

APOLLO HOSPITALS ENTERPRISE LIMITED

CIN : L85110TN1979PLC008035



14th November 2018

The Secretary,
Bombay Stock Exchange Ltd (BSE)
Phiroze Jheejheebhoy Towers,
Dalal Street,
Mumbai - 400 001.

Scrip Code - 508869
ISIN INE437A01024

The Secretary,
National Stock Exchange,
Exchange Plaza, 5th Floor
Plot No.C/1, 'G' Block
Bandra - Kurla Complex
Bandra (E)
Mumbai - 400 051.

Scrip Code-
APOLLOHOSP
ISIN INE437A01024

The Manager
The National Stock
Exchange,
Wholesale Debt Market
Exchange Plaza, 5th Floor
Plot No.C/1, 'G' Block
Bandra - Kurla Complex
Bandra (E)
Mumbai - 400 051.
ISIN INE437A07062,
INE437A07070,
INE437A07088 &
INE437A07093

Dear Sir,

Sub: Decisions at the Board Meeting held on 14th November 2018

Further to our letter dated 24th October 2018, the Board of Directors at its meeting held on 14th November 2018 have approved the unaudited financial results of the Company for the quarter and half year ended 30th September 2018 and Scheme of Arrangement between Apollo Hospitals Enterprise Limited ('AHEL' or 'the Transferor Company') and Apollo Pharmacies Limited ('APL' or 'the Transferee Company') and their respective shareholders ('the Scheme') in accordance with the provisions of Section 230 to 232 of the Companies Act, 2013.

As required by the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, (LODR) we enclose/furnish the following particulars.

Financial Results - Annexure I

1. Unaudited Standalone financial results of the Company for the quarter and half year ended 30th September 2018, which have been subjected to Limited Review by the Statutory Auditors of the Company.
2. Copy of the Limited Review Report of the Statutory Auditors for the corresponding period.
3. The financial results will also be published in the newspapers, in the format prescribed under Regulation 47 of the Listing Regulations.
4. The said documents are being posted on the website of the Company i.e., www.apollohospitals.com.

IS/ISO 9001:2000



Regd. Office :
19, Bishop Gardens,
Raja Annamalaipuram,
Chennai - 600 028.

General Office :
"Ali Towers", III Floor,
#55, Greaves Road,
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Tel : 044 - 2850956 / 3896 / 6681
Telefax : 044 - 2829 0956
Email : apolloshares@vsnl.net
Website: www.apollohospitals.com

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Compliance with Regulation 52(4) of LODR

The disclosures under Regulation 52(4) of the Listing Regulations is forming part of the standalone financial results of the Company for the quarter and half year ended 30th September 2018. A copy of the same duly signed by the Debenture Trustees will be sent to you in due course.

Restructuring of Pharmacy business.

The Board of Directors of Apollo Hospitals Enterprise Ltd (AHEL) met today to review the company's long-term strategy for both Healthcare Services and Standalone pharmacies.

The Board recognized that the company's Standalone pharmacy business has been growing at a rapid pace and that the business has matured and is today at an inflection point requiring greater focus and attention, independent of the hospital business, given the growth opportunity that India's domestic pharma market has over the medium term. Apollo Pharmacy today has grown from ~ 170 outlets in FY05 to 3167 outlets as of September 30, 2018, in ~ 400 cities/towns spread over 20 states and 4 Union territories and is currently serving about 300,000 customers daily through a dedicated employee strength of about 21,000 plus.

Organised pharmacy retail accounts for less than 5% of India's ~ USD 15 bn domestic pharmaceutical market which is estimated to grow 10-12% CAGR over the next decade, driven predominantly by volume growth. The key growth drivers for domestic pharmaceutical industry include increasing disposable incomes, demand for quality products, higher incidence of chronic diseases, growing awareness of diagnostics and preventive care, and greater accessibility through generics. Organised pharmacy retail is expected to grow at a much faster rate within this.

With a well-established track record of growth, a proven ability to expand our pharmacy network and a strong brand salience, the Board recognized that it was now appropriate for this business to be a separate business entity with a clear strategy and vision for itself.

