are estimated based on forward exchange rates and contract forward rates discounted at a rate that reflects the credit risk of various counterparties	-	-
	Liabilities- ₹43.68	Liabilities - ₹59.03	Level 2		-	-
Investments in Mutual Funds	611.30	1,214.14	Level 1	Quoted bid price in n active market	-	-
Investments in equity Instruments	18.00	18.00	Level 3	Discounted Cash Flow- Income approach	Discount rate, Risk free Return, Long term Market rate of return are the assumptions used	A slight change in assumptions will change the Fair value of the Investment
Investments in equity instrument at FVTOCI (unquoted)	5.63	5.08	Level 3	Discounted cash flow model under income approach was used to capture the present value of the expected future economic benefits to be derived from the ownership of the investee.	Long term growth rates, taking into account management's experience and knowledge of market conditions of the specific industry at 5%.	A slight change in assumptions will change the Fair value of the Investment

49 Fair Value of Financial Assets and Financial Liabilities that are not measured at fair value (but fair value disclosure are required)

The Company considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements at amortized cost will reasonably approximate their fair values.

50 Reconciliation of Level 3 Fair Value Measurements

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Balance	23.08	22.57
Gain/Loss	0.55	0.51
Closing Balance	23.63	23.08

51 Operating Lease Arrangements

51.1 The Company as lessee

Leasing arrangement

The Company has an options to purchase the equipment for a nominal amount at the end of the lease term. The Company's obligations under finance leases are secured by the lessors' title to the leased assets. The Company has taken various medical equipment, hospital premises, office and residential premises under Operating leases. The leases typically run for a term ranging from 25-30 years for Hospitals and 1-3 years for Pharmacy with an option to renew the lease after term completion. The escalation clause range from 5 to 10% per annum effectively.

Payments recognised as an expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Payments recognised as an expense		
Minimum lease payments	3,189.97	3,142.43
Total	3,189.97	3,142.43

Non-cancellable operating lease commitments

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Not later than 1 year	355.60	391.26
Later than 1 year and not later than 5 years	1,124.60	1,175.81
Later than 5 years	4,600.10	4,841.34
Total	6,080.30	6,408.41

51.2 Finance lease liabilities

Particulars	Minimum Lease Payments		Present Value of Minimum Lease Payments	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Not later than one year	19.87	19.87	15.85	14.07
Later than one year and not later than five years	26.92	46.80	24.73	40.59
Later than five years	-	-	-	-
	46.79	66.67	40.58	54.66
Less: future finance charges	6.21	12.01	-	-
Present value of minimum lease payments	40.59	54.66	40.58	54.66

Included in the financial statements as:

Particulars	March 31, 2018	March 31, 2017
- Current maturities of finance lease obligations	15.85	14.07
- borrowings	24.73	40.59
	40.59	54.66

52 Commitments

Particulars	March 31, 2018	March 31, 2017
Commitments to contribute funds for the acquisition of property, plant and equipment	8,880.80	8,827.54
Commitments to contribute funds towards Equity	1,710.25	800.00

53 Contingent Liabilities

Particulars		March 31, 2018	March 31, 2017
(a)	Claims against the Company not acknowledged as debt	2,463.68	1,911.50
(b)	Guarantees excluding financial guarantees		
	Bank Guarantees	2,005.85	1,517.38
	Letters of Comfort	4,072.68	3,031.80
(c)	Letter of Credit	13.62	40.83
(d)	Other money for which the Company is contingently liable		
	Customs Duty (Refer iii)	99.70	100.04
	Service Tax (Refer ii)	84.71	96.43
	Value Added Tax	0.05	24.93
	Income Tax (Refer i)	521.96	150.10
	Other Matters	26.51	10.63
Total		**9,288.76**	**6,883.64**

e) In respect of the subsidiary Company, Apollo Lavasa Health Corporation Limited (ALHCPL), ALHCPL has taken Inter Corporate Deposit from Lavasa Corporation Limited amounting to ₹ 97.23 million and also provided interest on this ICD. During the FY 17 Lavasa Corporation Limited has unilaterally converted the outstanding interest amounting to ₹ 62.22 Million into an Inter Corporate Deposit. Lavasa Corporation Limited has charged interest on the same amounting to ₹10.84 Million (Previous year ₹8.12 Million). ALHCPL has disputed the conversion of interest into ICD and further interest on the same amounting to ₹18.95 Million ALHCPL has taken up the matter at appropriate levels for discussion and is confident of a favourable outcome.

Notes:

(i) In respect of the Apollo Hospitals Enterprise Limited (Parent), relating to the proceedings pending before the relevant income tax authority for the assessment years 2009-10 to 2016-17, the parent is of the opinion that no additional provision for tax expense is considered necessary in the financial statements.

(ii) In respect of the subsidiary Company Imperial Hospital & Research Centre Limited (IHRCL) for Financial year 2006 – 2007 to 2010-2011, the service tax department has raised a demand of ₹1.89 million which is disputed and the Company has deposited a sum of ₹1.89 million under protest against this demand. The Company has filed an appeal against the said demand before CESTAT-Bengaluru, and the liability has been considered contingent until the conclusion of the appeal.

In respect of the subsidiary Company Imperial Hospital & Research Centre Limited (IHRCL) for Assessment year 2007-2008, the income tax department has raised a demand of ₹1.43 million which is disputed and appealed against by the Company. The Company has deposited a sum of ₹1.43 million under protest against this demand, pending disposal of its appeal. The liability will be considered contingent until the conclusion of the appeal.

(iii) In respect of the subsidiary Company Imperial Hospital & Research Centre Limited (IHRCL), Additional Commissioner of Customs has issued a demand cum show cause notice for non-fulfilment of export obligation under EPCG License no 0730005797. Total demand raised in the said Show cause notice is ₹ 0.345 million. Redemption certificate for this license also has been received in the month of April 2016 and submitted to concerned authority for Cancellation of Bank Guarantee. During the FY16-17, the redemption letter has been received from Office of the JDGFT, Koramangala, Bengaluru and has been submitted to the Customs Authorities to withdraw the showcause notice and the showcause notice was withdrawn.

54 Expenditure in foreign currency

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
a. CIF Value of Imports:		
Machinery and Equipment	511.81	1054.65
Stores and Spares	0.69	63.78
Other Consumables	20.57	57.01
b. Expenditure.		
Travelling Expenses	57.56	82.3
Professional Charges	49.68	18.75
Royalty	-	1.09
Advertisement	12.39	1.65
Business Promotion	17.97	4.06
c. Dividends		
Amount remitted during the year in foreign currency on account of dividends excluding the payment of dividends directly to the share-holder's Non-resident external bank account.	4.49	-
Non-Residents shareholders to whom remittance was made (Nos.)	170.00	-
Shares held by non-resident share-holders on which dividend was paid (Nos.)	6,24,264.00	-

55 Earnings in foreign currency

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Hospital Fees	999.70	1,113.31
Project Consultancy Services	17.77	17.34
Pharmacy Sales	1.93	1.31
Total	**1,019.40**	**1,131.96**

56 Share-based payments

Employee share option plan of the Company

(i) Apollo Health and Lifestyle Limited

The Company has allotted 194,698 Ordinary (Equity) Shares of ₹ 10 each during the year ended 31st March, 2012 to the eligible employees of the Company. Options are granted under Employee Stock Option Plan - 2012 ("the Scheme") which vest over a period of four years commencing from the respective date of grant.

