Apollo HOSPITALS
TOUCHING LIVES

HEALTHCARE

Apollo Hospitals, Chennai harvested 23 different organs from these five donors and conducted 10 transplants in a day at the flagship Hospital on Greams Road on May 6, 2015. A case of extreme gesture of kindness displayed by five strong families who came forward to donate the organs of their loved ones, incidentally on the same evening, enabled this feat to give a fresh lease of life to 23 people.

From five brain dead donors - 4 kidneys, 1 heart and 5 livers were harvested at Apollo Hospitals, Chennai.

A multidisciplinary team of doctors and support staff have worked round the clock to help realize this remarkable feat, adding yet another feather to Apollo Group's success in running the busiest and most successful transplant centre in the world

Dr. J. Radhakrishnan - Health Secretary, Government of Tamilnadu came forward to participate at a gathering organized at the Hospital to express gratitude towards the five bereaving families. Also present at the event were Founder & Chairman of Apollo Hospitals, Dr Prathap C Reddy, Vice Chairperson, Ms Preetha Reddy and the entire clinical team who helped realize this meticulously conducted feat.

Addressing the gathering, Dr.Prathap C Reddy said "Today, these well-meaning families have helped give people in end-stage organ failure, a second chance to live - and in the act have inspired more people to donate organs. Tamil Nadu has the most successful organ donation program running and the Government has done a lot to make people aware of Organ Donation - and this act testifies the efforts put in by the State and the medical fraternity. However, it takes grit, an elevated sense of social responsibility and a heart to give back to society, from individuals to help hospitals and doctors really experience what it means to gift lives to people in the true sense. Human life is priceless, but when it gives away, it gives to many more in need."

The extreme kindness exhibited by these 5 families, in donating the organs of their beloved ones, are a torch-bearer for others to follow and will mean that a lot more patients who are in end-stage organ failure and who are in dire need of organs, would benefit with a fresh lease of life

With a deep sense of satisfaction and gratitude towards our patients and the people of Madurai, we proudly present our first two successful liver transplants done at Apollo Specialty Hospitals, Madurai.

The donors were identified within Trichy and Coimbatore respectively. Both the patients Mr. Sibnath Santara and Mr. Tulsidas Gautam were listed in the Tamil-Nadu cadaver transplant program with End Stage Liver Disease for a long time. Both transplants were completed smoothly and successfully and they were discharged from the hospital within 10 days of the surgery. Both are now ready to travel back to their native places to re-start normal lives.

Executive Vice Chairperson Ms. Preetha Reddy added that Apollo Speciality Hospitals, Madurai has now joined the handful of centers in the country, with the technical expertise and infrastructure to perform such complex procedures.

CEO, Southern Region, Apollo Hospitals Group Ms. Anne Marie Moncure appreciated all the consultants, technicians and all the administrative staff in their efforts in completing these complex surgeries. She expressed her wishes to the team to continue this kind of achievement in future.

Speaking at the occasion, Dr SathyaBhama, DMS for Apollo Speciality Hospitals, Southern region, said that "Apollo Hospitals have maintained leadership in areas of organ transplantation and organ donation and the story has now enfolded in southern Tamil-Nadu".

Dr Rohini Sridhar, COO and DMS of Apollo Speciality Hospitals, Madurai Division, said, "the symphonically orchestrated team work of the doctors and administrators at Apollo Madurai made the seemingly tough undertaking, feel like a breeze".

The patient Mr.Tulsidas, who was transplanted just 1 month ago, expressed his satisfaction for the fresh lease of life.

Dr Anand Ramamurthy, Sr Consultant Liver Transplant Surgeon, who is actually the 'son of the soil' said "two liver transplants were successfully performed at the Temple city of Madurai. Life saving procedures for patients with liver failure are now available outside major metros".

Dr Anand K Khakhar, Program Director, Centre for Liver Disease and Transplantation Apollo Hospitals, said "We offer comprehensive care for patients with liver diseases. A lot of patients in need for liver transplantation are not adequately aware about the facilities and excellent outcomes now available to them within their reach." Dr Anil Vaidya, Professor of Transplant Surgery at Oxford University and leading Pancreas transplant surgeon was impressed with the facilities available for complex transplant procedures in Apollo Madurai and mentioned that "facilities here are comparable to that at Chennai and Oxford as well, we can even offer pancreas transplantation to patients in Madurai".

In case of a liver transplantation, the liver is normally used for a single recipient, occasionally split for the benefit of an adult and child, but in this occasion, the donated liver was successfully split and transplanted in two adults; a feat that is rarely achieved.

Surgeons who have also performed the first Multi-Visceral transplant in India repeated this rare feat by performing an isolated Intestinal transplantation from the same donor to a young adult who had been struggling for life since childhood due to intestinal failure.

Simultaneously, surgeons also successfully transplanted the abdominal wall of the same donor over and above the intestines of another recipient, in-order to overcome the difference in size between the donor and recipient's abdomens - a first of its kind in South India.

These series of feats was achieved by The Centre for Liver Disease & Transplantation, Apollo Hospitals, Chennai led by by Dr.Anand Khakhar,Senior Consultant, Program Director and Dr.Anil Vaidya, a leading Multi-Visceral transplant surgeon from Oxford University along with the CLDT team comprising of Dr.Manish Varma,Consultant; Dr.Anand Ramamurthy,Consultant; Dr.Mahesh Gopashetty, Consultant; Dr.Bipin Vibhute, Consultant and Dr.Prashant Rao, Consultant who undertook this endeavor with courage and outstanding clinical skills.

My mother would suffer bouts of unconsciousness and remain in that state for a few days. It was due to a dysfunctional liver. In October 2014, we registered with the (ZCCK). Doctors told that the ages of the donor and recipient made the surgery even more challenging. "What matters most in an organ transplant is the compatibility of the organ, based on its size. In an adult's body, the liver is about 1.5% of the total body weight. In a child's body, the percentage is much higher. We had to make sure the recipient's body weight increases by not more than 0.8 to 1% of the total body weight. These calculations are extremely meticulous and the decisions are taken by a panel of surgeons," said Dr.Mahesh Goppasetty , Liver transplant surgeon, Apollo hospitals, Chennai.

BETTER + MADE IN INDIA

Ms. Soubashre, 12 years of age was admitted to Apollo Children's Hospitals (ACH) with severe pneumonia and related issues. While ECMO has been used in other instances in India to cure adults with severe lung infection, this is the first time that a child has been cured of H1N1 using ECMO in India.

ECMO - a modified heart lung machine claimed by doctors as the ultimate life saving technology is slowly being incorporated in treatment of severe lung infections in children. While successful outcomes speak for the advantages of ECMO, many physicians prefer to opt out of ECMO, fearing complications and the high cost factor.

Although there are many centers in India that can treat adults using ECMO, only a handful can treat children using ECMO.

Apollo Children's Hospital is one of the very few exclusive organizations in Tamil Nadu that has the infrastructure and skill to treat children using ECMO technology and have successful outcomes too.

Dr Indira Jayakumar, Senior Consultant Emergency & Intensive Care, Apollo Children's Hospitals said, "We are the only facility in Chennai offering ECMO treatment for children exclusively with successful outcomes. Not only do we have the system and technology in place, we are also supported by the best technicians, physicians and support staff that can ensure the best possible treatment. While Soubashre here was suffering from H1N1, people have to understand that ECMO can be used to treat other severe lung infections as well."

"By taking over the work of the heart and lungs, the machine gives a child's heart or lungs a chance to recover. ECMO supports the patient for days to weeks. Soubashre was hooked to the system for 19 days," she added.

Early referrals make all the difference. The key is to initiate it early enough for a good outcome, before other organs begin to fail. To initiate ECMO, catheters are placed in large blood vessels to provide access to the patient's blood stream and anticoagulant drugs are given to prevent blood clotting.

The ECMO machine continuously removes blood from the patient and performs gas exchange, like artificial lungs, before returning the blood to the patient. This technology requires a dedicated team of medical and paramedical experts with round the clock bedside care.

ECMO has proven useful in pneumonia due to infections - H1N1 and other viruses bacterial , scrub typhus , aspiration and also heart failure. It can also be used in any treatable cause of lung failure, buying time for healing, repair and recovery.

Ms. Preetha Reddy, Executive Vice Chairperson, Apollo Hospitals added, "Ever since Apollo's inception, we have invested heavily in technology and resources which we feel will create an impact on patient's lives and help in quicker recovery. Human life is priceless and we will ensure that we do everything in our capacity to treat patients who seek our help. State-of-the-art technology coupled with well-informed doctors, physicians and efficient support system is what has made this possible.'

Maquet, leading ECMO equipment manufacturer has come forward and announced that it will donate an ECMO equipment to ACH adding to the already existing system giving the hospital the ability to treat more than one child at a time.

Using latest imaging techniques like Fractional Flow Reserve (FFR) and Optical Coherence Tomography (OCT), the team found that a block in a patient had naturally recanalized and had multiple branches.

The findings that were published in the Journal of American College of Cardiology highlights the case of a middle aged woman in whom the block was shown as mild in a regular angiogram.

FFR helps gauge the intensity of the block and points out accurately if the patient needs a surgery or stent to correct it or not. FFR is calculated by analyzing the pressure of flow above and below a block.

OCT is similar to doing an ultrasound inside a blood vessel but is guided by light instead of sound to detect vulnerable lipid rich plaques. A miniature probe which emits light is passed through the blood vessels and is used to detect clots and nature of calcification inside them.

"She came in with severe chest pain but the angiogram showed only a 50% block which was treatable with drugs. But we had our suspicions and did a FFR only to find that her block was dangerous and there was a significant pressure drop. When we performed an OCT on her, there were multiple micro channels originating from the calcified block," said Dr G Sengottuvelu, Senior Consultant, Department of Cardiology at Apollo Hospitals, Chennai who led the surgical team.

The woman was treated with two stents and her blocks were removed. The doctors repeated the imaging techniques to ensure that her blood flow was restored to normalcy.

"While technology helps understand heart blocks better, FFR and OCT imaging techniques have completely changed the management scenario," said Dr N Sathyabhama, Director of Medical Services, Apollo Hospitals,Chennai.Combined heart and lung transplants - a rare surgery which was previously used as a last resort to treat end-stage lung disease is now being peformed in large numbers as there is an alarming rise in number of patients being referred to Cardiothoracic consultants at a much later stage when there is little to salvage.

Senior Consultants, Cardiothoracic and Transplant surgeons, Dr Paul Ramesh Thangaraj, Dr Sunder T and Dr Madhan Kumar discussed how comprehensive interdisciplinary end-stage lung disease management has ensured good success rates at Apollo Hospitals.

Speaking at the conference, Dr Paul Ramesh said, "The heart and lungs are intricately entwined organ systems. End stage lung disease can cause failure of the heart and end stage heart disease can cause failure of the lungs. Combined heart and lung transplants are an option for selected patients. A lung alone can be transplanted in those patients where the heart is not irreversibly damaged by lung disease. This calls for increased awareness and early referral. "

Apollo Hospitals, Chennai has performed heart and lung transplants on 6 patients in the last 18 months. It has also done the most number of combined heart and double lung transplants in India. The unit has also successfully performed this procedure on a 67 year old (this is second oldest patient in the world to receive this operation - the oldest was 68 year old).

Chennai, over the last few years, has witnessed a lot of transplants, but unfortunately there is little documentation on success rates of these transplants. The donor's family goes through a lot before taking this huge decision. But what happens after they donate their organs? What happens to people who receive these transplants in the long term? Have their lives been changed by the transplant? Has the ultimate altruistic act of the donor family made any impact on the lives of the people who received the gift?

Patients Mr Hanifa, Mr Asokan, Ms Devanayaki and Ms Aruna who successfully underwent transplants were also present to address and break common myths associated with transplants.

My mother would suffer bouts of unconsciousness and remain in that state for a few days. It was due to a dysfunctional liver. In October 2014, we registered with the Zonal Coordination Committee of Karnataka for Transplantation (ZCCK). Our prayers were answered when doctors safely transplanted the baby's liver into my mother's body, for his parents, the child is still alive in my mother", said the recipient's son

Doctors at Apollo Hospitals, who operated on the patient, told that the ages of the donor and recipient made the surgery even more challenging. "What matters most in an organ transplant is the compatibility of the organ, based on its size. In an adult's body, the liver is about 1.5% of the total body weight. In a child's body, the percentage is much higher. We had to make sure the recipient's body weight increases by not more than 0.8 to 1% of the total body weight. These calculations are extremely meticulous and the decisions are taken by a panel of surgeons," said Dr.Mahesh Goppasetty , Liver transplant surgeon, Apollo hospitals, Chennai.

Apollo Hospitals, Chennai has successfully performed a combined heart and double lung transplant on the oldest recipient recorded in the country's medical history. The department of Cardiothoracic surgery at Apollo Hospitals, Chennai performed this rare surgery on a 67 year old, the patient is now on the road to complete recovery. Surgeries of this kind are very complex and rare and over the last 2 years only one patient over the age of 65 received a combined heart and lung transplant, anywhere in the world.

The recipient, Mr.Hanifa from Kerala, was suffering from Idiopathic Pulmonary Fibrosis with severe irreversible right heart failure (cor pulmonale) leading to a combined end stage heart and lung failure. He was completely dependent on oxygen and was put on the list for a heart and lung transplant. He was however admitted on a late evening with extreme breathlessness, very low oxygen content in his blood and a low blood pressure.