Further the Board also discussed that the re-organised structure should follow existing regulatory framework while allowing the company to maximise shareholder value and set the platform for "Value Discovery" of the pharmacy business at a later stage.

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Accordingly, it was decided to segregate the front-end retail pharmacy business carried out in the standalone pharmacy segment into a separate company Apollo Pharmacies Limited ('APL') as part of the proposed reorganization and the Board has accordingly approved the same.

Apollo Pharmacies Limited will focus on:

- A) Building a multi-year growth platform for the stand-alone pharmacies business to get to a medium-term target of over 5000 pharmacy outlets over 5 years with a goal of over Rs. 10,000 crores in Revenues and 30% combined ROCE for the Stand-alone pharmacy business in 5 years.
- B) Enabling our foray into digital commerce as part of our Omni-Channel strategy to provide consumers increased convenience and ability to choose between online and physical stores.
- C) Retaining our leadership position by further focusing on strengthening and streamlining the Direct-to-Consumer (D2C) front end operations to increase Same store growth, prescription fill rates and enhance overall customer experience.
- D) Enhancing the private label business further from the current 6 + % levels to over 12% in five years through a combination of both broadening and deepening the product portfolio.
- E) Leveraging on its strong distribution supply chain to further increase operational efficiencies and create a sustainable moat for the business.
- F) Building a strong integrated customer loyalty platform through a combination of effective health maintenance and wellness in addition to cost benefits centred around a more satisfied and engaged customer with a focus on customer retention as well as higher repeat customers.

APL will be a wholly owned subsidiary of Apollo Medicals Pvt. Ltd ("AMPL"). Entire shareholding of AMPL will be held by AHEL and certain identified investors viz. Jhelum Investment Fund 1, Mr. Hemendra Kothari, and ENAM Securities Private Limited (collectively, referred to as "Investors"). AHEL would hold 25.5 % of the total share capital of AMPL with other Investors collectively holding the remaining share capital of AMPL. Specifically, Jhelum Investment Fund 1 would hold 19.9 %, Mr. Hemendra Kothari would hold 9.9 % and ENAM Securities Private Limited would hold 44.7 % of the total share capital of AMPL. The parties are entering into definitive agreements.

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AHEL shall have the right/obligation to acquire the shares of AMPL from the Investors in terms of such definitive agreements and in compliance with the regulatory framework that may be applicable at the time of said acquisition.

AHEL will be the exclusive supplier for APL under a Long-term Supplier Agreement, and AHEL will enter into a Brand Licencing Agreement with APL to licence the "Apollo Pharmacy" brand to the frontend stores and online pharmacy operations, to further augment and strengthen the brand, with these arrangements being entered into in compliance with applicable law. The proposed reorganization would not have a material impact on the financials of AHEL as the backend business related to the standalone pharmacies which represents ~ 85% of the business economics will continue to be held by AHEL.

The structure as stated above will take AHEL one step closer to a potential unlocking of value in the Standalone pharmacy segment.

For the purposes of effectuating the restructuring, AHEL will transfer the business of the front-end retail pharmacy business carried out in the standalone pharmacy segment to APL by way of slump sale under a scheme of arrangement to be duly approved by stock exchanges, shareholders, National Company Law Tribunal and all other requisite regulatory authorities, with such transfer being effective from 1st April 2019. The slump sale consideration would be INR 527.8 crores. The funding plan at APL for the reorgnaisation will enable sufficient funds to be retained for new business expansion apart from discharging the slump sale consideration.

The consideration for slump sale is based on the valuation report issued by B. S. R. & Co LLP. Further, fairness opinion on valuation has been obtained from ICICI Securities Limited. L&L Partners (formerly Luthra & Luthra Law Offices) are acting as the legal advisors.

Statements contained herein that relate to future operating performance are forward-looking statements. Forward-looking statements are based on judgments made by our management based on information that is currently available to us. As such, these forward-looking statements are based on plans regarding the proposed arrangement and are subject to various risks, uncertainties and assumptions and therefore, the actual business results may vary from the forecasts expressed or implied in forward-looking statements. Consequently, you are cautioned not to place undue reliance on forward-looking statements.