The compensation costs of stock options granted to employees are accounted by the Company using the Black Scholes option valuation method.

Summary of stock options	No. of stock options
Options outstanding on April 1, 2017	48,675
Options granted during the year	-
Options forfeited/lapsed during the year	-
Options exercised during the year	-
Options outstanding on March 31, 2018	48,675
Options vested but not exercised on March 31, 2018	48,675

Exercise price is ₹30

The fair values of options granted during the previous year is valued at ₹30

(ii) The Company has allotted 412,500 Ordinary (Equity) Shares of ₹10 each during the year ended 31st March, 2014 to the eligible employees of the Company. Options are granted under Employee Stock Option Plan - 2013 ("the Scheme") which vest over a period of four years commencing from the respective date of grant.

The compensation costs of stock options granted to employees are accounted by the Company using the Black Scholes option valuation method.

Summary of stock options	No. of stock options
Options outstanding on April 1, 2017	82,500
Options granted during the year	-
Options forfeited/lapsed during the year	-
Options exercised during the year	-
Options outstanding on March 31, 2018	82,500
Options vested but not exercised on March 31, 2018	82,500

Exercise price is ₹ 30

The fair values of options granted during the previous year is valued at ₹30

(iii) Apollo Specialty Hospitals Private Limited

The Company by virtue of service and subscription agreement entered into with the doctors for continuance of services with Apollo Specialty Hospitals Private Limited (ASH) inline with the scheme implemented by the erstwhile Company (i.e. Nova Speciality Hospitals Private Limited) has agreed to issue Fully Convertible Debentures (FCD) for a value calculated in accordance with performance based formulae at the time of acquisition.

These FCD are issued in respect of the future services which will be rendered by the doctors' and hence is in the nature of share based payment in terms of Ind AS 102. These FCD issued would be convertible upon the expiry of service requirement and other conditions as stipulated by the respective agreements.

The compensation costs of stock options granted to employees are accounted by the Company using the Black Scholes option valuation method.

Summary of stock options	No. of stock options
Options outstanding on April 1, 2017	1,595
Options granted during the year	-
Options forfeited/lapsed during the year	-
Options exercised during the year	-
Options outstanding on March 31, 2018	1,595
Options vested but not exercised on March 31, 2018	-

Exercise price is ₹Nil

The fair values of options granted during the previous year is valued at ₹25,764

(iv) Apollo Sugar Clinics Limited

The Company has allotted 44,370 Ordinary (Equity) Shares of ₹10 each during the year ended 31st March, 2018 to the eligible employees of the Company. Options are granted under ASCL Employee Stock Option Plan - 2017 ("ESOP 2017") which vest over a period of three years commencing from the respective date of grant.

The compensation costs of stock options granted to employees are accounted by the Company using the Black Scholes option valuation method.

Summary of stock options	No. of stock options
Options outstanding on April 1, 2017	44,370
Options granted during the year	-
Options forfeited/lapsed during the year	-
Options exercised during the year	-
Options outstanding on March 31, 2018	44,370
Options vested but not exercised on March 31, 2018	11,093

Exercise price is ₹89.42

The fair values of options granted during the previous is valued at ₹275.70

(v) Alliance Dental Care Limited

The Company has allotted 56,735 Ordinary (Equity) Shares of ₹ 10 each during the year ended 31st March, 2017 to the directors and eligible employees of the Company. Options are granted under Alliance Dental ESOP Scheme 2016, which vest over a period of four years commencing from the respective date of grant.

The compensation costs of stock options granted to employees are accounted by the Company using the Black Scholes option valuation method.

Summary of stock options	No. of stock options
Options outstanding on April 1, 2017	56,735
Options granted during the year	-
Options forfeited/lapsed during the year	-
Options exercised during the year	28,367
Options outstanding on March 31, 2018	28,368
Options vested but not exercised on March 31, 2018	-

Exercise price is ₹10

The fair values of options granted during the previous year is valued at ₹194

(vi) Apollo Dialysis Private Limited

The Company has allotted 55,566 Ordinary (Equity) Shares of ₹10 each during the year ended 31st March, 2017 to the directors of holding Company and directors and eligible employees of the Company. Options are granted under Apollo Dialysis ESOP Scheme 2016, which vest over a period of four years commencing from the respective date of grant.

The compensation costs of stock options granted to employees are accounted by the Company using the Black Scholes option valuation method.

Summary of stock options	No. of stock options
Options outstanding on April 1, 2017	55,566
Options granted during the year	-
Options forfeited/lapsed during the year	-
Options exercised during the year	27,783
Options outstanding on March 31, 2018	27,783
Options vested but not exercised on March 31, 2018	-

Exercise price is ₹10

The fair values of options granted during the previous year is valued at ₹27

57 Written Put option over Non-controlling Interest of subsidiary

Pursuant to the shareholder agreement read with put option agreement dated October 26, 2016 entered into with International Finance Corporation (IFC), IFC has the right to exercise the put option on shares from the end of 8th year to 12th year of subscription (i.e. 2016) either on Apollo Hospitals Enterprises Limited ("AHEL") or Apollo Health and Lifestyle Limited ("AHLL", subsidiary of AHEL).

The management based on the assessment of this put option, has accounted the same in accordance with note 3.23 included in the significant accounting policies.

58 The Company has advanced loans to its subsidiary companies. The disclosures pursuant to Regulation 34(3) read with para A of Schedule V to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

59 Particulars of Loans, Guarantees & Investments

Details of loans, Guarantees and Investments covered under the provisions of section 186 of the Companies Act, 2013 are provided in notes 9,10,11 and 21 to the financial statements.

60 Information on Related Party Transactions as required by Ind AS 24 - Related Party Disclosures for the year ended March 2018

Sl. No.	Name of the Company	Country of Incorporation	% of Holding as at March 31, 2018	% of Holding as at March 31, 2017
A)	**Subsidiary Companies: (where control exists)**			
1.	Apollo Home Healthcare (India) Limited	India	100	100
2.	AB Medical Centres Limited	India	100	100
3.	Apollo Health and Life Style Limited	India	68.64	68.64
4.	Apollo Nellore Hospitals Limited	India	79.44	79.44
5.	Imperial Hospitals and Research Centre Limited	India	90	90
6.	Samudra Health Care Enterprises Limited	India	100	100
7.	Western Hospitals Corporation (P) Limited	India	100	100
8.	Apollo Hospitals (UK) Limited	United Kingdom	100	100
9.	Sapien Biosciences Private Limited	India	70	70
10.	Assam Hospitals Limited	India	61.24	59.08
11.	Apollo Lavasa Health Corporation Limited	India	51	51
12.	Apollo Rajshree Hospitals Private Limited	India	54.63	54.63
13.	Total Health	India	100	100
14.	Apollo Home Healthcare Limited	India	74	80.87
15.	Apollo Healthcare Technology Solutions Limited	India	40	40
16.	Apollo Hospitals International Limited	India	50	50
17.	Future Parking Private Limited	India	49	49
18.	Apollo Hospitals Singapore Private Limited	Singapore	100	100
B)	**Step Down Subsidiary Companies**			
1.	Alliance Dental Care Limited	India	70	70
2.	Apollo Specialty Hospitals Pvt Ltd	India	99.92	99.92
3.	Apollo Dialysis Private Limited	India	70	70
4.	Apollo Sugar Clinics Limited	India	80	80
5.	Apollo CVHF Limited	India	63.74	50
6.	Kshema Health Private Limited	India	100	100
7.	Apollo Bangalore Cradle Limited	India	100	100
C)	**Joint Ventures**			
1.	Apollo Gleneagles Hospital Limited	India	50	50
2.	Apollo Gleneagles PET-CT Private Limited	India	50	50
3.	ApoKos Rehab Private Limited	India	50	50
D)	**Associates**			
1.	Family Health Plan Insurance TPA Limited	India	49	49
2.	Indraprastha Medical Corporation Limited	India	22.03	22.03