Dr.Paul Ramesh, Senior Consultant, Cardiothoracic Surgery, Apollo Hospitals, Chennai said, "Hanifa is a strong willed person. He was clear that he would be put on a ventilator only if there was a prospect of a transplant and a possible, meaningful quality of life. He was fortunate that a matched donor was available within 12 hours. Thanks to the smooth coordination by the TNOS team of the Government of Tamilnadu and the provision of a quick transport of the heart and lungs by the efforts of the Chennai Traffic Police, it was possible to transplant both his heart and lungs in a smooth and efficient manner".

The team that performed this complex surgery comprised of Dr.Paul Ramesh, Senior Consultant; Dr.Sunder, Senior Consultant and Dr.Madan kumar Consultant, Cardiothoracic Surgery of Apollo Hospitals, Chennai

Surgeons at Apollo Hospitals, Chennai successfully attempted a multi-organ transplant, giving a middle-aged man a new liver, intestine and pancreas, on Thursday. The liver, intestine and pancreas of a 12-year-old boy, who was declared brain-dead, were transplanted to the recipient in a marathon 14-hour surgery.

Dr. Anand Khakhar, Programme Director, Centre for Liver Disease and Transplantation, Apollo Hospitals Chennai, said that the recipient, a resident of Chennai, suffered from liver disease and his intestinal venous system was occluded. "We performed a combined transplant of the liver, intestine and pancreas on him. It was a multi-visceral transplant," he said. The surgery commenced at 3 a.m. and ended around 5 p.m. on 28th June 2014. Four senior surgeons were part of the team that performed the surgery. Doctors said they would have to wait to see the outcome of the complex procedure.

Apollo Hospitals' Mission is "to bring healthcare 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."

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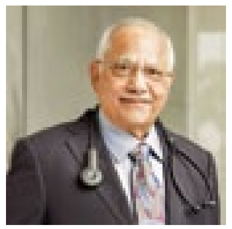

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We stated last year that your body is priceless and we would like to reiterate that we at Apollo are committed to that which is priceless—our patients. The group continues to place the patient at the core of its operations with unparalleled dedication, a culture of continuous improvement and enhanced clinical outcomes while simultaneously augmenting patient experience and comfort.

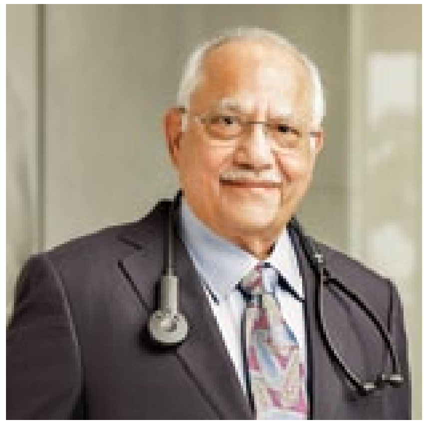
By leveraging the collective experience and skills of our 6200 plus doctor fraternity, investing in the latest technology, harnessing advancements in IT, embracing on-going learning and research, and benchmarking with the best in the world, we have successfully brought high standards of quality healthcare to the people over these thirty plus years. The 6 JCI (Joint Commission International) and 14 NABH (National Accreditation Board for Hospitals & Healthcare Providers) accredited hospitals within our fold bear testimony to our focus on patient safety and our all encompassing patient care model.

Given the present fast changing disease and patient profiles, achieving and sustaining such excellence in healthcare services is not an easy task. It entails vision, strategic leadership and skillful balancing of care-giving in a range of specialties with a gamut of specialists, protocols and processes. This tried and tested experience stands singular and unshakeable for building requisite scale for tackling India's tremendous disease burden and touching that large segment of the population that is even today without access to basic healthcare. Importantly, it ensures successful repeatability of our delivery model and endows us with confidence to deliver better and faster each time.

We focus 24/7, 365 days on what is best for our patient and this commitment has earned our group the trust of the community, which knows and believes that we will try our best under any circumstance, no matter what. At Apollo we understand the responsibility of that trust and the faith of the people that our Hospitals is the best place to go to whether it is for a health check, a minor surgery or a major illness. This is the essence that makes our Hospitals offer hope to people sometimes even when there is none.

Apollo Hospitals Enterprise Limited is an institution that true to Prime Minister Modi's call, is Made in India for India; one that will not rest satisfied but will push boundaries till it achieves better healthcare towards a better quality of life.

CHAIRMAN'S MESSAGE



Dear Shareholders,

You will remember my message to you last year that your body is Priceless. At Apollo Hospitals we are relentless in our mission of helping you stay healthy whether it is through prevention or early diagnosis and treatment. You are priceless to us; and in choosing to deliver the best possible healthcare solutions to you, we champion innovation, invest in cutting edge technology, refine process and protocols and support on-going learning and research, to continuously better ourselves and improve our standards of care and clinical outcomes.

We have invested in new facilities and added beds, and built systems that extend the reach of our expertise and skills to those in remote areas. We have leveraged technology to build integrated healthcare delivery models, which facilitate seamless electronic medical records, Hospital Information Systems and telemedicine-based health outreach initiatives, for enhanced access to medical care. We have also supported private public partnerships that will not only fortify this goal but will help to increase investments in healthcare delivery.

I would like to point out that the increased incidence of Non Communicable Diseases (NCDs) in India poses a great challenge to its socio economic development as it is estimated that NCDs will cost India USD 6 trillion by 2030. To combat this threat, screenings of high-risk groups, followed by enrolment of diagnosed populations in holistic care plans, including education and counseling on healthy living will be required. We are actively steering this path by advocating periodic health checks for early detection and cure. I firmly believe that at an individual level, a healthy future belongs to those who prepare for it in a knowledgeable way. Personal health should be safeguarded in an informed manner. At Apollo we consider ourselves your partner in this journey. We are entering one of the most exciting stages in the evolution of diagnostics. The path of Predictive and Personalized healthcare is the new way forward; we have therefore brought the Apollo Personalized Health Check to you.

In the last thirty two years since we opened Apollo Hospital's doors to you, sweeping changes have transformed our country and the world in the area of healthcare. From the time when Indians traveled overseas for medical treatment, we have come a full circle; India is now globally reckoned as a value driven, high quality health care destination and people from all over the world come here for treatment. India's reinvention as a healthcare hub is built on a few critical pillars, the foremost of which is focus on quality and patient safety. The Apollo Hospitals group is extremely proud of its pioneering effort in this regard. Our thrust on quality practices, stringent internal scoring systems, medical audits and international accreditations have helped us better the quality of our healthcare on par with hospitals in the West. Today we have patients travelling from over 120 countries for treatment at our hospitals across India.

Our overall scorecard is impressive and this to a large extent is emblematic of the marked improvement in clinical outcomes in India. The Indian healthcare fraternity at large is now experimenting, collaborating and leveraging its collective might to usher in a new dawn in medical treatment, testifying that Healthcare, is continuously being Made Better in India. At Apollo Hospitals we have built a strong foundation through sustained performance. Our operating parameters and financial metrics have bettered year on year and we are well placed to play a meaningful role in India's emerging healthcare requirements.

Our Doctors, our nurses, our paramedical staff and each one of our employees continue to share our vision for a better, healthier India and we are proud to have some of the most talented and committed people working with us today, without whose passionate contributions, we would not have reached this far.

The future, I believe, is even more exciting as we continue on our focused growth strategy aided by a strong portfolio of Greenfield assets under construction coupled with a cohesive acquisition strategy. During the year, we successfully commissioned five new hospitals and undertook a couple of synergistic acquisitions. Along the way, we also surpassed the milestone of INR 50 billion in Annual Consolidated Revenues. In line with our stated objective of enhancing market reach, we have added nine hospitals and created additional capacity of 1,300 beds in the last 24 months. The operations teams in all these locations are currently working on augmenting our clinical capabilities in these facilities in line with each micro market requirements by adding the requisite medical teams to accelerate patient volumes and growth. In the coming year, we will add another 800 beds across three new hospitals. At the end of this wave of our expansion program by end FY16, we would have created 25% additional capacity in owned beds for future growth and this should help us further consolidate our leadership position in these markets.

We are strengthening our Retail Healthcare footprint, which apart from retail pharmacies, now includes Primary Clinics, Sugar Clinics, Birthing centers, Day Surgery centers and Dental Clinics. The Nova centres which we acquired recently will work also as short stay surgical centres. We believe that we have the potential to secure a meaningful market share in the retail health care space as well.

We continue to strive to deliver better results not only clinically but also financially, as we are fully committed to our shareholders apart from our patients. In this regard, I am happy to state that our consolidated revenues grew by 18% to ₹ 51.8 billion with consolidated net profits growing to ₹ 3.4 billion. Consolidated EPS for the year stood at ₹ 24.43 and I am pleased to announce a 115% dividend of ₹ 5.75 per share for the fiscal year 2015.

The Standalone Pharmacy Business continued to report strong growth of over 30% in revenues on a year-on-year basis. EBITDA grew at a similar pace at about 29% for the year and we ended the year with an EBITDA margin of 3.3%. The Hetero acquisition has now been completed and will be fully integrated by the first quarter of the coming financial year. Our calibrated expansion strategy for pharmacies with focus on same store growth and expansion in private label off take has paid off well and reflects in the profitability margins of this business. The pharmacy team is focused on continuing to grow the business at the same pace, while improving the margins even further with an aim to quickly start delivering strong returns on invested capital in this segment as well.

Our Board has approved an equity rights issue to raise upto ₹ 750 crore. The purpose of the rights issue is to ensure we have the capital we need to pursue opportunities for future growth, while simultaneously rewarding our shareholders by providing them an opportunity to grow further with the company. This would also help us create further headroom for future debt during a low interest regime period as we continue on our growth path.

Before concluding, I would like to welcome opportunities to collaborate with the Government on initiatives which would further the primary objective of the draft National Health Policy, 2015 — which is ensuring universal health coverage for India's citizens.

I would like to thank the Board and the management team for their ongoing commitment to Apollo Hospitals, but most of all to the staff and Doctors who work very hard to ensure that we continue delivering better health outcomes — each passing day at Apollo. I wish you and your families the very best of health and thank each and every stakeholder for their continued support, belief and trust and request each one of you to live healthy and encourage healthy living amongst your loved ones.

With warm personal regards,

Dr. Prathap C Reddy
Executive Chairman
Apollo Hospitals Group

CLINICAL SUPERIORITY THROUGH CONTINUOUS QUALITY IMPROVEMENTS

By leveraging our group wide experience, quickly adopting the latest technologies and best in class processes, prioritizing patient safety, and focusing on research and academics, we influence ongoing improvements and deliver world-class clinical outcomes for our patients. Parameters like infection and mortality rates, door to thrombolysis time and Average Length of Stay in the hospital are systematically benchmarked with some of the leading hospitals and reflects in superior clinical and operational performance in areas like angioplasty, CABG, aortic valve replacement, neurosurgery, Total Hip Replacement, kidney transplants, and stroke.

Clinical Balanced Scorecard—an ACE

ACE at 25, the clinical balanced scorecard which we use to systematically analyse and benchmark our performance and outcomes with some of the world's best hospitals, embodies our commitment to excellence and our efforts to continuously improve our service standards.

Leading through Innovation

We embrace a culture of innovation at our hospitals and focus on identifying the most advanced technologies and procedures. Ours is the only hospital in India with a PET Suite (both PET MRI and PET-CT in the same facility). We have capability for robotic surgeries in multiple facilities and offer Auditory Brainstem Implants as an option for damaged cochlear nerve. We are pioneers of a host of procedures including MICS CABG (Apollo technique) and Optical Coherence Tomography in interventional cardiology. We have stayed ahead of peers in introducing cutting edge technology such as Novalis, CyberKnife, 3T MRI, and 320 slice CT in our hospitals.

We have given Patient Safety top priority and we are proud that we have lowered hospital acquired infections in comparison to NHSN benchmarks, 2012.

Standardized Clinical Protocols & Patient Care Pathways

Acute Stroke Management
Acute Coronary Syndromes
Infection and Sepsis Resuscitation
Trauma Management
Poisoning
Seizure
Others

FAST FACTS 2014–15

Our experience stems from the fact we conducted over 1,500 solid organ transplants last year; treated 65,000 cardiac patients including more than 12,000 PTCAs and 7,000 CABGs, 36,000 cancer patients, 25,000 patients with orthopedic problems and 27,000 needing neuro attention.

More than 100 research papers have been published in the last two years and 61 adjunct titles have been awarded by AHERF over the last three years. The Apollo group of hospitals has approved 31 clinical fellowships in the last two years and 600 DNB students are trained across 39 specialties in 15 facilities of the Apollo Hospitals every year.

Keeping watch on Patient Safety & Infection control

Patients undergo numerous interventions in a hospital, both invasive and non-invasive, which can lead to healthcare associated infections. It is important that health care providers institute appropriate measures & processes to minimize such problems.

Infection control is a dynamic field, which addresses factors related to spread of infections within the healthcare setting (whether patient to patient, from patient to staff, staff to patient, or among staff).

Apollo has the distinction of being a leader in the country in infection control. We have implemented evidence based protocols and practice algorithms into a replicable model called 'Bundle Approach' which is essentially the consistent implementation of a select set of preventive measures for every patient to minimize device associated infections.