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Intimation of the Scheme of Arrangement under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

1. With reference to the captioned subject, we hereby inform you that, the Board of Directors of our Company at its meeting held today has unanimously approved the Scheme of Arrangement between Apollo Hospitals Enterprise Limited ('AHEL' or 'the Transferor Company') and Apollo Pharmacies Limited ('APL' or 'the Transferee Company') and their respective shareholders ('the Scheme') in accordance with the provisions of Section 230 to 232 of the Companies Act, 2013. The Scheme inter-alia provides for:
 - a. The transfer of the Divestment Business of the Transferor Company and vesting of the same with the Transferee Company, on a going concern basis by way of a Slump Sale in accordance with section 2(42C) of the IT Act; and
2. The Scheme is subject to requisite statutory and regulatory approvals and sanction by the respective shareholders of each of the companies involved in the Scheme.
3. It may be noted that the Scheme has been reviewed and recommended for approval by the Audit Committee of the Company at its meeting held on 14th November 2018 at 10 a.m.

The detailed disclosure as required under Regulation 30 of the Listing Regulations, 2015 read with Circular CIR/CFD/CMD/4/2015 dated 9th September 2015 is enclosed as Annexure - II to this outcome



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Schedule of Conference Call

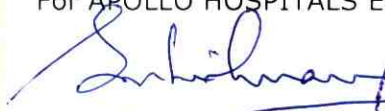
Pursuant to Regulation 30 and 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that a conference call for the analysts/investors is scheduled to be held on 14th November, 2018 (today) at 5 p.m. to discuss the financial results for the quarter and half year ended 30th September 2018 and restructuring of pharmacy business.

The meeting of the Board of Directors commenced at 11.00 a.m. and concluded at 3.20 p.m.

Please take the same on record.

Thanking you,

Yours faithfully,
For APOLLO HOSPITALS ENTERPRISE LIMITED


S.M. KRISHNAN
VICE PRESIDENT – FINANCE
AND COMPANY SECRETARY



CC : The Secretary,
Luxembourg Stock Exchange,
B.P. 165,
L-2011 Luxembourg.

Ref : ISIN US0376081065 – Rule 144a GDR
ISIN US0376082055 – Reg. S GDR

Securities and Exchange
Commission
Division of Corporation Finance
Office of International Corporate
Finance
450 Fifth Street, N.W.
Washington, D.C
20549-0302
File No. 82-34893