Sl. No.	Name of the Company	Country of Incorporation	% of Holding as at March 31, 2018	% of Holding as at March 31, 2017
3.	Apollo Munich Health Insurance Company Limited	India	10	10
4.	Stemcyte India Therapeutics Private Limited	India	24.5	24.5
5.	Apollo Amrish Oncology Services Pvt Ltd (Associate of Apollo Hospitals International Limited)	India	50	50
E)	Key Management Personnel			
1.	Dr. Prathap C Reddy			
2.	Smt. Suneeta Reddy			
3.	Shri. Krishnan Akhileswaran			
4.	Shri. S M Krishnan			
5.	Smt. Preetha Reddy			
6.	Smt. Shobana Kamineni			
7.	Smt. Sangita Reddy			
F)	Directors			
1.	Shri. Habibullah Badsha *		-	-
2.	Shri. Sanjay Nayar		-	-
3.	Shri. Vinayak Chatterjee		-	-
4.	Shri. Rafeeque Ahamed *		-	-
5.	Shri. N Vaghul		-	-
6.	Shri. Deepak Vaidya		-	-
7.	Shri. Rajkumar Menon *		-	-
8.	Shri. G Venkatraman		-	-
9.	Dr. T. Rajgopal		-	-
10.	Shri. BVR Mohan Reddy		-	-
	(*) Resigned wef 14th August 2017			
G)	**Enterprises over which key managerial personnel and their relatives are able to exercise significant influence / control / joint control**			
1	ABC Trading Corporation	India	-	-
2	Adeline Pharma Private Limited	India	-	-
3	AMG Health Care Destination Private Limited	India	-	-
4	Apex agencies	India	-	-
5	Apollo Education Research Foundation, Chennai	India	-	-
6	Apollo family benevolent fund trust	India	-	-
7	Apollo Hospital Educational Trust	India	-	-
8	Apollo Medskills Limited	India	-	-
9	Apollo Shine Foundation	India	-	-
10	Apollo Sindoori Hotels Limited	India	-	-
11	Apollo Tele Health Services Pvt Ltd	India	-	-
12	Apollo Telemedicine Networking Foundation	India	-	-
13	Associated Electrical Agencies	India	-	-
14	Bona Sera Hotels Limited	India	-	-
15	BVR Mohan Reddy	India	-	-
16	Cadila Pharmacuticals Limited	India	-	-
17	Dasve Convention Center Limited	India	-	-
18	Dhruvi Pharma pvt ltd	India	-	-
19	Dishnet Wireless Limited	India	-	-

Sl. No.	Name of the Company	Country of Incorporation	% of Holding as at March 31, 2018	% of Holding as at March 31, 2017
20	Dr GSK Velu	India	-	-
21	Ecomotel Hotel Limited	India	-	-
22	Faber Sindoori Management Services Private Limited	India	-	-
23	Focus Medisales Private Limited	India	-	-
24	Full Spectrum Adventure Limited	India	-	-
25	Gleneagles Development Pte Ltd	India	-	-
26	Gleneagles Management Services Pte Ltd	India	-	-
27	Green Channel Travels Services Private Limtied	India	-	-
28	Healthnet Global Limited	India	-	-
29	Indian Hospitex Private Limited	India	-	-
30	IRM Enterprises Private Limited	India	-	-
31	Keimed Private Limited	India	-	-
32	Kurnool Hospitals Enterprise Limited	India	-	-
33	Lakeshore Watersport Company Ltd	India	-	-
34	Lavasa Corporation Limited	India	-	-
35	Lavasa Hotel Ltd	India	-	-
36	Lifetime Wellness Rx International Limited	India	-	-
37	Lucky pharmaceuticals pvt ltd - New Delhi	India	-	-
38	Matrix Agro	India	-	-
39	Maxivision Laser Centre Private Limited	India	-	-
40	Medihauxe International Private Limited	India	-	-
41	Medihauxe Pharma Private Limited - Hyderabad	India	-	-
42	Medsmart Logistics Private Limited	India	-	-
43	Medvarsity Online Limited	India	-	-
44	Meher Distributors Private Limited - Mumbai	India	-	-
45	Munchener Ruckvesicherung Geseil schaft	India	-	-
46	My City Technology Ltd	India	-	-
47	Neelkanth Drugs Pvt Ltd	India	-	-
48	P Obul Reddy & Sons	India	-	-
49	Palepu Pharma Private Ltd	India	-	-
50	PPN Power Generating Company Private Limited	India	-	-
51	Rajshree Catering Services	India	-	-
52	Reasonable Housing Limited	India	-	-
53	RJN Spectra Hospitals Pvt Ltd	India	-	-
54	Sahayadri City Management	India	-	-
55	Sahyadri City Management Limited	India	-	-
56	Sanjeevani Pharma Distributors Private Limited	India	-	-
57	Sanofi Synthelabo (India) Limited	India	-	-
58	Searchlight Health Private Limited	India	-	-
59	Srinivasa Medisales Private Limited	India	-	-
60	Starlit Resort Limited	India	-	-
61	Stemcyte Inc, USA	India	-	-
62	Stemcyte India Therapeutics Private Limited	India	-	-
63	Together Against Diabetic Foundation Trust	India	-	-
64	Trivitron Healthcare Private Limited	India	-	-
65	Vardhman Pharma Distributors Private Limited	India	-	-

Sl. No.	Name of the Company	Country of Incorporation	% of Holding as at March 31, 2018	% of Holding as at March 31, 2017
66	Vinayak Chatterjee	India	-	-
67	Warasgaon Power Supply Ltd	India	-	-
68	Whistling Thrust Facility Service	India	-	-
69	Wipro GE Health Care	India	-	-
70	Wipro Limited	India	-	-