Safe Surgery checklist

The 'Safe Surgery' checklist has made surgeries safer for patients. Sterilization of surgical instruments using state of the art technology & quality indicators, use of hair clippers for surgical skin preparation, pre-surgical antiseptic shower & targeted antibiotic prophylaxis are practices that are followed within all Apollo hospitals. These play a huge role in safeguarding patients from contracting an infection especially during complex surgeries like liver transplant & multi visceral transplant.

A best-in-class microbiology lab provides the backbone for the surveillance of infections. It offers advanced tests to diagnose infections which leads to quicker and more focused treatment resulting in better patient outcomes & reduced nosocomial cross transmission.

Apollo healthcare workers follow hand hygiene practices strictly.

Antimicrobial resistance (AMR) is a global public health emergency & Antimicrobial Stewardship (AMS) is the best tool to tackle it. Apollo practices AMS. It uses antibiograms & 'High end antibiotic forms'. A nurse designated as the 'Antibiotic Nurse', a one of a kind in the world, is empowered to discuss the appropriateness of antibiotic use with clinicians. This has resulted in a cost benefit for patients.

Apollo pays a lot of importance to its employees' health. 'Safety at work' is a habit. Personal protective equipment, safe infusion practices, responsible disposal of medical waste and vaccinations when necessary, are all a way of life here.

Infection Control & Risk Assessment

A multidisciplinary process to identify situations, processes, etc. that may cause harm to patients to help decide what measures should be adopted to effectively prevent or control harm from happening.

Clinical pathways

We adopt clinical pathways to lead changes in practice with structured multidisciplinary care plans containing detailed essential steps in the care of patients with specific clinical problems. It helps to qualitatively describe patient care, hospital care, and critical pathway characteristics that may be associated with pathway effectiveness in reducing variations in practices amongst consultants.

Chronic pain management

Any persistent pain that lasts more than 3 to 6 months can evolve into a disease and cause changes in a person's nervous system. 20% of adults worldwide suffer from chronic pain. It is an enormous problem today and a global public health priority.

Chronic Pain is a multifaceted interdisciplinary problem. Our assessment of the condition is comprehensive and four-fold — Physical, Psychological, Social and Occupational. Treatment extends beyond lessening pain to improving physical and psychological distress, social & occupational functioning and the overall quality of life. It involves appropriate drug and non-drug therapy, acupuncture, yoga, physiotherapy, specialised injections and psychological therapy.

Door to thrombolysis

This Indicator helps in speeding the door to needle time and validates the appropriateness of administration of thrombolytic drugs to patients with acute myocardial infarction with classic history.

Door to balloon time

Monitoring and reducing Door to Balloon time helps prevent complications for the patient and decreases length of stay in the hospital, thereby bringing down cost for the patient.

Taking the lead

In our pursuit of excellence, we launched ACEP, a quality initiative, in June 2013. It is a standardized tool to share best practices in clinical excellence and quality improvements with other healthcare providers. The initiative is pro-bono as we are committed to enhancing the quality of healthcare delivered across India. 21 hospitals have adopted ACEP. Reports show improvement in quality data ranging from 4% to 71% with an average improvement of 20% across hospitals.

Focus on Patient Safety

Lower hospital acquired infections in comparison to NHSN benchmarks, 2012

No instance of retained foreign body or wrong site wrong side surgery across the group hospitals in 2014

0% "missed injuries" in acute trauma patients

Proven expertise in complex cases

- Joint replacement surgeries on > 90 year old patients
- Successful revival of emergency patient with absence of pulse, no respiratory effort and renal failure
- Heart transplant for 65 year old patient

JCI 6
NABH 14

Touched over 3.5 million lives in FY 15

Patients from 120 countries

Surgical site infection control

We monitor surgical site infection as it helps reduce hospital days for the patient while enhancing outcomes after surgery. The data helps identify and describe evidence-based best practices for SSI prevention. The benchmark for SSI is 1.9% adopted from the National Healthcare Safety Network.

Ventilator pneumonia

We monitor VAP per 1000 ventilator days using the National Healthcare Safety Network benchmark at 0.9 VAP per 1000 ventilator days. The data helps identify risk factors and reduce the airway infection for all patients with ventilator support. In addition VAP monitoring helps to lessen the prolonged time spent on the ventilator, length of ICU stay, and length of hospital stay after discharge from the ICU.

Catheter related UTI

Most Urinary Tract Infections are caused due to the urinary catheter and monitoring this helps to avoid infection. The data helps institute best practices to prevent healthcare-acquired UTI and to reduce the number of catheter days for a patient. We monitor compliance with the help of the bundle checklist. The benchmark is 2 for CR-BSI per 1000 central line days as per National Healthcare Safety Network.

ALOS in TKR

One of the most important factors in a successful joint replacement program is the effective management of the patient's length of stay which helps our physicians and nurses derive better outcomes for the patient.

FY 15 at Apollo Hospitals*

Admissions + 3,50,000

Outpatients + 3,200,000

Owned# 7,207 + Managed 2,008 = Total 9,215 across Owned 44 + Managed 11 = Total 55

Tertiary, Super Specialty & Secondary Care

Operational beds# 6,321

Occupancy Rate# 68%

* FY 15 info for owned hospitals only. Does not include managed hospitals.

\# Of the 7,207 owned beds capacity, 6,321 beds were operational at an occupancy of 68%

EXCELLENCE IN CLINICAL SERVICES AIDED BY CUTTING EDGE DIAGNOSTICS AND TECHNOLOGY

Transforming the preventive healthcare landscape

Personalized Healthcheck

As pioneers of Preventive Healthcare in the country, we felt it was important from a patient perspective to transform the health check landscape. We therefore made a paradigm shift in the way health checks are being delivered by un-packing the package and introducing Apollo Personalised Health Checks (APHCs). APHC offers an upfront consultation with a physician along with an evidence-based customised solution for each individual to ensure personalised and effective care. The customised solution is designed around a few baseline tests which include blood tests, cardio-metabolic screening, radiology tests, eye screening, specialty consultations, diet and lifestyle counseling, adult vaccination counseling, risk assessment for stroke and cancer as well as integrated value additions including access to pharmacy, dental centre and health insurance. This is the result of our long-standing belief that every individual has unique health parameters and requires a personalised healthcare solution.

DNA Sequencing and Genomics

We have now added characterization of human genetic variations to determine their association with complex diseases based on Genome-Wide Association Studies. Apollo has entered into a strategic partnership with Datar Genetics to offer the Personal Genome Analysis Test that determines genetic based disease predisposition for more than 60 conditions. This advanced test can detect a very minute change in the DNA sequence and provide information about the risk or predisposition for a particular disease or condition. Based on the results a person can reduce the risk for developing the specified disease with appropriate lifestyle changes and medical advice. This is an unparalleled opportunity for individuals to take charge of their personal well-being towards a healthy future for themselves.

How Important is Diagnostics?

Right diagnosis is critical for right treatment. And it starts the minute a patient walks into our hospital whether into emergency or the outpatient department. Keeping in mind that we have to provide the best treatment under any circumstance, we have invested in state-of-the-art diagnostic equipment to enable accurate and fast assessment of a patient's condition. The diagnosis helps our doctors derive the most appropriate treatment plan for the patient ensuring better outcomes.

Bedside diagnostics in our Emergency Rooms play an important role in enabling timely treatment. Investigations include point of care tests like Cardiac markers, Renal parameters, glucose, BNP, ABG, and ECG. This provides a big advantage by reducing door to treatment time for patients.

Doctors receiving and treating emergency patients are trained specifically in emergency medicine and are experts in handling acutely ill cases. Emergency care areas are distinct and fully independent departments with certified nurses and paramedics, assisting the emergency physicians. All our staff are certified in Basic and Advanced Cardiac Life Support.

APOLLO EMERGENCY 24X7

24 hours EMERGENCY

Leaving nothing to chance

High quality emergency care is delivered by emergency specialists at all our hospitals 24 hours 7 days a week. World class success rates in emergency care means leaving nothing to chance. It requires strict adherence to global best practices, commitment and dedication, and investment in the latest technology and infrastructure.

We pioneered emergency care over three decades ago and have since been on the front line to bring in innovation and perfect protocols to deliver results that have not only redefined benchmarks in India, but are comparable with the very best in the world.

Apollo emergency departments are manned by qualified emergency physicians round the clock and leverage the group's deep expertise across specialties. This differentiator is an invaluable asset for patients who come in with complex emergencies. Our investment in resources and infrastructure is founded with one goal in mind — **to be there for the patient in the case of an emergency and protect him in the most effective manner possible.**

In an emergency every second counts. It is critical to make a correct and informed decision in a matter of minutes and to get it right the first time as the luxury of a second chance is non-existent. A swift and well informed decision increases the chances of recovery exponentially.

In the case of a heart attack, the faster circulation is restored to the heart, the better it is for the patient. At our hospitals it takes just 5 minutes to get from the ER door to a doctor. ECG is done within 10 minutes of arrival. We benchmark our door to Cathlab at under 45 minutes, a streamlined approach that has helped us save many lives and which is half the time the American Doctors Association has put down as permissible benchmark.

Our ERs deliver Cardiac Arrest Resuscitation using Mechanical CPR devices (LUCAS), which allows chest compressions to be maintained for a longer time and more consistently.

Our protocols in stroke management are also best in class. The treatment starts immediately with a specialist at the door. Stroke thrombolysis happens within the hour at an Apollo Emergency Centre.

Ultrasound has become the current standard of care in emergency departments across the world and it is no different in our hospitals. Risking a late diagnosis is a matter of life or death. Screening ultrasound is performed by emergency physicians on trauma patients and cardiac failure patients in order to reach a rapid working diagnosis; a radiologist or cardiologist closely follows up with the patient to ensure continuum of care.

Dedicated resuscitation bays, crash cart, multi-channel monitors & mechanical ventilators in our ERs

Charting and triage system helps to decrease waiting time

45 minutes from ER door to Cathlab

Targets Maintained in ER				
<25 mins	<60 mins	<5 mins	<10 mins	<90 mins
Door-to-CT Time in Stroke	Door-to-Thrombolysis	Door-to-Physician Assessment	Door-to-ECG Time	Door-to-Balloon Inflation

When stroke strikes . . .

Advances in stroke medicine are transforming the lives of stroke victims in a big way. The sooner treatments are started the better the outcomes are, as every passing second leads to progressive damage in brain cells.If treated within the golden hour (4.5 hours from the start of symptoms), intravenous clot busting drugs are able to improve outcomes by reducing disability.

Life is priceless and when stroke strikes, time is precious. After an acute stroke, quick arrival at the hospital and immediate intervention can make the difference between life and death. At our hospitals we have a 24/7 acute stroke team and specialists to treat all stroke emergencies.

All patient care provided in Emergency adheres to the stringent Apollo internal standards and where accredited, to the JCI or NABH standards.

Centralized Molecular Diagnostic Laboratory

The lab specializes in the use of nucleic acid-based technologies such as in-situ hybridization (ISH), polymerase chain reaction (PCR), genomic sequencing with varying levels of complexity and multiplexing for pathogen detection and genomic profiling of disease. Test volumes have steadily increased to about 16,000-18,000 tests annually.

In keeping with the current trends in clinical practice, the lab is preparing to implement clinically relevant assays on the Next Generation Sequencing platforms. This would include gene panels for oncology; deep sequencing for identification and drug resistance profiling of pathogens; screening for genetic variants associated with disease; inherited disease screening; metagenomics and high resolution HLA typing.

Molecular diagnostics carried out in the lab are invaluable in the following areas:

- Bone marrow and solid organ transplantation
- Infectious disease
- Oncology
- Inherited disease
- Non-neoplastic molecular pathology

Healthcare Risk Management is a proactive methodology to identify (assess), prioritize, report, manage and prevent risks in diagnosis, assessment, prognosis and treatment of patients in order to minimize harm to them. It is a multi-disciplinary organization wide approach. We use HFMEA (Healthcare Failure Mode & Effect Analysis), an assessment that identifies and improves steps in a process, thereby reasonably ensuring a safe and clinically desirable outcome for the patient.

Making a difference through multi-disciplinary effort

In complex cases we are able to leverage our multi-disciplinary skills across disciplines to deliver maximum benefit to the patient.

Thoraco Omphalopagus conjoined female twins from Tanzania successfully separated at Apollo Children's Hospital

In yet another medical marvel made possible by clinical excellence, our doctors successfully separated rare Thoraco Omphalopagus twins who were joined at the lower chest and abdomen. Technical and medical expertise helped prevent excessive blood loss during the separation which was one of the most crucial aspects of the surgery along with precise division of the shared structures. About the same time last year, Ericana & Eluidi, also from Tanzania, were the first pair of Pygopagus male twins to be successfully separated in India by Apollo Hospitals, strengthening India's image as a preferred destination for world class healthcare delivery.

Eight and a half month old twin girls Adriana and Abriana, from Dar-es-Salaam, Tanzania, were operated upon for 11 hours by a team of 50 staff members including surgeons, nurses and intensive care specialists. The twins first underwent plastic surgery for tissue expansion. The surgery for separation which took 9 hours, was performed by a team of 11 surgeons and 3 anesthetists. It took 4 hours for the two teams to then provide the skin cover for the heart, liver and intestine.

Another important aspect of the surgery was the careful closure of the huge defect created by the separation. After the separation, Adriana's heart had to be covered with bovine pericardium and carefully closed with skin and soft tissue. The liver, which was abnormally large, could not be fully reduced in both babies. It took almost four hours and two teams to provide cover for the heart, liver and intestine.