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Annexure - I

1. Statement of Unaudited Standalone Financial Results for three and six months ended September 30, 2018

Particulars	Three months ended 30/09/2018		Corresponding Three months ended 30/09/2017		Year to date figures for current period ended 30/09/2018		Year to date figures for previous period ended 30/09/2017		(Rs. In lakhs)	
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Previous year ended 31/03/2018	
1 Income										
(a) Revenue from Operations	2,09,012	1,91,039	1,81,312	4,00,051	3,46,348	7,18,301				
(b) Other Income	(7)	205	274	198	(80)	1,259				
Total Income	2,09,005	1,91,244	1,81,586	4,00,249	3,46,268	7,19,560				
2 Expenses										
(a) Cost of Materials Consumed	35,540	32,422	31,987	67,962	62,761	1,26,800				
(b) Purchase of Stock-in-Trade	76,026	74,731	62,232	1,50,757	1,25,778	2,61,422				
(c) Changes in inventories of stock-in-trade	(1,493)	(6,233)	390	(7,726)	(5,432)	(8,092)				
(d) Employee Benefits Expense	31,139	29,586	28,301	60,725	54,423	1,11,881				
(e) Finance Costs	6,602	6,207	5,875	12,809	11,421	24,017				
(f) Depreciation and amortisation expense	7,388	7,240	6,648	14,628	13,112	27,200				
(g) Other Expenses	42,019	37,868	36,289	79,887	69,363	1,43,319				
Total Expenses	1,97,221	1,81,821	1,71,722	3,79,042	3,31,426	6,86,547				
3 Profit before exceptional item and tax (1) - (2)	11,784	9,423	9,864	21,207	14,842	33,013				
4 Exceptional items	-	-	-	-	-	-				
5 Profit before tax (3) - (4)	11,784	9,423	9,864	21,207	14,842	33,013				
6 Tax Expenses										
Current Tax	2,998	2,406	1,882	5,404	2,956	7,435				
Deferred Tax	888	1,001	892	1,888	1,275	2,258				
7 Profit for the period / year (5) - (6)	7,898	6,016	7,090	13,915	10,611	23,320				
8 Other Comprehensive Income										
Items that will not be reclassified to Profit and Loss										
- Remeasurement gains/(losses) on defined benefit plan	(1,484)	(1,533)	(1,346)	(3,017)	(2,320)	(2,790)				
- Tax on above	519	536	466	1,054	803	966				
Other Comprehensive Income / (Loss)	(965)	(997)	(880)	(1,963)	(1,517)	(1,824)				
9 Total Comprehensive Income for the period / year (after tax) (7) + (8)	6,933	5,019	6,210	11,952	9,094	21,496				
10 Paid-up equity share capital (Face value Rs.5/- per share)										
Reserves (including Revaluation Reserves)										
Paid up Debt Capital										
Net Worth (Refer footnote 1)				70,000	80,000	3,62,394				
Debt Redemption Reserve				3,54,647	3,44,846	70,000				
Capital Redemption Reserve				17,500	12,975	3,51,067				
				600	600	17,500				
11 Earnings per equity share of Rs.5/- each										
Basic and Diluted EPS before extraordinary items for the period (Rs.)	*5.68	*4.32	*5.10	*10.00	*7.63	16.76				
Basic and Diluted EPS after extraordinary items for the period (Rs.)	*5.68	*4.32	*5.10	*10.00	*7.63	16.76				
Debt: Equity Ratio (Refer footnote 2)				0.91	0.83	0.84				
Debt Service Coverage Ratio (Refer footnote 3)				2.42	2.22	1.86				
Interest Service Coverage Ratio (Refer footnote 4)				4.04	3.33	3.59				

*Not annualised



For APOLLO HOSPITALS ENTERPRISE LTD.

Suneeta Reddy
Suneeta Reddy
Managing Director

Particulars	Three months ended 30/09/2018	Three months ended 30/06/2018	Corresponding Three months ended 30/09/2017	Year to date figures for current period ended 30/09/2018	Year to date figures for previous period ended 30/09/2017	(Rs. in lakhs) Previous year ended 31/03/2018
Earnings before finance costs, tax, depreciation and amortization, exceptional items (EBITDA) (Refer footnote 5)	25,781	22,665	22,113	48,446	39,455	82,971

Foot Notes:

- 1 Networth = Equity Share Capital + Other Equity excluding Capital Reserves, Capital Redemption Reserve and Debenture Redemption Reserve
- 2 Debt Equity Ratio
Debt = Long Term Borrowings + Short Term Borrowings + Current maturities of Long Term Borrowings
Equity = Paid up Share Capital + Other Equity
- 3 Debt Service Coverage Ratio = Profit before Interest, Depreciation and Tax / Interest on loans + Repayment of Long Term Loans during the period
- 4 Interest Service Coverage Ratio = Profit before Depreciation, Interest on Long Term Loan and Tax / Interest on Long Term Loans
- 5 The company has presented Earnings before Finance costs, Tax, Depreciation, Amortization, Other income and Exceptional items (EBITDA) additionally as part of Financial Results.



For APOLLO HOSPITALS ENTERPRISE LTD.