60.1 Realated Party Transactions

S. No	Name of related parties	Nature of Balance/Transactions	March 31, 2018	March 31, 2017
1	Apollo Gleneagles Hospitals Limited	Investment in Equity	393.12	393.12
		Advertisement Reimbursement	-	
		Revenue from operations during the year	205.06	210.92
		Reimbursement of expense during the year	111.70	103.65
		Claim payments	51.84	47.45
		Deposit premium Balance	0.12	0.12
		Receivable as at year end	758.26	521.08
2	Apollo Gleneagles PET-CT Private Limited	Investment in Equity	85.00	85.00
		Receivables	1.00	6.08
		Revenue from Operation during the year	1.74	3.27
		Reimbursement of expense during the year	2.87	
3	Apollo Munich Health Insurance Company Limited	Investment in Equity	357.09	357.09
		Group mediclaim expense incurred	459.77	102.36
		Revenue	201.41	232.12
		Investment In Debentures	80.00	-
		Medical Health Insurance Premium	53.18	48.24
		Receivable as at year end	74.72	47.25
4	Family Health Plan Limited	Investment in Equity	4.90	4.90
		Revenue from operations during the year	378.85	592.33
		Claim payments	-	
		TPA Fees	347.51	257.10
		Deposit premium Balance	1.91	1.56
		Receivables as at year end	39.60	154.76
5	Indraprastha Medical Corporation Limited	Investment in Equity	393.72	393.72
		Receivables as at year end	40.67	450.14
		Dividend received	30.29	36.35
		Reimbursement of expense during the year	70.75	77.25
		Commission on Pharmacy	138.01	147.22
		Licence Fee	12.45	13.79

S. No	Name of related parties	Nature of Balance/Transactions	March 31, 2018	March 31, 2017
		Deposit premium Balance	1.67	2.34
		Claim payments	161.74	134.91
		Revenue from operations during the year	223.61	198.10
6	Stemcyte India Therapeutics Private Limited	Investment in Equity	80.00	80.00
		Revenue from operations during the year	14.11	3.60
		Reimbursement of expense during the year	2.31	2.47
		Receivables as at year end	8.62	0.92
7	Dr.Prathap C Reddy	Remuneration Paid	95.86	108.22
8	Smt.Preetha Reddy	Remuneration Paid	38.22	42.04
9	Smt.Suneeta Reddy	Remuneration Paid	38.22	42.04
10	Smt.Sangita Reddy	Remuneration Paid	37.32	41.43
11	Smt.Shobana Kamineni	Remuneration Paid	38.76	42.64
12	Apollo Sindoori Hotels Limited	Food and Beverage expense Incurred during the year	1,224.02	815.59
		Reimbursement of expense during the year	6.79	4.08
		Rent Paid	4.07	3.19
		Food Supply in Marketing events	0.18	-
		Payables as at year end	104.89	26.42
13	Faber Sindoori Management Services Private Limited	Outsourcing expense of house keeping incurred during the year	1,096.18	820.38
		Premium Income	2.09	2.68
		Claim payments	0.02	0.34
		Reimbursement of expense during the year	55.33	8.37
		Deposit premium Balance	0.24	0.24
		Payables as at year end	187.01	129.59
		Outsourcing expense during the year	115.80	10.42
		Revenue from operations during the year	22.62	11.75
		Reimbursement of expense during the year	1.78	1.44
		Deposit premium Balance	0.11	0.02
		Receivable as at year end	135.10	17.40
14	P Obul Reddy & Sons	Receivable as at year end	2.17	1.50
		Premium Income	-	0.12
		Capital expenditure incurred during the year	-	23.03
15	Keimed Private Limited	Payables at the year end	176.63	103.17
		Purchases during the year	4,764.35	3,816.01
		Premium Income	0.95	0.70
		Deposit premium Balance	0.01	-
		Reimbursement of expense during the year	17.49	-
16	Medvarsity Online Limited	Transactions during the year	-	
		Reimbursement of expense during the year	0.05	7.89

S. No	Name of related parties	Nature of Balance/Transactions	March 31, 2018	March 31, 2017
		Revenue from operations during the year	3.09	3.06
		Deposit premium Balance	0.21	0.02
		Receivable as at year end	8.45	1.23
17	Kurnool Hospitals Enterprise Limited	Investment in Equity	1.73	1.73
		Revenue from operations during the year	2.51	2.95
		Receivables as at year end	9.29	8.56
18	AMG Health Care Destination Private Limited	Investment in Equity	12.33	12.33
		Rent expense incurred during the year	32.36	33.13
		Premium Income	0.14	
		Revenue	-	2.79
		Reimbursement of expense during the year	7.05	14.50
		Lease Deposit	70.00	70.00
		Receivables/(Payable) during the year	181.73	224.80
		Reimbursement of expense during the year	-	24.13
		Receivable	605.19	157.60
19	Palepu Pharma Private Ltd	Payables as at year end	78.66	12.96
		Medicine purchases during the year	4,491.12	3,952.16
20	Medihauxe International Private Limited	Payables as at year end	52.76	46.44
		Medicine purchases during the year	531.37	465.77
21	Vardhman Pharma Distributors Private Limited	Payables as at year end	7.31	19.62
		Medicine purchases during the year	161.50	508.59
22	Focus Medisales Private Limited	Payables as at year end	2.13	27.99
		Medicine purchases during the year	170.72	521.76
23	Srinivasa Medisales Private Limited	Payables as at year end	202.39	92.02
		Medicine purchases during the year	2,181.27	1,052.79
24	Meher Distributors Private Limited - Mumbai	Payables as at year end	34.90	19.41
		Reimbursement of expense during the year	2.09	-
		Medicine purchases during the year	637.72	456.33
25	Lucky pharmaceuticals pvt ltd - New Delhi	Payables as at year end	49.59	36.86
		Reimbursement of expense during the year	2.25	-
		Medicine purchases during the year	994.93	1,035.88
26	Neelkanth Drugs Pvt Ltd	Payables as at year end	86.48	90.33
		Reimbursement of expense during the year	1.83	-
		Medicine purchases during the year	1,649.41	1,417.74
27	Dhruvi Pharma pvt ltd	Payables as at year end	64.18	29.84
		Medicine purchases during the year	702.03	450.72

S. No	Name of related parties	Nature of Balance/Transactions	March 31, 2018	March 31, 2017
28	Apokos Rehab Private Limited	Investment in equity	84.75	84.75
		Revenue from operations during the year	0.43	1.36
		Reimbursement of expense during the year	17.66	3.55
		Receivable as at year end	2.81	0.74
29	Shri. Habibullah Badsha	Remuneration paid	0.05	1.65
30	Shri. Sanjay Nayar	Remuneration paid	1.30	1.50
31	Shri. Vinayak Chatterjee	Remuneration paid	1.55	1.50
32	Shri. Rafeeque Ahamed	Remuneration paid	0.10	1.50
33	Shri. N.Vaghul	Remuneration paid	1.70	1.70
34	Shri. Deepak Vaidya	Remuneration paid	1.95	1.95
35	Shri. Rajkumar Menon	Remuneration paid	0.20	2.14
36	Shri. BVR Mohan Reddy	Remuneration paid	1.03	-
37	Dr T. Rajgopal	Remuneration paid	1.44	
38	Shri. G. Venkataraman	Remuneration paid	1.90	1.95
39	Apollo Tele Health Services Pvt Ltd	Reimbursement of expense during the year	0.01	6.40
		Loans and Advances	0.01	0.01
		Revenue	0.06	-
		Consultancy fee to doctors	12.64	6.40
		Receivables as at year end	1.33	6.80
40	Apollo Medskills Limited	Reimbursement of expense during the year	8.63	-
		Premium Income	4.63	-
		Receivables as at year end	6.94	-
41	Sanjeevani Pharma Distributors Private Limited	Payable as at Year end	116.04	55.94
		Purchases	4,264.01	4,044.39
42	Medihauxe Pharma Private Limited - Hyderabad	Payable as at Year end	16.73	12.14
		Purchases	262.66	185.35
43	Adeline Pharma Private Limited	Payable as at Year end	33.00	4.28
		Purchases	404.89	17.50
44	Apollo Aamrish Oncology Services Private Limited	Receivable as at Year end	88.76	
		Reimbursement of expense during the year	84.21	
		Services availed	24.07	
		Revenue from operations during the year	27.22	
45	Matrix Agro	Power charges paid	28.56	25.12
		Payables as at Year end	0.84	0.93
46	Apollo family benevolent fund trust	Company's Contribution to the trust fund	0.84	0.77
		Employee contribution collected and remitted to the trust	8.54	9.04
47	Wipro Limited	Annual maintenance contract	0.22	-
		Receivables as at Year end	0.26	-