Adriana and Abriana beat incredible odds to survive this rare procedure, which involved separation of the pericardium (heart lining), diaphragm and connected livers. Conjoined births are rare, one in fifty thousand to one in a lakh. However more than 35% die after birth.

Apollo Hospitals, Chennai, successfully separated conjoined twins joined at the lower chest and abdomen through a complex surgury by a team of surgeons

HEART INSTITUTES

HEART INSTITUTES

From prevention through intervention

Apollo Hospitals is a pioneer of cardiac and cardio-thoracic procedures in India. India's first keyhole multiple bypass surgery was conducted at our hospitals and we were the first private healthcare provider to perform a heart transplant in 1995. We have specialists at every touch point of the life cycle of cardiac care and rehabilitation, and therefore are able to provide a range of diagnostics and treatment to suit each individual requirement.

A full range of Cardiac Diagnostics to suit all needs

Cardiac care at our Cardiac Institutes continues to be at the heart of Apollo expertise. The commitment of our cardiologists and cardiothoracic surgeons has led to increasingly better outcomes improving the lives of thousands of cardiac patients who visit our hospitals everyday. We optimize our experience by combining continuous training, education, clinical practice and technology to stimulate innovation in process and patient care. Our expertise has made us a forerunner in success rates of international standards be it in neonatal heart surgery, complicated coronary artery bypass operations, or surgery for valvular heart disease.

Cathlab

Cathlab with flat panel systems can reduce the possible number of sources of error. It gives a discrete view of the anatomy and its acute angles separate out vessels that have a tendency to overlap, opening up the coronary tree for evaluation.

Trans-esophageal Echocardiography

A low risk procedure which provides an excellent evaluation of the cardiovascular anatomy, it is used to assess valvular function prior and post intervention and the status of valve repair.

Fractional Flow Repair

Identifies patients who can benefit from angioplasties and stenting and potentially do well with medical management. It helps avoid unnecessary procedures and surgeries.

Stress Echo Cardiography

It is a safe procedure which evaluates myocardial ischemia by detecting stress induced RWNA. It offers the best pre-operative evaluation by predicting peri-operative cardiac events.

IVUS

An invasive procedure performed during cardiac catheterization, it allows the physician to see the artery with a camera like device and quantify the percentage of narrowing and the nature and build-up of plaque.

64 Slice CT Angiography

With a commitment to offering nothing but the best to our patients, we have always leveraged the latest technology be it in diagnostics or for procedures. We were the first to introduce the 64 slice CT angiography, a non-invasive procedure that helps in detecting minute blockages of the arteries, at a very early stage. It can be also used to assess the condition of stents and grafts after angioplasty or CABG.

Electrophysiology study and 3D Mapping System

We are the first hospital in India to get the 3D mapping technology (Carto 3) for arrhythmia management which measures electrical signals from the heart and allows the electrophysiologist to accurately identify the size of origin of the abnormal rhythm accurately.

The system enhances the accuracy of delivering Radiofrequency Catheter Ablation, which can treat and cure most cardiac arrhythmias in place of life-long treatments. The overall lifecycle cost of care for the patient comes down due to the curative nature of this therapy.

320 Slice CT

This is the most advanced diagnostic imaging tool in the world and plays a pivotal role in preventive healthcare for people with high cholesterol and blood pressure.

Why is the 320 Slice CT Scanner so unique?

It has special applications that are invaluable in disorders of the heart and brain. It can identify deposits on the walls of the heart's blood vessels and indicate vulnerability to cardiac diseases.

Its advanced imaging system scans the body from head to toe in less than one minute and helps to accurately identify any abnormality. The 320 CT offers a larger imaging area in one rotation enabling an image of the entire heart. It uses X Rays to obtain cross-sectional images or "slices "of the targeted area. The computer system reconstructs multiple two-dimensional and three-dimensional images to provide an accurate picture. The 64 slice scanner on the other hand, takes different images and stitches them together to produce a full image.

320 Slice CT can be used for Coronary CT angiograms for diagnosing the type and extent of coronary artery disease; evaluating cause of chest pain in patients after stenting and CABG; ruling out coronary disease in chest pain that is not typical of angina; diagnosing diseases of the heart muscle and membrane covering the heart; evaluating the heart valve area prior to or after valve surgery; and diagnosing heart tumors and pediatric heart conditions.

We also use the 320 Slice CT scan system in preventive cardiac care to detect early coronary artery disease, which may eventually cause narrowed or blocked vessels in the heart. Invasive conventional angiography involves inserting a catheter through the groin or arm into an artery in the heart. On the other hand, the 320 CT is a non-invasive outpatient procedure that does not require any hospitalization or sedation.

Shorter scan time provides comfortable breath holding, making the procedure ideal for people of all ages.

Simple, non-invasive, painless, super fast; scans the heart in half a second

Be aware, be heart smart

Committed to promoting a healthier society, Apollo Clinics launched the Heart 2 Heart Campaign, which helps patients analyze their heart's health status with the help of a self-risk assessment tool (form) and take preventive steps towards maintaining a healthy heart.

Billion Hearts Beating

The mission of BHB is to actively promote heart health across the country by creating awareness about risks associated with heart disease and providing people workable solutions to help overcome it.

A Range of Sophisticated Interventions

We offer a range of sophisticated invasive and non-invasive procedures and surgical interventions in our Heart Institutes, from simple diagnostics to transplantation for end stage heart failure. Our multi-disciplinary evaluation and assessment methodology helps in optimizing treatment plans towards best possible clinical outcomes and improved quality of life for the patient. Our multi functional teams comprising a Pulmonologist, Thoracic Surgeon and Critical Care Specialist ensure seamless care for high-risk patients. Our Institute offers a range of cardiothoracic, thoracic and valve surgeries, heart transplants, day-care angiograms, thoracic and abdominal aortic aneurysm interventions.

Our rehabilitation services include counseling to patient and family members, physiotherapy, participation in heart disease support group, customized diet / nutrition guidance, and sessions with consultants.

Minimally Invasive Coronary artery surgery

A revolutionary procedure for coronary artery bypass surgery, MICS is a precise surgery where the heart is approached through a very small 2" incision in the rib space. It leaves no deep scarring and eliminates deep wound infection. The patient recovers very fast with an ICU stay of 12 hours post procedure and ambulation within 6 hours of surgery. There is significantly less blood transfusion and narcotic usage for pain. Nearly 70% of patients needing CABG can now be adapted to MICS which enables better out comes.

+ 11,000 Cardiac Surgeries FY 15

Apollo Hospitals, Hyderabad, performed 100 Fontan repairs, a cardiac surgery for new born babies and children suffering from congenital heart disease

ECMO- the Final Frontier

ECMO is an advanced technology that ensures the delivery of oxygen and support to the heart by a modified heart-lung machine in the ICU and not in an operation theatre. It is a temporary life support system that allows time for evaluation, diagnosis and treatment of the condition that caused heart or lung failure. ECMO takes over the work of the lungs and the heart and prevents organs (and the patient) from dying while they heal. A patient can stay on ECMO for days or even weeks. The technology has a proven track record in a variety of conditions especially with respect to children. A successful ECMO requires a dedicated team of advanced multi-disciplinary facilities (cardiac surgeons, anesthetists, intensivists, renal specialists and hematologists) and paramedical experts (perfusionists, critical care nurses, technicians) with round the clock bedside care. **Very few centres in India have this care available round the clock like we do at our hospitals.**

Case Study

Cynthia a 11 year old girl had developed fever along with rapidly progressive pneumonia which caused the oxygen levels in her body to drop to dangerously low levels. Along with severe breathing difficulty, her blood pressure had also dropped sharply and her liver had started to show signs of decreased function. Cynthia had developed ARDS (acute respiratory distress syndrome) and was gasping for breath within a day of developing pneumonia. Life support had been initiated with ventilator care and medications were started to treat her pneumonia and support circulation; but the situation rapidly spiraled and multi-organ failure set in.

Altough she had been placed on the High Frequency Oscillator, a special breathing machine that is used when lungs are so damaged that regular ventilators are ineffective, within 24 hours of the illness, her oxygenation remained dangerously low and her BP crashed.

Within 6 hours of arrival in to Apollo ICU a decision was made to place Cynthia on a heart-lung bypass machine for a procedure called ECMO (extracorporeal membrane oxygenation) on which she remained for 6 days. She recovered completely and was discharged 7 days later on her 12th birthday – a literal rebirth for the 11 year old girl.

Greater precision and safety

A more comfortable patient experience

Improved coordination and a smoother workflow

Apollo Chennai performed a sucessful key-hole surgery on an unstable angina patient in 20 minutes

Apollo Ahmedabad successfully performed 'Redo Bentall Surgery' (known to have high mortality rate) on a foreign patient. The life saving operation involved replacement of the aortic valve and ascending aorta; and re-implantation of the left and right coronary arteries on the new aorta

Endobronchial ultrasound

Apollo's Institute of Pulmonology has been making great strides in the diagnosis and treatment of chest diseases. Endobronchial Ultrasound (EBUS) is a relatively new procedure used in the diagnosis of lung cancer, infections, and other diseases causing enlarged lymph nodes in the chest.

EBUS allows physicians to perform a technique known as transbronchial needle aspiration (TBNA) to obtain tissue or fluid samples from the lungs and surrounding lymph nodes without conventional surgery. The samples can be used for diagnosing and staging lung cancer, detecting infections, and identifying inflammatory diseases that affect the lungs, such as sarcoidosis or other cancers like lymphoma.

Case Study

A 26 year old woman migrant patient had sought treatment at a local hospital for a large mass in her chest which was suspected to be cancerous. However, she developed complications during the biopsy procedure and was referred to our hospital in Bengaluru, where she was stabilised . The Apollo Chest Medicine Team, which is headed by a leading expert in the field of interventional pulmonology, performed a highly specialised procedure which involves the use of ultrasound in the airways with a bronchoscope. The department head devised a unique method of obtaining biopsies from the mass from within her airways, without any surgical incisions. The technology, Endobronchial Ultrasound and the expertise to use it, is not commonly available in India. The biopsies revealed that the young lady was suffering not from cancer, but from tuberculosis. With the right diagnosis and treatment she made a remarkable recovery, much to the patient and family's relief.

Doctors at Apollo Children's Hospital saved the lives of three infants, barely three-months old, with a rare congenital heart condition called Anomalous Left Coronary Artery from the Pulmonary Artery, in which the left coronary artery which carries blood to the heart muscle, is connected to the pulmonary artery instead of to the aorta. A team of surgeons performed successful correction surgeries on all three infants.

THE INSTITUTE OF ORTHOPEDICS

INSTITUTES OF ORTHOPAEDICS

Solutions for chronic conditions to complex interventions

The Ortho Institute offers outstanding ortho care using the most advanced equipments and technology. We have highly experienced ortho specialists who treat a wide range of musculo-skeletal conditions. Their motto is to relieve pain and improve mobility so that patients can return to the highest level of performance and enjoy a healthy and active life.

The right orthopedic care can make a big difference to a person in terms of maintaining or recapturing quality of life; it restores vitality and the incredible freedom of an active lifestyle. From joint replacements to sports medicine, from the treatment of osteoporosis to complex spine surgeries, our centres do it all using the latest arthroscopic and reconstructive techniques.

Micro surgery is a sub-specialty performed with the aid of a microscope on structures that are barely visible to the naked eye. This sub-specialty mainly deals with 'Replantations' (re-attaching severed parts of the limb).

Hand surgeries – a superspecialty

Surgery of the hand is a new specialty in India. Our group is the first in the private sector to set up a 24 hour state-of-the-art facility for comprehensive care of hand injuries — **The National Institute in Hand Surgery, Microsurgery and Plastic Surgery** — one of the very few dedicated centres for treating hand injuries in the country. We offer surgical treatment for hand injuries and congenital abnormalities like webbed fingers and extra fingers. We use atraumatic techniques that cause no tissue damage for all hand surgeries, particularly for pediatric hand surgeries.

Reconstruction of painful arthritic deformities is also performed routinely at the centre and includes tendon transfers, muscle release and joint displacement fusion. Reconstructive Surgery alleviates pain and helps correct deformities caused by tumors, nerve compression and arthritis.

Carpal Tunnel Syndrome occurs most commonly due to the compression of the median nerve at the wrist where it passes through a narrow area called the carpal tunnel. Releasing the constriction through endoscopic or minimal access surgery can treat Carpal Tunnel Syndrome.

Apollo Foot Care is a rehabilitation process that strives to provide adults and children with foot and lower kinetic chain problems, the highest level of comfort and recovery possible. The electronic Baropaedometer and customised insole designing is a revolutionary piece of equipment which aids the recovery of people who are afflicted by foot problems such as diabetic foot ulcers, recurrent corn, plantar fasciitis, heel pain and other related afflictions.

Rapid Recovery Protocol
An Apollo Innovation

This innovative protocol manages pain better and supports faster recovery for the patient.

Medications before the pain starts (pre-emptive analysing)
Pre emptive analgesia → before the painful stimulus begins improper performance of analgesics.

Pre surgery education on physiotherapy
Physio education → patient know what to expect after surgery and how much pain they might have and are prepared.

Intra – operative local infiltration analgesia.
Intra – operative infiltration analgesia → good pain relief for early physiotherapy.