Suresh Reddy
Managing Director

2. Segment wise Revenue, Results, Segment Assets and Segment Liabilities

Particulars	Three months ended 30/09/2018		Three months ended 30/06/2018		Corresponding Three months ended 30/09/2017		Year to date figures for current period ended 30/09/2018		Year to date figures for previous period ended 30/09/2017		(Rs. In lakhs)	
	Unaudited		Unaudited		Unaudited		Unaudited		Unaudited		Previous year ended 31/03/2018	Audited
1. Segment Revenue												
a) Healthcare Services	112,661		101,855		101,145		214,516		191,907		391,478	
b) Pharmacy	96,370		89,207		80,185		185,577		154,473		326,888	
SUB - TOTAL	209,031		191,062		181,330		400,093		346,380		718,366	
Less : Intersegmental Revenue	19		23		18		42		32		65	
Income from Operations	209,012		191,039		181,312		400,051		346,348		718,301	
2. Segment Results												
a) Healthcare Services	14,188		12,097		12,647		26,285		21,057		44,033	
b) Pharmacy	4,205		3,328		2,818		7,533		5,286		11,738	
SUB - TOTAL	18,393		15,425		15,465		33,818		26,343		55,771	
Less : (i) Finance Cost	6,602		6,207		5,875		12,809		11,421		24,017	
Add: (i) Other unallocated income, net of (expenditure)	(7)		205		274		198		(80)		1,259	
Profit Before Tax	11,784		9,423		9,864		21,207		14,842		33,013	
3. Capital Employed (Segment Assets - Segment Liabilities)												
a) Healthcare Services	594,751		580,202		566,531		594,751		566,531		584,114	
Segment Assets *	(88,208)		(75,737)		(64,869)		(88,208)		(64,869)		(71,711)	
Segment Liabilities												
b) Pharmacy	108,604		103,774		85,896		108,604		85,896		93,726	
Segment Assets	(23,232)		(17,451)		(17,307)		(23,232)		(17,307)		(15,389)	
Segment Liabilities												
c) Unallocated	130,714		121,994		102,215		130,714		102,215		103,367	
Segment Assets	(349,700)		(338,413)		(313,862)		(349,700)		(313,862)		(324,757)	
Segment Liabilities												
Total Capital Employed	372,929		374,369		358,604		372,929		358,604		369,350	
* Includes segment assets in various hospital projects under construction	80,553		70,212		62,505		80,553		62,505		69,830	



For APOLLO HOSPITALS ENTERPRISE LTD.

Suneeta Reddy
Suneeta Reddy
 Managing Director

Apollo Hospitals Enterprise Limited
Regd. Office : No. 19 Bishop Gardens, Raja Annamalaipuram, Chennai - 28, Tamil Nadu

Standalone Balance Sheet

	(Rs. in lakhs)	
Particulars	As at 30-Sep-18 Unaudited	As at 31-Mar-18 Audited
ASSETS		
Non-current assets		
(a) Property, Plant and Equipment	370,706	363,013
(b) Capital work-in-progress	80,553	69,830
(c) Goodwill	9,483	9,483
(d) Other Intangible assets	2,916	3,663
(e) Financial Assets		
(i) Investments	102,658	85,517
(ii) Investments in Debentures and Preference Shares	4,264	4,264
(iii) Other financial assets	24,541	21,603
(f) Tax Assets	13,497	11,297
(g) Other Non-Current Assets	14,609	14,562
Total Non - Current Assets	623,227	583,232
Current assets		
(a) Inventories	57,235	53,868
(b) Financial assets		
(i) Investments	201	201
(ii) Trade receivables	92,693	80,469
(iii) Cash and cash equivalents	21,330	24,694
(iv) Bank balances other than (iii) above	4,284	4,762
(v) Loans	7,400	-
(vi) Other financial assets	12,804	21,724
(c) Other current assets	14,895	12,257
Total Current Assets	210,842	197,975
Total Assets	834,069	781,207
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share capital	6,956	6,956
(b) Other Equity	365,973	362,394
Total Equity	372,929	369,350
Liabilities		
Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	261,665	254,710
(ii) Other financial liabilities	440	979
(b) Deferred tax liabilities (Net)	27,511	24,661
Total Non - Current Liabilities	289,616	280,350
Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	38,789	34,953
(ii) Trade payables	58,892	47,338
(iii) Other financial liabilities	56,236	35,575
(b) Other current liabilities	11,450	6,889
(c) Provisions	6,157	6,752
Total Current Liabilities	171,524	131,507
Total Equity and Liabilities	834,069	781,207



For APOLLO HOSPITALS ENTERPRISE LTD.