S. No	Name of related parties	Nature of Balance/Transactions	March 31, 2018	March 31, 2017
48	Wipro GE Health Care	Annual Maintenance contract	2.38	-
		Purchase of Capital goods	4.62	-
		Receivables as at Year end	0.25	-
		Purchase of Material	4.88	-
49	ABC Trading Corporation	Rental income	0.60	-
		Receivables as at Year end	0.13	
50	Maxivision Laser Centre Private Limited	Revenue from operations during the year	0.86	-
		Availing of services	4.46	-
		Receivables during the year	0.13	-
51	Searchlight Health Private Limited	Health Record services	3.78	1.10
		Payables during the year	1.82	-
52	Healthnet Global Limited	Call Centre services	8.09	1.45
		Payables during the year	0.46	0.51
53	Trivitron Healthcare Private Limited	Availing of services	5.82	3.20
		Payable during the year	3.70	1.32
54	Sanofi Synthelabo (India) Limited	Availing of services	1.00	1.00
		Share Capital	7.34	7.34
		Securities Premium Reserve	495.94	495.94
55	Together Against Diabetic Foundation Trust	Revenue from Operations	0.34	-
		Receivables	2.90	-
56	Medsmart Logistics Private Limited	Payable during the year	7.69	-
		Purchases	36.64	-
57	Indian Hospitex Private Limited	Purchases	0.15	2.60
		Payable as at year end	-	0.50
58	Rajshree Catering Services	Food and Beveages Outsourced	11.14	8.52
		Payables as at year end	1.16	2.05
59	Lavasa Corporation Limited	Revenue from Operations	1.82	1.85
		Share Capital	6.27	6.27
		Inter Corporate Deposit Outstanding	97.24	97.24
		Interest accrued but not due	87.60	74.91
		Interest on Inter Corporate Deposit	14.10	14.10
		Project and Other Services	0.20	0.27
		Trade Receivables	5.48	4.62
60	Full Spectrum Adventure Limited	Revenue from Operations	0.00	-
		Trade Receivables	0.01	-
61	Bona Sera Hotels Limited	Revenue from Operations	0.03	0.02
		Trade Receivables	0.07	-
62	Ecomotel Hotel Limited	Revenue from Operations	0.04	0.10
		Trade Payables	0.04	-
		Project and Other Services	0.06	0.07

S. No	Name of related parties	Nature of Balance/Transactions	March 31, 2018	March 31, 2017
63	Lavasa Hotel Ltd	Revenue from Operations	0.05	0.01
		Trade Receivables	0.16	0.02
64	Sahyadri City Management Limited	Revenue from Operations	0.00	
		Payables	7.04	0.07
		Project and Other Services	2.28	0.02
65	Starlit Resort Limited	Revenue from Operations	0.01	0.02
		Payables	0.00	
66	Lakeshore Watersport Company Ltd	Revenue from Operations	-	
67	Dasve Convention Center Limited	Revenue from Operations	0.02	0.23
		Trade Receivables	0.02	
68	Reasonable Housing Limited	Project and Other Services	0.68	0.60
		Advances	0.68	0.26
69	My City Technology Ltd	Trade Payables	2.43	1.93
70	Sahayadri City Management	Trade Payables	7.04	7.50
71	Whistling Thrust Facility Service	Trade Payables	0.68	0.48
72	Warasgaon Power Supply Ltd.	Trade Payables	0.02	
73	Cadila Pharmaceuticals Limited	Purchase	6.57	7.34
		Income from Operations	2.63	3.91
		Trade Receivables	1.25	-
74	Green Channel Travels Services Private Limited	Services availed	6.90	7.94
		Trade Payables	0.15	0.14
75	IRM Enterprises Private Limited	Services availed	0.04	0.05
		Rental Income	0.12	0.07
		Trade Receivables	0.01	
76	Apollo CVHF Limited	Reimbursement of expenses	2.34	
77	Apollo Shine Foundation	Reimbursement of expenses	0.10	
78	Dr.GSK VELU	Unsecured Loan	0.40	
79	Dishnet Wireless Limited	Purchase	1.87	2.49
80	Apex agencies	Premium Income	0.18	0.09
		Deposit Premium Balance		
81	Associated Electrical Agencies	Premium Income	0.30	0.19
82	Munchener Ruckvesicherung Geseil schaft	Premium on cession o reinsurers	1,736.60	386.74
		Reinsurance commission earned	618.58	135.36
		Losses recovered from reinsurer	596.81	93.37
		Debentures Issued		
		Payable as at year end	486.79	158.02

S. No	Name of related parties	Nature of Balance/Transactions	March 31, 2018	March 31, 2017
83	Gleneagles Management Services Pte Ltd	Trademark, Management and Technical Fees	124.26	118.46
		Payable as at year end	225.14	
		Unsecured Loan	36.54	36.54
84	Gleneagles Development Pte Ltd	Unsecured Loan	124.39	124.39
85	Apollo Telemedicine Networking Foundation	Income from Jute Bags	-	0.14
86	Stemcyte Inc, USA	Reimbursement of expenses	0.48	0.50
		Receipt of transplant coordination charges	-	0.07
		Payable as at year end	-	5.07
87	RJN Spectra Hospitals Pvt Ltd	Revenue Sharing	-	0.18
		Payable as at year end	-	0.13
88	PPN Power Generating Company Private Limited	Deposit Premium Balance	-	

61 There are no subsequent events after the reporting period

62 Figures for the previous year are reclassified / regrouped wherever necessary.

For and on behalf of the Board of Directors

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
Vice President - Finance
& Company Secretary

Place: Chennai
Date : May 30, 2018

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Executive Vice Chairperson

Suneeta Reddy
Managing Director

CONSOLIDATED STATEMENT OF CASH FLOWS

PARTICULARS	For the year ended March 31, 2018	For the year ended March 31, 2017
A. Cash flow from Operating Activities		
Profit for the year	595.57	1,311.20
Adjustments for:		
Depreciation and Amortisation expense	3,590.30	3,140.39
Income Tax	1,119.05	909.59
Loss on disposal of Property Plant and Equipment (net)	80.47	52.01
Gain on disposal of Property Plant and Equipment (net)	0.38	5.08
Finance costs	2,950.68	2,573.50
Interest from Banks/others	(184.47)	(122.67)
Dividend on current investments	(9.70)	(7.78)
Provision for doubtful debts & advances	588.37	268.89
Net gain/(loss) arising on financial assets designated as at FVTPL	(7.98)	(26.20)
Impairment of Goodwill	1.00	-
Unrealised Foreign Exchange Gain (net)	12.49	238.12
Provision for investment write back	(50.43)	-
Expenses recognized in respect of shares issued in exchange of consultancy services	6.17	4.42
Operating Cash Flow before working capital changes	8,691.90	8,346.56
(Increase)/decrease in operating assets		
Inventories	(989.75)	(607.34)
Trade receivables	(2,366.51)	(1,618.17)
Other Financial Assets	404.38	(150.50)
Current Financial Assets	(452.14)	1,609.10
Other Non-Current Assets	(5.75)	(206.78)
Other Current Assets	(106.31)	632.43
	(3,516.08)	**(341.26)**
Increase/(decrease) in operating liabilities:		-
Trade payables	1,086.30	(1,157.89)
Other Non Current Financial Liabilities	(99.64)	112.44
Other Current Financial Liabilities	831.21	678.31
Provisions	(200.90)	48.38
Other Current Liabilities	(172.22)	(124.79)
	1,444.75	**(443.55)**
Cash generated from operations	**6,620.57**	**7,561.75**