No usage of tourniquet, which reduces loss of blood.
No Tourniquet → reduces blood loss and thigh pain.

No usage of femoral block, which prevents quadriceps weakness.
No femoral block → no quadriceps weakness.

Leading in revision surgery

Our specialists provide leading solutions for hip and knee replacement revision surgeries. For cartilage transplantation on a 22-year old girl following injury to the knee cartilage, we used a unique third generation ACI implant (autologous cartilage graft from the patient). For Revision surgeries on hips and knees we hold the record as the first in the country to use regenerix, ARCOS, ceramic and ATTUNE implants. For injury due to trauma, we were the first in South India to use non-contact bride plates and logilock screws for new implant on people with osteoporotic bones.

The young arthritis program- an innovation in orthopedic care

Our **Young Arthritic Clinic** program supports treatment for younger patients (age between 30 to 50) with Ortho Biologics (PRP, Buffy Coat & Mesenchymal Stem Cells).

This program is the future of Orthopaedics and is being offered only at a few centres aboard. Our in-depth knowledge of the subject and clinical expertise allows us to offer the treatment to both our domestic and International patients at a fraction of the cost overseas.

Osteoarthritis is a disease having both biomechanical and biochemical abnormality. Biomechanical problems that indicate mal-alignments, can be normally corrected through surgery if cartilage damage has not set in. The prospect of Mesenchymal stem cell therapy, allows biochemical changes in the joint to be also corrected during surgery for mal-alignment; this will restore cartilage and successfully postpone knee replacement by 10 to 12 years.

+ **900** Hip Replacements
+ **4500** Knee Replacements

FY 15

Apollo Chennai launched India's first Centre of Excellence in Hip Arthroscopy, a cutting-edge procedure that allows a view of the interior of the hip joint through an arthroscope and then using minimally invasive techniques to treat the disorder

CANCER INSTITUTE

CANCER INSTITUTES

From early detection to comprehensive care

Our Cancer Institutes are committed to offering oncology care of international standards to our patients. We are relentless in our pursuit of winning the war against cancer and rendering it curable. We harness the skills of world-class cancer specialists and combine it with cutting edge technology to achieve positive steps towards this goal every year. We want to make hope real for people with cancer.

The Institutes adopt a multidisciplinary approach to offer the entire spectrum of oncology care from screening, evaluation, diagnosis, and treatment, palliative care and rehabilitation, all under one roof.

The Tumour Board comprising medical oncologists, radiation oncologists, surgical oncologists, radiologists, histopathologists, and consultants from relevant specialties, share clinical intelligence through networking and interactive meetings, and devise treatment that is best suited to each patient. This rigour has enhanced innovation within our Institutes and bettered patient outcomes. The Board meets periodically to review individual cases and share collective expertise. Such knowledge sharing has supported the evolution of Best Clinical Practise Guidelines and Pathways, and the standardization of treatment guidelines in our hospitals.

The process of Radiotherapy is technically complex. It involves many different staff members and professional groups handing off work between each other during the process of treating, imaging the area needing treatment, planning the radiation, calculating the radiation dose, delivering the treatment and following quality assurance processes to ensure correct delivery.

Precision (targeting only the tumor site for radiotherapy with minimal effects to normal tissue) and accuracy (hitting that target every time) are core tenets of our practice. Advances in technology have facilitated the improvement of this process dramatically.

Coordination – Surgical / Medical / Radiotherapy

Our hospitals offer complete, comprehensive cancer care. Knowledge sharing is a habit with our specialists in the three critical fields of oncology — medical oncology, surgical oncology, radiation oncology

Medical Oncology	Surgery	Radiation Oncology
Solid Tumours	Neuro oncology	Treatment approach
Brain	Surgical oncology	Neuro Oncology – Brain & Spine
Head & Neck	Head & Neck Oncology	Head & Neck Oncology
Gastro Intestinal	Gastro Intestinal	Gastro Intestinal
Uro Oncology	Upper GI	Uro Oncology
Gyneac Oncology	ColoRectal	Gyneac Oncology – Breast and Cervix
Liquid tumors	Gyneac Oncology	Lung
Adult	Breast and Cervix	Organ specific approach
Pediatric	Uro Oncology	Cyberknife
	Robotic surgery	True Beam STX
		Proton Therapy

The Apollo Oncology Team. An expert forum in the battle against cancer

Our oncology team comprises internationally trained Medical, Surgical and Radiation Oncologists, who embrace state-of-the-art diagnostic and therapeutic technology and detailed protocols to offer comprehensive care from psychological counseling, dietary advice and rehabilitation services for the management of all types of cancers in both adults and children. The team is highly knowledgable about current best-practices and has strong connections with a wider professional group which ensures ongoing education, standards of practice and accreditation. They possess the capability and skills to provide individualized care drawing from shared clinical acumen. Our hospitals provide advanced technical support for chemotherapy, bone marrow transplantation, radiation and surgery, all geared towards better clinical outcomes for the patient.

Our approach to redefining cancer care is built on a incisive strategy and a visionary roadmap. We segment the population through cancer screening programs in terms of income, age, lifestyle and gender, and target high risk factors such as genetics and tobacco use. Our cancer treatment is disease specific and we advocate early surgery when needed to support better survival.

Our battle against cancer has a robust technology backbone with the most advanced arsenal of equipment.

If it came to India, it came to Apollo first.

- India's 1st & Asia Pacific's most advanced CYBERKNIFE Robotic Radio Surgery System
- Prostate Brachytherapy Unit
- India's 1st 64 Slice PET-CT Scan with Time-of-Flight Technology
- South Asia's 1st Full-Field Digital Mammogram with 3D Tomosynthesis
- India's 1st Novalis Tx System
- Upcoming 1st Proton Therapy in South Asia and Africa
- India's 1st PET-MRI suite
- Most advanced Hematology Labs for complete IHC Panel

TruBeam

The TrueBeamSTx system is an innovative solution that combines imaging, beam delivery and sophisticated motion management to accurately and precisely target tumours with speed. It gives clinicians the ability to accurately track the tumor even in challenging cases in the brain, spine, lung, liver and prostate, to render the treatment effective and precise in a matter of 3 minutes.

Robot assisted surgery system

This integrates advanced Robot technology with the experience of skilled surgeons and provides a 10x magnified, high-definition, 3D-image of the body's intricate anatomy. The surgeon uses controls in the console to manipulate special surgical instruments that are smaller, flexible and more manoeuvrable than the human hand. The four armed surgical robotic system is a breakthrough in surgical technology. It is minimally invasive and offered across the specialties of Oncology,Urology, Gynaecology, and Gastroenterology.

The Cyberknife

The CyberKnife uses real-time X-rays to establish the position of the lesion during treatment and then dynamically brings the radiation beam into alignment. It aims each beam independently. When the target moves, the robot detects the change and accommodates it. The treatment is ideal for lesions that are not amenable to open surgical techniques.

Proton Beam Therapy

Proton therapy is a type of particle therapy that uses a beam of protons to irradiate diseased tissue. It is an advanced radiation therapy for a comprehensive range of cancers and can even treat tumors in sensitive areas like the brain, eye and spine with minimal to zero side effects. The therapy can precisely target and match treatment to the shape of the tumor with minimal damage to healthy tissue.

Proton Therapy offers superior dose distribution and is therefore the best option for targeted cancer treatment. Protons deposit the majority of their effective energy within a precisely controlled range directly within the tumor, sparing healthy surrounding tissue. It decreases the risk of side effects and long-term complications, thereby improving patient outcomes and quality of life.

Ongoing studies underscore the potential of proton therapy for treating more than 20% of the conventional radiation therapy patient population, bringing hope to the growing Indian market where there is significant need for innovative approaches in cancer therapy.

We are the first integrated healthcare provider to bring proton therapy to India. With approximately three million people suffering from cancer in India and one million new cases being detected every year, there is a need for specialty cancer hospitals and cutting edge cancer treatment.

The Apollo Centre in Chennai, will be equipped with the Ion Beam Applications'(IBA) Proteus®PLUS multi-room centre which will have three treatment rooms. It will offer Intensity Modulated Proton Therapy capabilities. IBA has unrivalled experience in this field where proton beam accuracy is key to advanced cancer care, specifically for complex cases and moving tumors. The centre will be one of a kind in Asia. The proton beam paints the target volume, one layer at a time, pixel by pixel, to precisely match the shape of the tumor. It treats a small section of the tumor at a time, adjusting the proton beam dose and depth to wider and narrower contours of the tumor, section by section. By joining forces, Apollo Hospitals and IBA will give patients access to the most advanced radiation therapy technology.

Revolutionary Robotic Surgery

Since 2011, Robotic surgery has revolutionized treatment options for patients who require a variety of complex surgeries. Robotic surgery is in essence computer-aided surgery, combining 3-D imaging and special instruments with wrist like joints, capable of multiple angles of movement. These instruments behave like an extension of the surgeon's own hands. The surgeon sits at a console, which gives him a magnified three-dimensional image of the patient's anatomy and operates using special grips in which the fingers are placed. The console is connected to the robotic device, which has a endoscopic camera and 3 arms fitted with instruments. The instruments place tiny incisions in the chest or abdomen as in a laparoscopic surgery. The robotic instrument mimics the surgeon's finger movements and is a virtual 'slave ' with no independent capacity for thought or movement.

Used in: Urology, Gynecology, Cardiology, Oncology, and Gastroenterology.

The technology enhances patient care

Significantly less pain	Less blood loss & less scarring
Shorter hospital stay	Faster return to normal daily activities

Magnified three-dimensional optics giving a more real feel of the operative field as compared to laproscopy

Instruments with extreme degrees of freedom (Endo-wristed), enabling the surgeon to operate in narrow confined spaces and at angles impossible with open or laparoscopic instruments

Tremor filtration- removing the manifestation of physiologic tremor in instrument movement

Motion scaling which allows the surgeon to reduce the degree of instrument movement as a proportion of the movement of his fingers, enabling a great degree of precision

This is an exceptional surgical technique; the flexibility and precision it provides supports better patient outcomes

We offer our patients continuum of care and comprehensive 360° support that is integral to the healing process

- Support groups
- Research trials for qualifying patients
- Classes and education
- Integrative medicine to nurture body, mind and spirit

+36,000 ONCO Discharges	+170 Bone Marrow Transplants	+5,700 Onco Surgeries
+47,000 Chemotherapy Sittings	+8,000 Radiotherapy Patients	+155,000 Radiotherapy Sessions

INSTITUTE OF NEUROSCIENCES

INSTITUTES OF NEUROSCIENCES

Providing world class care and rehabilitation

The neuroscience program at Apollo Hospitals unites neurology and neurosurgery to provide expert neurological care and surgical interventions for a wide range of complex conditions from disorders of the brain, spine and nervous system (including stroke) to state-of-the-art sleep labs and out patient rehabilitation.

PET MRI — Next Gen clinical imaging

Paving the way for the next generation of Clinical Multimodality Imaging Applications and to address the complexities of the human body, we have installed a PET CT and a PET MR within a PET-SUITE in our hospital in Delhi. This is a first of its kind in South Asia signifying a tremendous leap forward in imaging and diagnostic capabilities.

The PET-CT system which is equipped with a state of the art 427 slice /sec CT scanner and an Ultra HD PET with a highly specialized 4D Respiratory Gating Software, provides tremendous benefit to our cancer patients as it helps radiotherapists deliver precise radiation doses synchronized with a patient's breathing pattern.

The PET MR system is the amalgamation of the state-of-the-art whole body 3T MRI scanner and a high end PET system which is fully integrated and precisely aligned within the same gantry. This enables us to simultaneously acquire accurate information on morphology, function and metabolism. Deft handling and interpretive reporting by leading experts in the field, lend enormous value.

The PET MR system's superior quality images with better soft tissue contrast, allows better localization and characterization of lesions. Other than its application in cancer, PET MR plays a role in understanding various disease processes in cardiology and neurology. The 'zero' radiation exposure from the machine (unlike CT), makes it safe for use in pediatric cases and in women in the reproductive age group. PET MR offers a new understanding of the previously unknown interrelation between different measures of pathology and physiology in the human body. With its enhanced ability to explore correlations between structure and function, perfusion and metabolism, tissue diffusivity and cell proliferation, PET MR potentiates our ability of gaining new insights into the progress of disease, unlocking new paths to treatment and even hailing new areas of research.

Given today's increasing cancer cases in India, there is an urgent need for early detection and the right treatment to avoid recurrence. PET-MR steps in to provide precise and important information for early detection and staging of cancer, which can be a decisive factor for treatment planning, therapy selection including target therapy, and follow up treatment.

+ 14,000
Neurosurgical operations
FY 15

Robotic Spine Surgery – A Breakthrough Team Effort

Tuberculosis of the spine is a cause for concern as it can be disastrous with irreversible complications. Early diagnosis before deformity sets in, is a challenge but critical as the condition requires immediate treatment to avoid progression. Multi drug resistance further adds a new dimension to the treatment. The disease can produce severe deformity in children since the growth potential gets altered due to bone destruction and /or surgical intervention.

Case Study

At Apollo a team of doctors from across specialties came together to help a 10-year old patient with spinal tuberculosis. The tuberculosis in the thoracic vertebra had caused bone destruction and a pus filled cavity, which were causing the spinal cord to compress. The child was in tremendous pain and had difficulty walking.