Suneeta Reddy
Suneeta Reddy
 Managing Director

NOTES:

1. The unaudited standalone financial results for the three months and six months ended September 30, 2018 have been reviewed by the Audit Committee and approved by the Board of Directors in their meetings held on November 13, 2018 and November 14, 2018 respectively and have been subjected to limited review by the statutory auditors .
2. The listed non-convertible debentures of the Company aggregating to Rs. 70,000 lakhs as on September 30, 2018 are secured by way of first mortgage/charge on the Company's properties and the asset cover thereof exceeds hundred percent of the principal amount of the said debentures.
3. The Company's debt instruments was assigned a rating of AA by CRISIL indicating a high degree of safety.
4. Details of Secured Non Convertible Debentures are as follows :

Sr.No	Particulars	Previous Due Date (April 1, 2018 to September 30, 2018)		Next Due Date (October 1, 2018 to March 31, 2019)	
		Principal	Interest	Principal	Interest
1	2000 Secured Redeemable Non Convertible Debentures of Rs. 10 lakhs each	-	August 22, 2018	-	-
2	3000 Secured Redeemable Non Convertible Debentures of Rs. 10 lakhs each	-	-	-	October 7, 2018
3	2000 Secured Redeemable Non Convertible Debentures of Rs. 10 lakhs each	-	-	-	March 7, 2019

Interest has been paid on the due dates

5. 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 Section 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, National Company Law Tribunal and all other requisite regulatory authorities. Pending receipt of necessary approvals, no effect for the Scheme has been given in the results for the three and six months ended September 30, 2018.



For APOLLO HOSPITALS ENTERPRISE LTD.

Suneeta Reddy
Managing Director

6. Effective April 1, 2018, the Company adopted Ind AS 115 – Revenue from contracts with customers using the cumulative catch-up transition method which is applied to contracts that were not completed as of April 1, 2018. Accordingly the comparatives have not been retrospectively adjusted. The effect of adoption of Ind AS 115 is insignificant.

7. Other Income includes the following:

Rs in lakhs

Particulars	Three months ended 30/09/2018	Three months ended 30/06/2018	Corresponding Three months ended 30/09/2017	Year to date figures for year ended 30/09/2018	Year to date figures for previous year ended 30/09/2017	Previous year ended 31/03/2018
Net exchange (gain) / loss	271	3	54	274	551	168

For APOLLO HOSPITALS ENTERPRISE LIMITED

Place : Chennai
Date : 14th November 2018

DR PRATHAP C REDDY
EXECUTIVE CHAIRMAN



For APOLLO HOSPITALS ENTERPRISE LTD.


Suneeta Reddy
Managing Director

Apollo Hospitals Enterprise Limited
Corporate Identity Number : L85110TN1979PLC008035
Regd. Office : No. 19 Bishop Gardens, Raja Annamalaiapuram, Chennai - 28, Tamil Nadu
Tel. +91-44-28290956, Fax. +91-44-28290956, Email: investor.relations@apollohospitals.com,
Extract of Statement of Standalone Unaudited Financial Results

(Rs. in Lakhs, except per share data)

