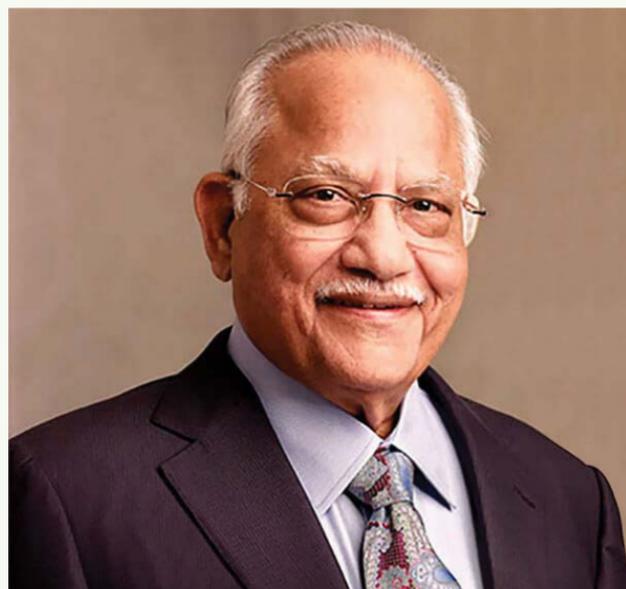


## MESSAGE FROM THE CHAIRMAN



Dear Shareholders,

At the outset, allow me to mark the 35-year milestone of Apollo Hospitals – a journey that began for me as a mission to bring top quality equitable healthcare of international standards to Indians. Our commitment to that mission led by consistent and uncompromising standards in clinical practices, quality measures, and patient centric care, has not only heralded the birth of an industry in the country, but has also enabled us to set benchmarks in healthcare delivery as a whole. I am proud that Indian private healthcare is able to serve two-thirds of the Indian population today as well as people from more than 120 countries seeking better healthcare options.

Apollo Hospitals Group is the only global institution with presence in every facet of the healthcare eco-system, encompassing curative health, pharmacies, retail health, diagnostics, telehealth, home health, as well as preventive health and wellness, medical education and skill development, not to mention health insurance and over 3,400 pharmacies. We have touched over 120 million people through our eco-system led by our hallmark clinical excellence tendered with care, compassion and cost benefit – an achievement which no other private institution can claim. Dr. HJ Morowitz, Professor at the Yale University, analyzed various parts of the body and its functions and pegged the value of its creation at six

trillion dollars. Such a priceless body needs strong guidance to protect its health and well-being.

I feel extremely privileged that in February this year, the Hon'ble Governor of Tamil Nadu, Shri Banwarilal Purohit, launched a Postal Stamp to mark our pioneering efforts in the area of Preventive Healthcare in India. The Master Health Check which we pioneered is a great tool to help people in the pursuit of wellness. It can pick up abnormal health parameters and help in early diagnosis of potential health problems. I am happy to tell you that we have completed over 20 million health checks till date. Over the years, the Postal Department of India has honoured us with four stamps to mark our achievements—something that no other hospital group in the world can claim.

Non Communicable Diseases or NCDs which include diabetes, cardiac, strokes, infections, and cancer, are soon going to become a major challenge to the physical health and economic security of many lower and middle income people. I would like to add two recently recognized conditions to this list—Obesity and Sleeplessness. The World Economic Forum has predicted that 75% of deaths by the end of this decade will be from NCDs, creating a global cost burden of 30 trillion dollars. India's share in this will be a staggering 4.8 trillion dollars; more than 50% of the GDP. I call this a Tsunami. In our experience, we have realized that early detection is important and NCDs can be prevented or reversed. But we need to take good care of our precious bodies. At Apollo, we have made it our Mission to carry the message of prevention and early detection countrywide and overseas also.

In this regard we have launched ProHealth, a three-year health and wellness programme for our 60,000 plus members of the Apollo family and their dependents, a total of 200,000 people. The programme facilitates early detection and healthy living through health guides, online tools and call doctors. On completion of the program, I plan to send each one a cake to celebrate their health and happiness. I urge captains of industries to extend this beneficial programme to all their employees so that the community as a whole can celebrate health and happiness. I firmly believe when India takes the lead, the world will follow.