The medical team decided to avoid the traditional route of opening the chest. Instead they innovatively opted for robotic surgery by which large incisions and post operative thoracotomy morbidity could be avoided. On 15th July 2014, the world's first robotic spine surgery for tuberculosis was done. The procedure was successfully carried out using standard robotic and spine surgery instruments with a modified anesthesia technique.

Outcomes: The patient's post-operative hospital stay was short and recovery, quick, thanks to the robotic surgery. The total surgical time was less than for similar procedures done without robotic assistance. Ventilatory support after surgery was not required and analgesia requirements were also minimal; there was no post-operative chest or wound infection.

'Do what is necessary, then what is possible and suddenly you are doing the impossible'

This is the essence of our hospitals' approach to Robotic Neurorehabilitation.

Neurological disorders can leave a person with devastating disabilities such as loss of movement in an arm or leg. Not so long ago these disabilities were considered incurable and therapy often focused on training people to use their 'good side'. Research however shows that based on neuroplasticity, the concept of 'task-specific learning' i.e. activities of daily living can be taught and improved through continuous repetition. Robotic therapy enables intensive functional locomotion therapy with augmented feedback. Leveraging our knowledge, experience and the latest technology, we have created a multi- faceted and comprehensive neuro protocol that succeeds at maximizing the benefits of integrated therapy. With the right therapeutic guidance, the human body has immense potential to heal itself. At Apollo we focus on helping patients realize this potential to achieve the highest level of recovery possible. "Continuum of Rehabilitation", from immediate post-injury to long-term recovery, requires a range of therapies that address the changing needs of the recovering patient. Our rehabilitation and physiotherapy services are tailored to suit individual

Lokomat, Armeo & Erigo, designed and built in Switzerland by HOCOMA, are revolutionary pieces of equipment to aid the recovery of people afflicted by neurological disorders like spinal cord injuries, muscular dystrophy, strokes and other related afflictions. At our centre we strive to provide the highest level of recovery possible to our patients.

The ***Lokomat*** is the most advanced piece of robotic equipment available for gait training and neurological re- patterning.

The ***Armeo*** Therapy Concept improves the efficiency of treatments as the exercises are self-initiated, self-directed, functional and intense. Even severely impaired patients can practice independently without the constant presence of a therapist, allowing them to exploit their full potential for recovery.

The ***Erigo*** combines a continuously adjustable tilt table with a robotic stepping mechanism, enabling early, intensive therapy. It combines three established therapies in one – verticalization, leg movement, and cyclic loading and unloading of lower extremities.

Transforming the lives of stroke victims

Advances in stroke medicine are transforming the lives of stroke victims in a big way. Recently in Chennai a 50-year old gentleman made good recovery and walked home after a short period of rehabilitation and a 38-year old mother of 2 made a miraculous total recovery from a devastating large stroke. Both these patients arrived into hospital within the 'golden hour', i.e. 4.5hrs from the start of symptoms. The sooner treatments are started the better the outcomes are, as every passing second leads to progressive damage in brain cells.

Intravenous clot busting drugs show improved outcomes, at 3-6 months after stroke and reduced disability if treated within the golden hour. A new technique in which a clot is removed by passing a catheter near it, shows immediate positive result. In fact the 38 year old lady walked out of bed on day 2 with no disability and went home in 5 days.

Life is priceless and when stroke strikes, time is precious. After an acute stroke, quick arrival at the hospital followed by immediate intervention can make the difference between life and death. At Apollo hospitals we have a 24/7 acute stroke team with experienced specialists to treat all stroke emergencies.

Extracorporeal Shock Wave Therapy is another technology that we use in our hospitals to treat chronic, painful conditions of the musculoskeletal system. A shockwave is an intense, but very short energy wave traveling faster than the speed of sound. "Extra-corporeal" means "outside the body" and is so called as the shockwaves are generated outside the body.

Shockwave Therapy treatment is very effective for patients with chronic tendon disorder. It is a non-surgical treatment, and works by delivering targeted impulses of energy to specific damaged tissues within the abnormal tendon. This increases the blood flow within the affected area, stimulating cell regeneration and healing, and decreasing factors that can cause pain.

SWT can be used to treat a wide variety of musculoskeletal conditions--particularly those complaints involving attachment points for tendons and ligaments in major joints such as the rotator cuff in the shoulder, elbow (tennis elbow), hip, and knee (tendinitis or "jumper's knee) and often, the foot in conditions like Strained Arch, Achilles Tendinitis, Calcific Tendinitis and Connective Tissue Pain.

Shockwave therapy, an effective modality in the armory of treatments for various musculoskeletal conditions, is non-invasive, affordable and without side effects when administered by experts, as compared to cost and risk of surgery.

Across the world, around 7 million people are victims of the dreaded neurological disorder known as Parkinson's disease. Parkinson's disease is a progressive disorder of the nervous system that affects movement. In Parkinson's disease, certain nerve cells (neurons) in the brain gradually break down or die. Many of the symptoms are due to loss of neurons that produce a chemical messenger in your brain called dopamine. When dopamine levels decrease, it causes abnormal brain activity, leading to signs of Parkinson's disease. The cause of Parkinson's disease is as yet not proven. The disease develops gradually, sometimes starting with a barely noticeable tremor in just one hand. But while a tremor may be the most well-known sign of Parkinson's disease, the disorder also commonly causes stiffness or slowing of movement. Although Parkinson's disease can't be cured, medications may improve symptoms initially for a few years. In cases where medications become progressively less effective, Deep Brain Stimulation surgery to regulate certain regions of the brain is the best option.

'HEAL THY NEIGHBOUR'

India's First Brain-Pacemaker (Deep Brain Stimulation) surgery was successfully performed on a Bangladeshi Citizen at our hospitals in Kolkata at a fifth of the price overseas.

Kazi Abdur Razzaque, an active 56 year old Bangladeshi National from Dhaka, had been suffering from intractable Parkinson's disease for over 7 years. Medications helped initially but he still had a lot of "off" time. Within a few years of being diagnosed, he couldn't use the right hand, which meant he couldn't write legibly, use the computer, or even help himself to a glass of water without great discomfort. He developed slowness and rigidity, cramping and involuntary movements and was compelled to take larger doses of medications that in turn caused further discomfort.

Razzaque's neurologist told him about Brain Pacemaker and Deep Brain Stimulation surgery which was proven to reduce motor symptoms associated with Parkinson's disease including tremor, stiffness and slowness of movements. Our hospitals in Kolkata gave him a fresh lease of life through the Brain-Pacemaker surgery (Bilateral Sub-thalamic Nucleus Deep Brain Stimulation surgery) wiping away all his complaints and discomfort.

What is a Brain Pacemaker?

A Brain Pacemaker is a surgically implanted device system, much like a cardiac (heart) pacemaker, which delivers long-term electrical stimulation to a precisely targeted area of brain, depending on the specific brain disorder, which will then enable the brain circuits that control that region to function better. The brain has a lot in common with electrical devices, such as computers. Brain Pacemaker operates at the electrical level in the brain, which is fundamental to how the brain creates, manipulates and conveys information.

INSTITUTE OF TRANSPLANT

Offering a new lease of life

INSTITUTES OF TRANSPLANT

Our Transplant Institutes have relentlessly conquered new frontiers and given people a second chance at life. Transplant surgery is the epitome of clinical super-specialization and requires a range of resources and highly trained manpower to yield successful results. The complexity of the surgery mandates specialized centres with trained and highly experienced surgeons, and a comprehensive multi-functional team for managing a patient through incredibly delicate clinical interventions and post-surgical care.

Demand for organ transplant grows in India

Kidney
Liver
Heart Lung
Pancreas

Given the exponential growth of diabetes and hypertension in India over the last two decades, the number of people suffering from end stage renal disease that requires long-term dialysis or a kidney transplant, has increased dramatically. Similarly, an increase in conditions like Hepatitis, alcoholic cirrhosis, and congenital defects in children have led to an increased incidence of end stage liver disease that requires surgical intervention. An option available to such patients is organ transplant, the economics of which is often better than having to manage a disease that can take a toll physically, emotionally and financially. Our doctors understand that this is a tough choice for patients to make. They take extra care to give the patient emotional and psychological support during hospitalization and even post transplantation.

The Transplant Surgery Unit at Apollo Hospitals, New Delhi started its journey in 1998 with the first successful pediatric and adult liver transplantation in the country, an event that marked the start of a journey that rendered the program the busiest standalone centre of its kind in the world in 2013. Soon units were set up in Chennai and Hyderabad. The program comprises liver and kidney transplant teams and dozens of trained OT nurses and paramedic staff, specialized ICU nursing and an infrastructure that is truly one of a kind. ***Our hospitals provide access to a quality transplant program at a fraction of the cost elsewhere in the world; our transplant surgeries cost a tenth of a similar procedure in the West.*** The triad of **accessibility-cost effectiveness-quality** has become the hallmark of our hospitals' transplant program attracting patients from around the world, and especially from countries where people are on a waiting list, cannot afford the treatment, or where no transplant program exists.

Our surgeons use their knowledge and experience and partner with hospitals and Governments in countries in Africa, the Middle East, South East Asia and South Asia to set up a sustainable transplant program using their knowledge and experience. They share technology know-how and best practices and offer training at our hospital.

World's # 1
Solid Organ Transplant Network
Calendar Year 2014

+1,100 Kidney
+400 Liver
FY 15 Transplants

Outcome rates comparable to the best in the world at 90% survival post one year of transplantation

A Case Study That Records Many a Mile Stone

Five deceased donor liver transplants in a single day at Apollo Hospitals

During daily rounds, our transplant coordinators identified 5 potential brain dead patients in the Apollo hospitals ICU network on the same day. After tests for determining brain death were performed as per laid down guidelines, grief counselors counseled the relatives about organ donation. All the 5 families agreed to donate the organs of their loved ones. This was a pleasant surprise as only about 40% usually agree; the rest decline due to various reasons.

There were several challenges to be addressed before we could proceed with the transplant surgeries.

First, once a patient is declared dead, the donor families want the body to be handed back to them as soon as possible, so that they can proceed with the grievance rituals. In some communities, the entire family, community or village fasts till the cremation rites are over. Medically, there is a risk of the donor becoming unstable and sustaining severe hypotension or hypoxia and cardiac arrest before the donor surgery precluding the use of the organs. It meant that the operations had to be done simultaneously or consecutively. Usually, 3 recipients from each blood group who are waitlisted and registered for liver transplant stay locally so that when a deceased donor is available they can reach the hospital for surgery at short notice. In this case since there were 5 donors, a few recipients had to reach the hospital by the fastest available transport.

A logistical challenge was to organise operation theatres (5), 1 for the donor, 1 for the liver, 1 for the kidney and 1 for the heart lung transplants. Almost all the cases scheduled in those theatres had to be cancelled or postponed. The donor operations were planned one after the other according to the time of declaration and the duration the relatives were willing to wait for the mortal remains to be handed over. It so happened that the formalities for clearance of 2 of the 5 donors took a little more time than expected and we had to perform them simultaneously with the other planned donor surgeries, as the relatives were unwilling to wait longer. Certain organs such as the liver cannot remain viable in cold storage for a long duration of time. Therefore, the new challenge was to perform 2 donor as well as the recipient operations simultaneously. This meant that 4 teams of liver transplant surgeons (12), anaesthetists (4), scrub nurses (6) and OT technicians (4) were working at the same time. As there was insufficient time for used instruments and retractors to be washed and sterilised, some transplant instruments were brought from 2 other Apollo hospitals in Bengaluru and Hyderabad by road and air as well. The first donor surgery began on the night of 3rd May and went on through the entire day and night on 4th May and the last liver transplant recipient surgery finished on 5th morning almost 36 hours after the start. The operations went on smoothly and all 5 recipients were moved to the transplant ICU and discharged by the 8th day after surgery. The ICU nursing staff was also stretched, leaves cancelled and duties reassigned.

Although this is not a event that occurred by our choice, it was a significant one. This is the first time in the country that 23 organs were harvested from 5 donors on a single day from a single institution. It challenged us to overcome limitations we think we have in terms of manpower, infrastructure and our own perceptions of ability, stamina, and emerge on top. That we did it successfully is a tribute, first to the donor families and second, to the entire team at our hospitals, some visible, many invisible but contributing vitally to this mammoth exercise. This experience is a true reflection of the philosophy and spirit of Apollo Hospitals.

PATIENT CENTRIC CARE GIVING

Superior Quality of Apollo Nursing Care

We differentiate ourselves on the quality of our nursing and the tender loving care our nurses provide patients-all made possible by the in-depth training we provide them. Our nurses focus on patient safety and the prevention of harm to patients. This is evidenced by the metrics in the ACE and RACE surveys where parameters like Infection Rates and Medication Errors, Falls, and VOC are captured and benchmarked with the best hospitals globally. This is standardised practice across all our hospitals & critical to clinical outcomes.

In-Service Education is a pillar of our nursing department which allows our fresh recruits to acclimatize & adapt to a complex clinical set up. The training is standardized across the Group. Apollo's pursuit of JCI accreditation and NABH certification further strengthens our service delivery and brings rigor into processes on the floor. Superior nurse's training combined with employee welfare schemes have drawn many an aspiring nurse to Apollo Hospitals.