Particulars	Three months ended 30/09/2018	Three months ended 30/06/2018	Corresponding Three months ended 30/09/2017	Year to date figures for year ended 30/09/2018	Year to date figures for previous year ended 30/09/2017	Previous year ended 31/03/2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Total Income from Operations (net)	2,09,005	1,91,244	1,81,586	4,00,249	3,46,268	7,19,560
Net Profit /(Loss) for the period (before Tax, Exceptional and/or Extraordinary Items)	11,784	9,423	9,864	21,207	14,842	33,013
Net Profit /(Loss) for the period (before Tax, after Exceptional and/or Extraordinary Items)	11,784	9,423	9,864	21,207	14,842	33,013
Net profit /(Loss) for the period after tax (after Exceptional and Extraordinary items)	7,898	6,016	7,090	13,915	10,611	23,320
Total Comprehensive Income for the period [comprising Profit/ (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	6,933	5,019	6,210	11,952	9,094	21,496
Paid up Equity Share Capital (Face value of Rs.5/- each)						6,956
Other Equity						3,62,394
Paid up Debt Capital/Outstanding Debt				70,000	80,000	70,000
Earnings Per Share of Rs. 5/- each						
Basic	*5.68	*4.32	*5.10	*10.00	*7.63	16.76
Diluted	*5.68	*4.32	*5.10	*10.00	*7.63	16.76
Debt Equity Ratio				0.91	0.83	0.84
Debt Service Coverage Ratio				2.42	2.22	1.86
Interest Service Coverage Ratio				4.04	3.33	3.59
Network				3,54,647	3,44,846	3,51,067
Debenture Redemption Reserve				17,500	12,975	17,500
Capital Redemption Reserve				600	600	600

* Not Annualised
Notes

1 The above is an extract of the detailed format of standalone quarterly and half yearly financial results filed with stock exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the Quarterly and Half Yearly Financial Results are available on the stock exchange websites www.nseindia.com and www.bseindia.com and also the company's website www.apollohospitals.com

2 The unaudited standalone financial results for the three months and six months ended September 30, 2018 have been reviewed by the Audit Committee and approved by the Board of Directors in their meetings held on November 13, 2018 and November 14, 2018 respectively and have been subjected to limited review by the statutory auditors.

3 For the items referred in sub-clauses (a), (b), (d) and (e) of the Regulation 52(4) of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015, the pertinent disclosures have been made to the Stock Exchanges (BSE and NSE) and can be accessed on the URL (www.bseindia.com and www.nseindia.com)

4 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 Section 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, National Company Law Tribunal and all other requisite regulatory authorities. Pending receipt of necessary approvals, no effect for the Scheme has been given in the results for the three and six months ended September 30, 2018.

5 Effective April 1, 2018, the Company adopted Ind AS 115 – Revenue from contracts with customers using the cumulative catch-up transition method which is applied to contracts that were not completed as of April 1, 2018. Accordingly the comparatives have not been retrospectively adjusted. The effect of adoption of Ind AS 115 is insignificant.

For APOLLO HOSPITALS ENTERPRISE LIMITED

Place : Chennai
Date : 14th November 2018

Suneeta Reddy
Suneeta Reddy
Managing Director

DR. PRATHAP C REDDY
Executive Chairman

**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM STANDALONE
FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF
APOLLO HOSPITALS ENTERPRISE LIMITED**

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **Apollo Hospitals Enterprise Limited** ("the Company"), for the three months and six months ended September 30, 2018 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in 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 issue a report on the Statement based on our review.

2. 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. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards 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 modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm Registration No. 117366W/W-100018)



Vikas Bagaria
Partner

(Membership No. 060408)

BENGALURU
November 14, 2018

Annexure -II

Sr. No.	Particulars	Details
1.	Name of the entity(ies) involved in the scheme; details in brief such as, size, turnover etc	Apollo Hospitals Enterprise Limited Turnover for FY 2017-18 – Rs. 7196 crores Apollo Pharmacies Limited Turnover for FY 2017-18 – NIL
2.	Brief details of Divestment Business	"Divestment Business" means the business of front end retail pharmacy carried out in the standalone pharmacy segment and front end retail pharmacy activity carried out through on-line platform for retail pharmacy operations and includes without limitation the Divestment Assets, the Divestment Liabilities, the Divestment Employees and Approval for conducting the standalone pharmacy business and on-line platform for retail pharmacy operations . Explanation: In case of any question that may arise as to whether any particular asset or liability and/ or Employee pertains to or does not pertain to the Divestment Business or whether it arises out of the activities or operations of Divestment Business, the same shall be decided with mutual agreement between the respective Boards of the Transferor Company and Transferee Company "Divestment Assets" means the Divestment Tangible Fixed Assets, records, Transferring Inventory and current assets, forming part of the Divestment Business. "Divestment Liabilities" shall consist of the following liabilities: - Liabilities in relation to the Divestment Employees forming part of the Divestment Business; - Liabilities in relation to the contractual obligation pertaining to the Divestment Business;