PARTICULARS	For the year ended March 31, 2018	For the year ended March 31, 207
Income Tax Paid	(1,250.97)	(1,336.24)
A. Net cash generated from operating activities	**5,369.60**	**6,225.51**
B. Cash flow from Investing Activities		
Acquisition of Property, plant & equipment	(6,213.88)	(6,734.53)
Proceeds on disposal of Property, plant & equipment	8.93	47.10
Investment in Bank Deposits	1,308.96	(1,981.88)
Purchase of Investments	(466.61)	(3,027.28)
Proceeds from sale of Investments	1,104.12	50.00
Interest received	199.67	120.03
Dividend Received	9.70	7.78
B. Net cash used in Investing Activities	**(4,049.11)**	**(11,518.79)**
C. Cash flow from Financing Activities		
Proceeds from issue of equity instruments	83.25	6,055.89
Proceeds from Borrowings	5,717.02	7,942.83
Repayment of Borrowings	(2,698.73)	(5,886.17)
Finance costs	(3,178.15)	(3,343.00)
Dividend paid on equity shares (including Dividend Distribution Tax Paid)	(1,008.37)	
C. Net cash (used)/ generated in Financing Activities	**(1,084.98)**	**4,769.55**
Net increase / (decrease) in cash and cash equivalents (A+B+C) = (D)	**235.51**	**(523.73)**
Cash and cash equivalents at the beginning of the year (Refer Note 15)	2,827.82	3,351.55
Net Cash and Cash Equivalents Movement at the beginning of the year	**2,827.82**	**3,351.55**
Cash and cash equivalents at the end of the year (Refer Note 15)	3,063.33	2,827.82
Net Cash and Cash Equivalents Movement at the end of the year	**3,063.33**	**2,827.82**

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date attached
For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Registration No. 117366W/W-10018
Vikas Bagaria
Partner
Membership No. 060408
Place : Singapore
Date : May 30, 2018

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
Vice President - Finance
& Company Secretary
Place: Chennai
Date : May 30, 2018

For and on behalf of the Board of Directors
Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Executive Vice Chairperson

Suneeta Reddy
Managing Director

GENERAL INFORMATION

1. Our Company was incorporated on December 5, 1979 under the laws of the Republic of India with a certificate of incorporation granted by the Registrar of Companies, Tamil Nadu at Madras. We obtained a certificate of commencement of business on December 27, 1979.

2. The registered office of our Company is located at No. 19, Bishop Gardens, Raja Annamalaipuram, Chennai – 600 028, Tamil Nadu, India and our corporate office is located at Sunny Side Building, East Block, 3rd Floor, No. 8/17 Shafee Mohammed Road, Chennai – 600 006, Tamil Nadu, India.

3. The CIN of our Company is L85110TN1979PLC008035.

4. Our Vice President – Finance and Company Secretary and Compliance Officer is Mr. S. M. Krishnan. His contact details are as follows:

   Mr. S. M. Krishnan
   Apollo Hospitals Enterprise Limited
   Ali Towers, IV Floor, No. 55 Greams Road
   Chennai – 600 006
   Tamil Nadu, India
   Tel No.: +91 44 2829 6117
   Email: krishnan_sm@apollohospitals.com

5. The authorized share capital of our Company as of the date of this Preliminary Placement Document is ₹ 1,100,000,000, divided into 200,000,000 equity shares of ₹ 5 each and 1,000,000 preference shares of ₹ 100 each. Our issued share capital as of the date of this Preliminary Placement Document is ₹ 698,290,885. Our subscribed and paid up equity share capital as of the date of this Preliminary Placement Document is ₹ 695,625,795 divided into 139,125,159 Equity Shares of ₹ 5 each.

6. This Issue was authorized and approved by our Board of Directors on November 11, 2020 and approved by our Shareholders on January 9, 2021 through postal ballot.

7. Our Company has received in-principle approvals under Regulation 28(1)(a) of the SEBI Listing Regulations to list the Equity Shares on the NSE and the BSE, each dated January 18, 2021. Our Company will make applications to the respective Stock Exchanges to obtain final listing and trading approvals for the Equity Shares after Allotment of the Equity Shares in the Issue.

8. Copies of the Memorandum and Articles of Association will be available for inspection during usual business hours on any weekday between 10.00 A.M. to 1.00 P.M. (except public holidays) at our Corporate Office.

9. Except as disclosed in this Preliminary Placement Document, our Company has obtained necessary consents, approvals and authorizations required in connection with the Issue.

10. No change in the control of the Company will occur consequent to the Issue.

11. Except as disclosed in this Preliminary Placement Document, there has been no material change in our financial condition since September 30, 2020, the date of the latest financial statements prepared and included herein.

12. Our Company is in compliance with the minimum public shareholding requirements as required under the SEBI Listing Regulations and Rule 19A of the SCRR.

13. The Floor Price for the Issue is ₹ 2,508.58 per Equity Share, calculated in accordance with Regulation 176 of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 176(1) of the SEBI ICDR Regulations in accordance with the approval of the Shareholders accorded through their resolution passed on January 9, 2021 by way of postal ballot.

14. Our Company and the Book Running Lead Managers accept no responsibility for statements made otherwise than in this Preliminary Placement Document and anyone placing reliance on any other source of information, including our website, would be doing so at his or her own risk.

DETAILS OF PROPOSED ALLOTTEES

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotments of Equity Shares pursuant to this Issue shall be made by our Company, in consultation with the Book Running Lead Managers, to Eligible QIBs only, on a discretionary basis. The names of the Allottees and the percentage of post-Issue capital (assuming that the Equity Shares are Allotted to them pursuant to this Issue) that may be held by them, is set forth below:

S. No.	Name of the proposed Allottee#	Percentage of the post-Issue share capital (%)*
1.	[●]	[●]%
2.	[●]	[●]%
3.	[●]	[●]%
4.	[●]	[●]%
5.	[●]	[●]%

* *Based on the beneficiary position as on [●] (adjusted for Equity Shares Allocated in the Issue).*

\# *The details of the proposed Allottees have been intentionally left blank and will be filled in before filing the Placement Document with the Stock Exchanges and issuing the Placement Document to such proposed Allottees.*

DECLARATION

Our Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations. Our Company further certifies that all the statements in this Preliminary Placement Document are true and correct.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS:

____

Suneeta Reddy
Designation: Managing Director

Date: January 18, 2021
Place: Chennai

DECLARATION

We, the Board of Directors of the Company certify that:

(i) the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

(ii) the compliance with the Companies Act, 2013 and the rules thereunder does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

(iii) the monies received under this Issue shall be used only for the purposes and objects indicated in this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4).