Among the most talented group of people with multiple awards including " Best places to work"

More Patient Safety and Infection Control Measures

Handovers have been identified as a communication 'hot spot'. Misinformation, missing information, or untimely information contributes to a significant number of patient safety incidents and workflow problems. Handovers permeate the healthcare system and can occur at shift changes, when clinicians take breaks, when patients are transferred within a hospital, and during admission, referral or discharge. We improve safety by fostering collaboration among the different healthcare professionals who come in contact with a patient so as to disrupt the traditional silos in which they work.

Patients acquire infections from their own flora, hospital personnel, visitors, or the inanimate environment. Hand washing, protective clothing, and proper management of bio-medical waste are useful measures for infection control.

Medication errors can occur through prescription, transcription, dispensing, or administration and we follow strict controls to prevent such errors

In our endeavor to continuously improve patient care we benchmark our services and seek accreditation. We use the results as levers to effectively implement, measure, monitor, report, and sustain changes to ensure our health system reaches full potential.

Providing a Learning Environment for our staffs

It is imperative for every employee to go through relevant development interventions to broaden their skills and competencies and to help them further their career. Our innovative and flexible training and development approaches have continued to ensure that we have highly competent staff consistently delivering high quality care.

Apollo's motto of Tender Loving Care (TLC) translates into clinical and operational excellence – processes that deliver value to stakeholders. These processes are documented through manuals and training is imparted to staff to help them deliver brand standards that meet customer requirements. They are also encouraged to take initiative and modify process steps to enhance customer experience.

Shadowing and handover processes help ensure that knowledge is transferred from departing employees. Employees in critical positions and those with critical skills and competencies, regularly conduct training sessions mitigating the possible loss of skills and knowledge.

We Listen To Our Patients

We put our patients at the core of whatever we do in our hospitals and their feedback is important to us. Our VOC process, which measures patient experience rather than satisfaction among both in-patients and outpatients, is structured in partnership with Gallup World Wide. It captures qualitative & quantitative feedback on 27 attributes across all patient touch points in all the units. The feedback is used to steer improvements and innovations in our process driven healthcare system. Ward huddles and the roll-out of the Courtesy & Compassion framework for all front line & nursing staff has resulted in greater accountability and an increase in the compassion index.The tracking system is integrated with the Hospital Information System, which provides useful metrics on effectiveness, efficiency and improvements in the areas of quality, clinical, operational, financial, and service excellence.

With a view to addressing the absence of a patient oriented transparent health IT system we have established the Patient Engagement Platform that will help make patient interactions during the care delivery process totally seamless. We have brought all patient needs – access to medical records, fixing appointments, chronic care management, and remote consultation, under one common platform. This is in line with our aspiration to provide Continuous Care Delivery to our patients via a single engagement platform and it connects a patient to all stakeholders – doctors, hospital staff, labs, etc. through a single portal. The platform currently serves 2.5 mn customers.

Cuts out repeated visits to provider's premises to pick up lab reports, health check summaries, prescription refills, etc.

Cuts out hard copies and bulky files for documenting health history. Data is accessible anytime anywhere through the internet on any mobile device

Cuts out various touch points for services – appointments, bill payments, etc.

LEVERAGING DIGITAL TECHNOLOGY FOR ENHANCED ACCESS

Apollo Hospitals leverages strides made in Information and Communication Technology and uses public, private and government gateways to increase healthcare reach.

Telemedicine

India's population is highly underserved with only 2.31 billion physician interactions taking place against the 6.5 billion physician interactions required per year. India's urban rural divide has further enhanced the inequity in healthcare access…70% of the population has access to only a quarter of the doctors. It is estimated that more than 46% of the patients travel over 100km to seek specialized care. Challenges around access, affordability and quality of healthcare contributes to low life expectancy.

Apollo has risen to the fore and become a pioneer of remote healthcare delivery in India. Remote Healthcare involves healthcare providers delivering care from a different location than the patient, using technologies such as store-and – forward or real-time video conferencing and phone call. We started the first satellite based telemedicine centre in Aragonda in 2000. Apollo Tele Health Services' established in 2010, provides all front-end services related to tele-consulting – primary & tertiary tele-consulting – tele-clinics @ townships, tele-read, tele-radiology, tele-ophthalmology, tele-geriatrics and back-end IT services.

Telemedicine and mobility are coming together to facilitate delivery of remote care. Telemedicine uses tele-communication technologies to exchange health information and provide health care services across geographic, time, social and cultural boundaries.

Apollo's remote care

+ 1,00,000 GP

150 Owned & Franchised Tele-clinics

17 Countries.

Remote healthcare is set to disrupt the normal mode of care delivery, largely driven by the twofold need for access & convenience. It is estimated to grow to 2.86 bn by 2020 at a CAGR of 15.6%.

The socio-economic impact of telemedicine is all pervasive leading to a healthier, more productive life for all citizens.

1,00,000 video based tertiary tele- consults done in over 25 specialties

60,000 rural touch points + Access to ~300 mn people in rural areas

Critical Success Factors
5500+ Apollo Doctors
Years of Proof-of-Concept experience

Mobile Health

Mobile health (mHealth) supports tele-medicine by offering remote patient monitoring with the use of mobile (cellular or Wi-Fi) technology, which can be easily used with common off the shelf mobile products.

The objective of the mHealth initiative is to a create a platform and a market place, where every mobile / internet user even in remote, rural and resource-limited settings, regardless of connectivity or the capability of his mobile device, will among other things access trustworthy healthcare information.

MHealth' actually represents a broad spectrum of products and services on mobile devices from wearable glucose monitors to web-based fitness applications, from networks of health care professionals who develop and execute daily treatment plans for chronically ill patients to sending out health information messages, and reminders on immunizations. Its scope and reach make it relevant and beneficial to all key stakeholders across the entire health care value chain.

The use of mobile and wireless technologies to support the achievement of health objectives has the potential to transform the face of healthcare service delivery across the globe.

Ready access to affordable, trust-worthy & credible healthcare and healthcare information	Access to preventive care; personalized treatment and adherence systems	Access to timely medical help anytime needed, even during an emergency or health crisis

Social Mobile Analytics Cloud — *a unified solution*

In furthering our commitment of providing Continuum of Care to our patients, we have now launched Medmantra, an enterprise hospital information system that includes an electronic medical record. The system is designed on a web based technology supported by enterprise class infrastructure in regional private cloud architecture offering an integrated and seamless user experience.

The Medmantra Advantage

Patient data can be accessed across the region in a single UHID enabling Continuum of Care

On demand reports for lab, radiology and cardiology, reducing unnecessary printing and real time availability

Discharge process mapped in the software and time stamps of all activities to enable optimal TAT for discharge process

98 % of discharge summaries typed through the application

Take control of your health today!

We have given you Apollo Prism to help you receive, store and access all your health information online.

Apollo Prism automatically downloads your test results and discharge summary from Apollo Hospitals. You can also use it to maintain a record of your medical conditions.

Apollo Prism makes it easy for you to join and stay on a wellness program to lose weight or manage a chronic condition easily. Data is stored in a secure environment and gives you complete control over who accesses your information.

EXPERTISE ACROSS THE HEALTHCARE SERVICES SPECTRUM

The Apollo Clinics successfully brings healthcare of international standards closer to home. It is a pioneering integrated model for primary healthcare services. Apollo Hospitals provides high quality specialised healthcare to the neighbourhood through Apollo Clinics, Apollo Sugar, Apollo Surgical Centres and Apollo Cradle.

Apollo Clinics

Apollo Clinics are multi-specialty clinics that provide complete primary care under one roof. They are of two types – the smaller ones like the polyclinics are located in suburbs and provide basic diagnostic services and OPD services. The larger ones, called Apollo Medical Centres provide extensive diagnostic and treatment services and operate in the more central parts of a city.

Apollo White

Starting the year with 42 centres, Apollo White Dental has now expanded to 70 centres. It is the first in the country to offer a Dental Spa to its patients. Apollo White has 450 qualified and skilled doctors and consultants.

Apollo White has partnered with a German company to bring new products like Non Invasive Instant Veneer, Anti Snoring Device, and Tooth Jewel to India.

The clinic has conducted over 1000 awareness and screening camps where over 100,000 people have been screened. It has also entered into tie-ups with corporates where it creates awareness about oral hygiene.

Dental White	Sugar Clinics	CRADLE	Surgical Centre	Apollo Clinic
70	26	4	13	66

Apollo Sugar Clinics

Currently 26 in number, the Sugar Clinics focus on diabetes and provide holistic care to a diabetic rather than treating the condition in isolation.

Apollo Cradle

It is a boutique birthing centre with world class design, infrastructure, systems and processes. We presently have 4 centres in the network. At CRADLE we embrace 'Natural is Priceless' through which we support expectant mothers in having a natural delivery. We commit not to differentiate in the tariff for natural and C-section deliveries as we firmly believe that the choice of delivery method is purely a question of what is best for baby and mother without an economic impact for us or for our doctors.

Apollo Surgical Centres

Focus on planned surgeries that can be done in a day or short stay basis. We presently have 13 such centres.

We monitor service levels on a daily basis in our clinics using the Net Promoter Score (NPS) methodology. We get responses from about 15% of our daily footfalls; our national average NPS score is above 80. To enhance patient safety and medical quality, we have created our own quality control and certification programme for primary care clinics, similar to the NABH called Q4E. Monthly internal audits and bi-annual external audits is the norm at all our clinics. We now offer home collection, family physician services and vaccination for children and adults in the neighborhoods we serve.

Pursuing highest Quality standards. Ensuring better services to you.

Apollo Clinics Q4E Program

Apollo Clinics across India have adopted the Q4E Quality program that demands systematic and continuous actions that lead to measurable improvement in health care services. The activities of Q4E are cyclical and monthly, ensuring on-going improvements in patient care standards. Q4E assesses the performance of each clinic based on 25 measurable indicators that cover various aspects such as Process, Satisfaction (patient and employee), Volume, Finance, Apollo Integration and Consultant Connect. Data collected is used to drive performance improvements in each centre.

A pregnant woman with a fracture was successfully treated without the use of conventional X-ray or radiation imaging

Performing safe Mastectomy for Breast Cancer

Apollo Day Surgery is a standalone Day Surgery model centre. We are expanding our surgical specialties to include Breast Cancer Surgeries to improve our healthcare efficiency without compromising on the quality of our services. At Apollo Day Surgery we discharge MRM and Mastectomy with SLNB with drain on an average 8 hours post-surgery, average intra-operative time being 75 minutes, ensuring better turn over and improved efficiency. This compares impressively with Ambulatory Surgery commonly followed in the western world with 23 hours of hospitals stay.

So far we have completed 68 surgeries without morbidity and mortality. The patients and their attendants were extremely happy to be discharged on the same day.

Benefits for the Patient

- 20 to 30% saving on the total cost of treatment
- Complication rate not greater than IP
- No nosocomial infection
- No drain related issues
- No readmission
- Qualitatively better psychological and physical recovery
- Less chance of DVT because of early mobilization

Environmental benefits:

Less Biomedical waste generation since duration of hospital stay is very minimal

Less utilization of resources and reserves (electricity, manpower, water and consumables)

CORPORATE HIGHLIGHTS

ANNUAL CONSOLIDATED REVENUES CROSSED THE LANDMARK OF ₹ 50 BILLION IN FY15

Shri Ravi Shankar Prasad, Hon'ble Minister of Communications and Information Technology, and Minister of Law and Justice released a commemorative stamp to celebrate the 15th anniversary of India's first successful liver transplant at Apollo Hospitals, New Delhi

Added 5 owned hospitals and operationalized 510 beds in FY15

1,822 Retail Pharmacy stores March 31, 2015

Acquisition of Hetero pharmacies to add another 300 stores to the current network

Apollo Hospitals launched its first digital hospital in Chennai with innovative 'I SEE U' feature, a virtual visitor solution that uses new age imaging to allow virtual patient visits

Collaborated with Sanofi to enhance the focus on comprehensive diabetes management. Sanofi has acquired a 20% stake in Apollo Sugar Clinics

Acquired 11 Daycare & Short Stay Surgery Centres from Nova Specialty Hospitals with a footprint in 8 cities across India

Witnessed robust growth of over 20% in medical value travel aided by the 'Visa on Arrival' policy of the Government of India

FINANCIAL AND OPERATIONAL HIGHLIGHTS

Consolidated Financial Highlights

Rupees million, except for share data	FY 2015	FY 2014	Growth
Revenue from operations	51,785	43,842	18%
Operating EBITDA (Earnings before Interest, Tax & Depreciation)	7,347	6,724	9%
Operating EBIT (Earnings before Interest & Tax)	5,230	5,046	4%
Profit Before Tax	4,554	4,067	12%
Profit After Tax	3,399	3,168	7%
Earnings per Share (EPS)-Basic (₹)	24.43	22.77	7%
Earnings per Share (EPS)-Diluted (₹)	24.43	22.77	7%

Consolidated Financial Position

Rupees million	FY 2015	FY 2014
Application of Funds	**54,031**	**45,757**
Fixed Assets	36,115	30,227
Goodwill	1,652	1,499
Non-current Investments	1,651	1,661
Net Current Assets & Long term Advances*	14,410	12,142
Deferred Tax Asset	203	228
Sources of Funds	**54,031**	**45,757**
Shareholders Funds	31,558	29,612
Capital Reserve on Consolidation	155	155
Minority Interest	730	188
Loan funds and Long term Provisions/Liabilities	17,365	12,283
Deferred Tax Liability	4,222	3,519