We have since inception, underpinned our clinical excellence with superior technology in every discipline, comparable to any hospital in the world. Our most recent addition of the multi-room Proton Centre in Chennai will serve patients not just in India, but also from other countries that do not have this facility. The credibility of

the Apollo brand and the cost of treatment which is less than one-third of international prices, attract many medical value travelers to our hospitals and our highly skilled team of medical, surgical, and radiation oncologists and physicists. Our facilities are equipped with the latest technology to enable them in their diagnoses and treatments. This spirit pervades our 70 hospitals.

Our Cardiac Institutes have consistently produced outcomes on par with the best hospitals in the world. The Institutes have completed over 170,000 coronary bypass surgeries and are the single largest establishment for minimally invasive cardiac surgeries. We have completed over 50,000 CABGs just in Chennai.

We continue to focus on growing our Centers of Excellence, with a view to strengthening our leadership position in key specialties in all our geographies. Neurosciences, Orthopaedics, Emergency and Critical Care are identified as COEs, in addition to Cardiac, Oncology and Transplants. Our COE focus spans the entire spectrum of care, starting with the best talent, latest technology, cutting-edge protocols, differentiated product and service portfolio, and benchmarked clinical outcomes.

We opened our 3400th pharmacy store this fiscal. The pharmacy business now contributes 39% to our topline. Our retail business has a robust network of birthing centres, primary clinics, dental clinics, sugar clinics, dialysis centres and diagnostic labs; we remain the leading retail healthcare provider in the country.

The Indian government made a landmark move to launch 'Ayushman Bharat' – the Universal Health Insurance scheme. This resonates with my own personal sentiment that "health is a global right and a global duty". Our PPPs in this regard stand testimony to our commitment to bring affordable healthcare of superior standards to every fellow Indian. We have partnered with several state governments and leveraged technology to improve access to healthcare for the under-served in remote rural areas of our country.

Through initiatives like TeleHealth and TeleMedicine, we are able to run diagnostics and provide specialized consultations for appropriate treatments, creating innovative service delivery models for primary, secondary, and tertiary care.

We piloted our efforts in population health and well-being in Aragonda village, my birth place in Chittoor district (AP) in 2013 to fight the onset of Non Communicable Diseases. The initiative, Total Health, provides "Holistic Health Care" for the community, starting from birth, into childhood, adolescence, adulthood and in the later years of life. Today the program covers the whole of Thavanampalle Mandal with 170 hamlets and 60,000 people and the results are extraordinary. I am proud to announce that Apollo Hospitals in Aragonda has performed 150 Knee

Replacement surgeries – the first hospital in India to do so in a remote village.

On the 24th of February, Shri Ram Nath Kovind, the Hon'ble President of India, inaugurated our Multi Specialty Hospital in Lucknow – ApolloMedics. This marks our 70th Hospital with a capacity of 330 beds.

Our FY 19 results show YOY growth of 17% in Revenue with Healthcare Services contributing 55% and Standalone Pharmacies, 39%. Overall, the EBITDA stood at ₹ 10,637 mio, a YOY growth of 34%. I am pleased to announce a dividend of ₹ 6 per share.

I am delighted to tell you that this year, we have received 44 awards and accolades in India and abroad, in recognition of our commitment towards patient centricity, clinical excellence and innovation. We were also awarded the No 1 rank among Indian hospitals, for the 16th year in a row by The Week magazine, a true testimony to our consistency in delivering superior quality healthcare to our patients.

The future of healthcare is dawning on us. A future in which the global health care systems will focus on keeping people well—not just curing them when they are ill; where technology-enabled care will be available when and where people need it; where drugs and devices are personalized and based on an individual's needs; and where people understand the cost, value, and impact of their options for care. The use of Artificial Intelligence in diagnostics, for example, genomic sequencing, is fast gaining ground. The opportunity for us to shape this future is promising and rich. We have partnered with prominent global enterprises to create viable avenues to make healthcare delivery more efficient and sophisticated, and to cater to the evolving needs of our patients.

The success of Apollo Hospitals has always been about teamwork. We want to place on record my sincere appreciation and gratitude for all the hard work my Apollo family has put in to bring us to where we are today. We earnestly ask you to continue in that stride for I am confident that together we can deliver value to all our stakeholders – patients, investors and the community we serve.

I personally place on record my appreciation for our Board Members and investors for the trust they have placed on us. I look forward to that in the coming years as we move forward to achieve our goals.

Our steadfast goal is to bring down the huge burden of NCDs through our comprehensive preventive health programme. Always remember that your body is priceless and it is your duty to maintain and preserve it, towards your Health and Happiness.

Stay Healthy and my warm personal regards to all of you,

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