Signed by:

____

Suneeta Reddy
Designation: Managing Director

I am authorized by the Fund Raising Committee, a committee constituted by the Board of Directors of the Company, vide resolution dated December 2, 2020 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoter(s) subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

____

Suneeta Reddy
Designation: Managing Director

Date: January 18, 2021
Place: Chennai

APOLLO HOSPITALS ENTERPRISE LIMITED

Registered Office
No. 19, Bishop Gardens, Raja Annamalaipuram, Chennai – 600 028, Tamil Nadu, India

Corporate Office
Sunny Side Building, East Block, 3rd Floor, No. 8/17 Shafee Mohammed Road
Chennai – 600 006, Tamil Nadu, India

Website: www.apollohospitals.com
Contact Person: S. M. Krishnan, Vice President (Finance), Company Secretary and Compliance Officer
Address: Ali Towers, IV Floor, No. 55 Greams Road, Chennai – 600 006, Tamil Nadu, India
Email: companysecretary@apollohospitals.com | **Tel No:** +91 44 2829 6117

BOOK RUNNING LEAD MANAGERS

BofA Securities India Limited
Ground Floor, "A" Wing, One BKC, "G" Block
Bandra Kurla Complex
Bandra (East), Mumbai – 400 051
Maharashtra, India

Axis Capital Limited
Axis House, Level 1
C-2 Wadia International Centre
P.B. Marg, Worli, Mumbai – 400 025
Maharashtra, India

J. P. Morgan India Private Limited
J.P. Morgan Tower
Off. C.S.T. Road
Kalina, Santacruz (East), Mumbai – 400 098
Maharashtra, India

Kotak Mahindra Capital Company Limited
1st Floor, 27 BKC, Plot No. C-27
G Block, Bandra Kurla Complex
Bandra (East), Mumbai – 400 051
Maharashtra, India

DOMESTIC LEGAL COUNSEL TO THE COMPANY

Shardul Amarchand Mangaldas & Co
Amarchand Towers
216, Okhla Industrial Phase III
New Delhi 110 020, India

DOMESTIC LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGERS

Indus Law
2nd Floor, Block D, The MIRA
Mathura Road, New Delhi 110 065, India

INTERNATIONAL LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGERS

Latham & Watkins LLP
9 Raffles Place
#42-02 Republic Plaza
Singapore 048 619

STATUTORY AUDITORS

Deloitte Haskins & Sells LLP, Chartered Accountants
27-32 Floor, Tower 3, One International Centre
Senapati Bapat Marg, Elphinstone (West)
Mumbai – 400 013

APPLICATION FORM

<table>
<tr><td rowspan="2">APOLLO HOSPITALS ENTERPRISE LIMITED</td><td>APPLICATION FORM</td></tr>
<tr><td>Name of the Bidder ___________________

Form. No.______</td></tr>
<tr><td>(Incorporated in the Republic of India under the provisions of the Companies Act, 1956)
Registered Office: No. 19, Bishop Gardens, Raja Annamalaipuram, Chennai – 600 028, Tamil Nadu, India; Corporate Office Sunny Side Building, East Block, 3rd Floor, No. 8/17 Shafee Mohammed Road, Chennai – 600 006, Tamil Nadu, India; CIN: L85110TN1979PLC008035; Website: www.apollohospitals.com; Tel: +91 44 2829 6117; Email: investor.relations@apollohospitals.com</td><td>Date: ______</td></tr>
</table>

QUALIFIED INSTITUTIONS PLACEMENT OF UP TO [●] EQUITY SHARES OF FACE VALUE ₹ 5 EACH (THE "EQUITY SHARES") FOR CASH, AT A PRICE OF ₹ [●] PER EQUITY SHARE (THE "ISSUE PRICE"), INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE, AGGREGATING TO ₹ [●] MILLION IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES") AND CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") BY APOLLO HOSPITALS ENTERPRISE LIMITED (THE "COMPANY") (AND SUCH ISSUE THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ 2,508.58 PER EQUITY SHARE AND THE COMPANY MAY OFFER A DISCOUNT OF UP TO 5% ON THE FLOOR PRICE.

Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; or (b) restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws, including foreign exchange related laws; and (c) hold a valid and existing registration under the applicable laws in India (as applicable), are eligible to invest in the Issue and submit this Application Form. In addition to the above, with respect to the Issue, Eligible QIBs shall consist of (i) QIBs which are resident in India; and (ii) Eligible FPIs. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or any other applicable state securities laws of the United States and, unless so registered, may not be offered, sold or delivered within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons who are "qualified institutional buyers" (as defined in Rule 144A under the Securities Act ("Rule 144A")) ("U.S. QIB") in transactions exempt from, or not subject to, the registration requirements of the Securities Act, and (b) outside the United States in offshore transactions in compliance with Regulation S ("Regulation S") under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. For the avoidance of doubt, the term "U.S. QIBs" does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in the PPD (as defined below) as "QIBs". You should note and observe the solicitation and distribution restrictions contained in the sections titled "Selling Restrictions" and "Transfer Restrictions" in the accompanying preliminary placement document dated January 18, 2021 (the "PPD").

ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE THROUGH THE PORTFOLIO INVESTMENT SCHEME UNDER SCHEDULE II OF THE FEMA NON-DEBT RULES IN THIS ISSUE. ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE ELIGIBLE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. ALLOTMENTS MADE TO AIFS AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY. PURSUANT TO PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA NON-DEBT RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

To,

The Board of Directors
Apollo Hospitals Enterprise Limited
Sunny Side Building, East Block,
3rd Floor, No. 8/17 Shafee
Mohammed Road,
Chennai – 600 006, Tamil Nadu, India

STATUS (Please ✓)			
FI	Scheduled Commercial Banks and Financial Institutions	**IC**	Insurance Companies
MF	Mutual Funds	**VCF**	Venture Capital Funds
NIF	National Investment Fund	**FPI**	Eligible Foreign Portfolio Investor*
IF	Insurance Funds	**AIF**	Alternative Investment Fund
SI- NBFC	Systemically Important Non-Banking Financial Companies	**OTH**	Others _____________ (Please specify)

**Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue*

Dear Sirs,

On the basis of the serially numbered PPD and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, on the terms and price indicated below. We confirm that we are an Eligible QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; and (b) restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws, including foreign exchange related laws and that we are not a promoter of the Company (as defined in the SEBI ICDR Regulations), or any person related to the promoters of the Company, directly or indirectly and this Application Form does not directly or indirectly represent the promoter or promoter group or persons related to the promoter. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with promoters or persons related to promoters of the Company, veto rights or right to appoint any nominee director on the Board. We confirm that we are either a QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Non-Debt Rules. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Non-Debt Rules by the Central Government on April 22, 2020. We confirm that we are not an FVCI. We confirm that the bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid does not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**"). We further understand and agree that (i) our names, address, contact details, PAN and bank account details will be recorded by the Company in the format prescribed in terms of the PAS Rules (ii) in the event that any Equity Shares are Allocated to us in the Issue, our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document pursuant to the requirements under Form PAS-4 of the PAS Rules; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, Tamil Nadu at Chennai (the "**RoC**") as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, the Company will disclose our name, along with the names of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the websites of the National Stock Exchange of India Limited and BSE Limited (together referred to as the "**Stock Exchanges**"), and we consent to such disclosure. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations and other applicable laws.