		iii. Liabilities and obligations of the Transferor Company related to or the result or consequences of Assumed Litigations following the Effective Date other than the Excluded Liabilities; Any liabilities other than the above mentioned liabilities shall not form part of Divestment Liabilities;
3.	Turnover of the Divestment Business as percentage to the total turnover of the listed entity in the immediately preceding financial year / based on financials of the last financial year Percentage net-worth of the Divestment Business to total net-worth of the listed entity	Annual Turnover of the Divestment Business for FY 2017-18 - Rs.3,269 crores Percentage to total turnover on standalone basis ~45.43% Percentage to total net-worth on standalone basis ~ 12.66%
4.	Area of business of the entity(ies);	AHEL is engaged in the business of enhancing the quality of life of patients by providing comprehensive, high quality hospital services on a cost-effective basis. The principal activities of the Company include operation of multi-disciplinary private hospitals, clinics, and pharmacies. APL is engaged in the business of buying, selling, importing, exporting, distribution or dealing in or manufacturing, Medical and Pharmaceuticals products like intravenous sets, intravenous solutions, all kinds of drugs, disinfectants, tinctures, colloidal products, injectable and all pharmaceuticals and medical preparations
5.	Date on which the agreement for sale has been entered into	Not applicable. The slump sale of the divestment Business would be pursuant to a Scheme approved by the National Company Law Tribunal, Chennai Bench.
6.	Expected date of completion of sale/ disposal	The slump sale would be effective from the Appointed Date (i.e. 01 April 2019) on filing of the final order received from the National Company Law Tribunal with the Registrar of Companies
7.	In case of cash consideration - amount or otherwise share exchange ratio	The consideration for the aforementioned slump sale would be a lump sum cash consideration of INR 527.8 crores
8.	Brief details of buyers and whether any of the buyers belong to the promoter/ promoter group/group companies. If yes, details thereof	Buyer - APL APL is not a part of the promoter group of AHEL.



		APL is a wholly owned subsidiary of Apollo Medicals Private Limited ('AMPL'). AHPL would be holding 25.5% equity stake in AMPL and the remaining 74.5% stake would be held by other - identified investors.
9.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length";	The said transaction would be a related party transaction and the same is at arm's length.
10.	Brief details of change in shareholding pattern (if any) of listed entity	Not Applicable.



Rationale and purpose of the scheme

The Board of the Transferor Company believes that the business of front end retail pharmacy carried out in the standalone pharmacy business segment has matured to a stage that it requires greater business attention and possesses high growth potential, independent of the hospitals business. Further, the Board of Transferor Company believe that the risks and reward associated with each of the aforesaid business verticals is different. Hence, the Transferor Company have proposed to enter into this Scheme to enable its management to develop focussed business verticals. The Boards of the Transferor Company and the Transferee Company respectively are of the opinion that the arrangement under this Scheme would result in benefits to the members, creditors and employees of the Transferor Company and Transferee Company respectively.

The transfer of the Divestment Business pursuant to this Scheme would inter alia result in the following benefits:

I. In case of the Transferor Company:

- Divestment of the front end operations of the standalone pharmacy business segment and utilizing the proceeds towards growth and enhancement of other existing businesses;
- Enhancing strategic flexibility to build a viable platform solely focusing on each of the businesses; and
- Enable dedicated management focus, resources and skill set allocation to each business, which will in turn accelerate growth and unlock value for the shareholders.

II. In case of the Transferee Company:

- Creation of value for shareholders by acquiring ready-to use assets, including business undertakings and reducing time to markets;
- Strengthening and streamlining the Direct-to-Consumer (D2C) front end operations of the standalone pharmacies business segment ;
- Enhancing the private label business; and
- Enabling foray into Digital / Online Pharmacy.