We confirm, that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the Preliminary Placement Document and this Application Form. We confirm that, in relation to our application, each foreign portfolio investor ("**FPI**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "**Eligible FPIs**"), have submitted separate Application Forms, and asset management companies of mutual funds have specified the details of each scheme for which the application is being made along with the price and amount to be Allotted under each such scheme. We undertake that we will sign and/or submit all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant approvals. We note that the Board is entitled, in consultation with BofA Securities India Limited, Axis Capital Limited, J.P. Morgan India Private Limited and Kotak Mahindra Capital Company Limited (the "**BRLMs**"), in their sole discretion, to accept or reject this Application Form without assigning any reason thereof. We hereby accept the Equity Shares that may be Allocated to us pursuant to the Confirmation of Allocation Note ("**CAN**") and request you to credit the same to our beneficiary account as per the details given below, subject to receipt of Application Form and the Application Amount towards the Equity Shares that may be allocated to us. The amount payable by us as Application Amount for the Equity Shares applied for has been/will be remitted to the designated bank account set out in this Application Form through electronic mode, along with this Application Form within the Issue Closing Date and such Application Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the BRLMs; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Application Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, the Application Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Application Amount has been paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

By signing and submitting this Application Form, we hereby confirm and agree (i) that the representations, warranties, acknowledgements and agreements as provided in the sections "Notice to Investors", "Representations by Investors", "Issue Procedure", "Selling Restrictions" and "Transfer Restrictions" sections of the PPD; and (ii) the terms, conditions and agreements mentioned herein, are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the BRLMs, each of which is entitled to rely on and is relying on these representations and warranties in consummating the Issue.

By signing and submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section "*Risk Factors"* therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the BRLMs or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document, this Application Form, the CAN and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment; (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges; (6) Equity Shares shall be Allocated and Allotted at the discretion of the Company in consultation with the BRLMs and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLMs; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue. For the purposes of this representation: The expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations i.e. entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, amongst the Eligible QIBs, its subsidiary or holding company and any other QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; (9) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the Memorandum of Association and Articles of Association of the Company, applicable laws and regulations, the terms of the PPD and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

We acknowledge that the Equity Shares have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. By signing this Application Form and checking the applicable box above, we hereby represent that we are either (i) a U.S. QIB purchasing the Equity Shares in transactions meeting the requirements of Rule 144A or another exemption from the registration requirements of the Securities Act, or (ii) located outside the United States and purchasing Equity Shares in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. We confirm that we have read the representations, warranties and agreements contained in the sections entitled "Selling Restrictions" and "Transfer Restrictions" of the PPD.

By signing and submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares.

We acknowledge that once a duly filled Application Form is submitted, whether signed or not, and the Application Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB.

BIDDER DETAILS (In Block Letters)			
NAME OF BIDDER*			
NATIONALITY			
REGISTERED ADDRESS			
CITY AND CODE			
COUNTRY			
PHONE NO.		**FAX NO.**	
EMAIL ID			
FOR FPIs**	SEBI FPI REGISTRATION NO. ____________		
FOR MF	SEBI MF REGISTRATION NO.____________		
FOR AIFs***	SEBI AIF REGISTRATION NO. ____________		
FOR VCFs***	SEBI VCF REGISTRATION NO. ____________		
FOR SI-NBFC	RBI REGISTRATION DETAILS____________		
FOR INSURANCE COMPANIES	IRDAI REGISTRATION DETAILS. ____________		

**Name should exactly match with the name in which the beneficiary account is held. Application Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund bidders are requested to provide details of the bids made by each scheme of the Mutual Fund. Each FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Issuer and the BRLMs.*

*** In case you are an FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.*

**** Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.*

We are aware that the number of Equity Shares in the Company held by us, together with the number of Equity Shares, if any, Allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under PAS-4 of the PAS Rules. For such information, the BRLMs have relied on the information provided by the Registrar for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

DEPOSITORY ACCOUNT DETAILS																									
Depository Name	National Securities Depository Limited									Central Depository Services (India) Limited															
Depository Participant Name																									
DP – ID	I	N																							
Beneficiary Account Number										(16-digit beneficiary A/c. No. to be mentioned above)															

The demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. However, for the purposes of refund, if any, only the bank details as mentioned below, from which the Application Amount has been remitted for the Equity Shares applied for in the Issue will be considered.

PAYMENT DETAILS
REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER
By 1:00pm (IST), [•], 2021, [•]

BANK ACCOUNT DETAILS FOR PAYMENT OF APPLICATION AMOUNT THROUGH ELECTRONIC FUND TRANSFER			
Name of the Account	APOLLO HOSPITALS ENTERPRISE LIMITED-QIP ESCROW ACCOUNT	**Account Type**	Escrow Account
Name of Bank	Axis Bank Limited	**Address of the Branch of the Bank**	CHENNAI MAIN BRANCH
Account No.	921020001375411	**IFSC**	UTIB0000006

The Application Amount should be transferred pursuant to the Application Form only by way of electronic fund transfers, towards the Escrow Account**.** Payment of the entire Application Amount should be made along with the Application Form on or before the closure of the Issue Period i.e. within the Issue Closing Date. All payments must be made in favor of "APOLLO HOSPITALS ENTERPRISE LIMITED-QIP ESCROW ACCOUNT". The payment for subscription to the Equity Shares to be allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	

NO. OF EQUITY SHARES BID FOR		**PRICE PER EQUITY SHARE (RUPEES)**	
(In Figures)	(In Words)	(In Figures)	(In Words)

DETAILS OF CONTACT PERSON			
Name:			
Address:			
Tel. No:		Fax No:	
Email:			

OTHER DETAILS	
PAN*	
Signature of Authorized Signatory *(may be either signed physically or digitally)***	

ENCLOSURES ATTACHED
☐ Copy of the PAN Card or PAN allotment letter
☐ FIRC
☐ Copy of the SEBI registration certificate as a Mutual Fund
☐ Copy of the SEBI registration certificate as an Eligible FPI
☐ Copy of the SEBI registration certificate as an AIF
☐ Copy of the SEBI registration certificate as a VCF
☐ Certified copy of the certificate of registration issued by the RBI as an SI-NBFC/ a scheduled commercial bank
☐ Copy of notification as a public financial institution
☐ Copy of the IRDAI registration certificate
☐ Certified true copy of power of attorney
☐ Others, please specify________________

**Please note that the Bidder should not submit the GIR number or any other identification number instead of the PAN as the application is liable to be rejected on this ground.*

***A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practical.*

Note 1: Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD, unless specifically defined herein.
Note 2: The Application Form is liable to be rejected if any information provided is incomplete or inadequate.

The Application Form and the PPD sent to you and the Placement Document which will be sent to you, either in physical form or in electronic form or both, are specific to you and you may not distribute or forward the same and are subject to the disclaimers and restrictions contained or accompanying these documents.