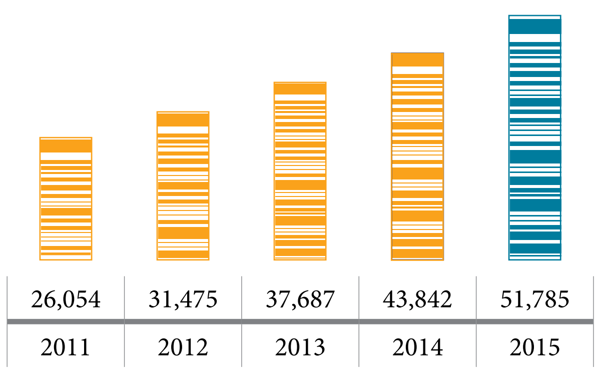
* includes cash and investment in liquid mutual funds of ₹ 5,151 million in FY15 and ₹ 4,151 million in FY14

Five years at a glance

All data in Rupees million, except for share data

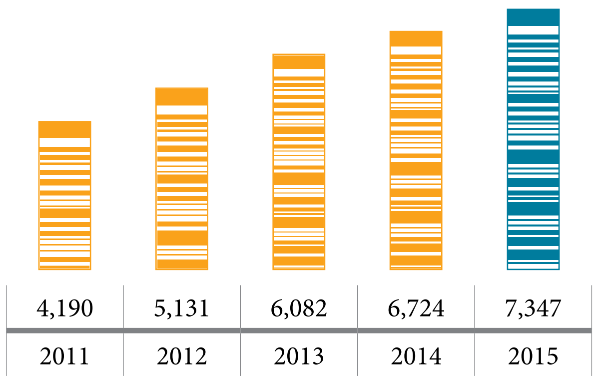
Revenue

CAGR 19%



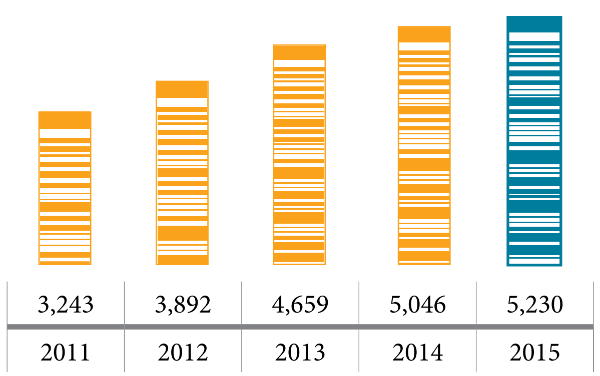
EBITDA

CAGR 15%



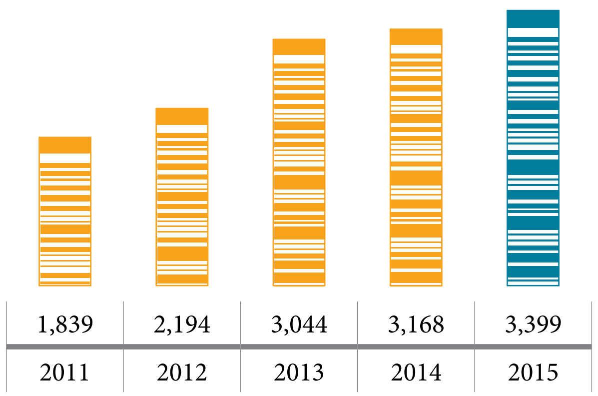
EBIT

CAGR 13%



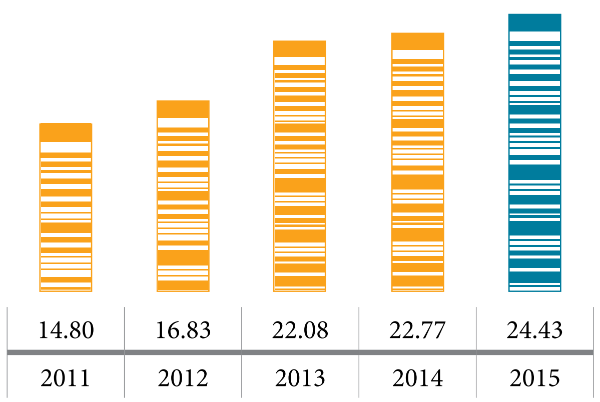
PAT

CAGR 17%



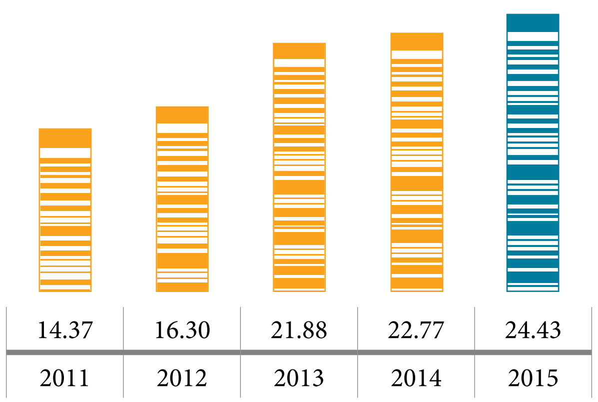
EPS (Basic) (₹)

CAGR 13%



EPS (Diluted) (₹)

CAGR 14%



Consistent Growth

Bed & Pharmacy Count

Plan to add another 1,600 beds in the next 3 years

Beds	750*	1,500*	4,000*	7,984*	9,215*
	1995	2000	2005	2010	2015

* Bed includes both owned & managed hospitals
\# Number of standalone pharmacies

Revenue

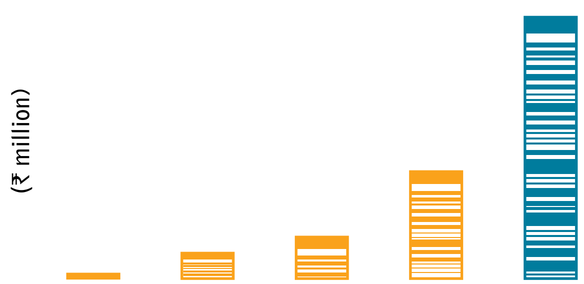
CAGR 27%

Robust growth in revenue driven by strong operating performance

457	2,684	6,621	20,265	51,785
1995	2000	2005	2010	2015

EBITDA

CAGR 22%



127	715	1,167	3,006	7,347
1995	2000	2005	2010	2015

PAT

CAGR 22%

63	278	384	1,376	3,399
1995	2000	2005	2010	2015

Market cap

CAGR 34%

538	4,977	14,643	45,072	1,90,490
1995	2000	2005	2010	2015

Debt / equity ratio

0.69	0.45	0.42	0.44	0.52
1995	2000	2005	2010	2015

Steady Operations

Discharges (in'000s)

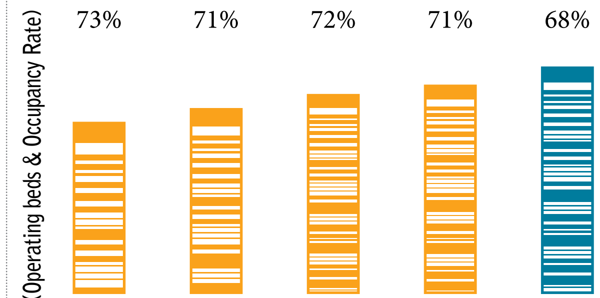
CAGR 7%

Steady volume growth

265	281	313	332	354
2011	2012	2013	2014	2015

Occupancy

Consistent increase in occupied beds despite bed additions



4,767#	5,153#	5,549#	5,811#	6,321#
2011	2012	2013	2014	2015

\# Operating beds

Average Length of Stay

Ongoing reduction in ALOS due to advancement in treatments

4.79	4.78	4.65	4.54	4.43
2011	2012	2013	2014	2015

Average Revenue per Occupied Bed

CAGR 8%

ARPOB has grown at a healthy CAGR of 8% over the last 5 years

18,474	20,455	21,724	23,684	25,381
2011	2012	2013	2014	2015

SAP EBITDA Margins

0.5%	2.0%	2.7%	3.3%	3.3%
2011	2012	2013	2014	2015

Mature Stores (Pre FY08) EBITDA Margins

3.6%	4.6%	5.3%	5.6%	5.9%
2011	2012	2013	2014	2015

BEING SOCIALLY RESPONSIBLE

*Apollo's commitment to social responsibility and the pursuit of societal good through inclusive healthcare inspired our Group towards fulfilling India's colossal rural healthcare needs. We focus on bringing quality healthcare within reach of all people regardless of geographic location or economic status. Apollo Hospitals aspires to be one of the most respected companies in India, a socially responsible corporate citizen delivering superior and sustainable value to all our customers, business partners, shareholders, employees and host communities.**

Apollo Aragonda Hospital

We zeroed in on the small village of Aragonda in the state of Andhra Pradesh, one of the most underserved rural districts in the country, to set up India's first modern rural hospital.

The facility was set up with the same professionalism and standards as any urban Apollo centre whether measured by patient care, clinical process, infection control or the use of technology.

Total Health Foundation

It seeks to provide integrated comprehensive healthcare services to the 70,000 residents in the Thavanampalle Mandal of Chitoor. The program will promote happy living through protection of health, prevention through screening, offering timely treatment, and the provision of a hygienic and sanitary living environment.

Sachi

SACHi (Save a Child's Heart Initiative) a community service initiative with the aim of providing quality pediatric cardiac care and financial support to children from underprivileged sections of society suffering from heart diseases.

Sahi

SAHI (Society to Aid the Hearing Impaired) initiative to help underprivileged and rural children with hearing impairment

Billion Hearts Beating

The Billion Hearts Beating Campaign, the idea behind this campaign is to create awareness among the people of this country on the risks associated with heart diseases and to motivate them to take the pledge to stay heart-healthy.

Cure

CURE Foundation which is focused on cancer screening, cure and rehabilitation for those in need.

Free Clinics

We run a total of five free clinics at Koyambedu, Tambaram, Ayanambakkam, Tirumala (a specialised cardiac centre) and Chennai Airport which is an Acute Emergency Care Centre meant to handle medical and disaster emergencies.

* For more details please refer to the Directors' Report in this book

WINNING RECOGNITION IN FY 15

During the year, your Company was accredited with several international and national awards both at the Company level and Hospital level, recognizing quality and innovative nature of our healthcare services.

Employee Branding Awards (2014 - 2015)

Best Employer of the Year

Talent Management for Chairman's Club

Excellence in HR through Technology for You-R-HR

The Skoch Renaissance Award

India's Best Practices – 2014 for Chairman's Club

The I.C.O.N.I.C IDC Insights Award 2014 for industry best practices by displaying innovation & creativity and raising the bar for adoption of technology in Health & Life Sciences from International Data Corporation

"Golden Peacock" for Business Excellence in Healthcare at the 25th World Congress on 'Leadership for Business Excellence and Innovation', Dubai

A commemorative stamp by the Department of Posts to celebrate the 15th Anniversary of India's first successful liver transplant at Apollo Hospitals, New Delhi in 1998

The Most Admired Pharma and Healthcare Company by Fortune India & Hay Group in recognition of distinguished level of clinical excellence, technological expertise and high standards of ethical value while serving patients

Several hospitals in the Apollo network were proud winners of a record 11 awards in 9 categories at The Hospital Management Asia Awards 2013 at Cebu City, Philippines

Best Multi-Specialty Hospital in the Private Sector by 'The Week-Nielsen Best Hospital Survey 2014 for Chennai, Hyderabad, Kolkata and Ahmedabad in the respective cities

Apollo Specialty Hospital, Nandanam, Chennai HIMSS Analytics Electronic Medical Records Adoption Model Stage 6 (The first single specialty oncology hospital to receive this distinction)

The Best Multispecialty Hospital in Chennai at TOI's 'Healthcare Achievers Awards 2014'

BOARD MEMBERS

Dr. Prathap C Reddy
Founder and Executive Chairman

Smt. Preetha Reddy
Executive Vice Chairperson

Smt. Suneeta Reddy
Managing Director

Smt. Shobana Kamineni
Executive Vice Chairperson

Smt. Sangita Reddy
Joint Managing Director

Shri. Deepak Vaidya
Director

Shri. Habibullah Badsha
Director

Shri. Rafeeque Ahamed
Director

Shri. Raj Kumar Menon
Director

Shri. Sanjay Nayar
Director

Shri. N Vaghul
Director

Shri. G Venkatraman
Director

Shri. Vinayak Chaterjee
Director

Corporate Information

Senior Management Team

Shri. K. Padmanabhan
Group President

Shri. S.K. Venkataraman
Chief Strategy Officer

Shri. Krishnan Akhileswaran
Chief Financial Officer

Shri. S.M. Krishnan
Sr. General Manager – Finance & Company Secretary

Auditors

M/s. S. Viswanathan
Chartered Accountants
Chennai - 600 004.

Bankers

Andhra Bank
Axis Bank
Bank of Tokyo
Canara Bank
HDFC Bank
HSBC
ICICI Bank
IDBI Bank
Indian Bank
Indian Overseas Bank
Oriental Bank of Commerce
State Bank of Travancore

Registered Office

19, Bishop Gardens,
Raja Annamalaipuram,
Chennai – 600 028

Corporate Office

Sunny Side Building,
East Block, 3rd Floor,
8/17 Shafee Mohammed Road,
Chennai – 600 006

Administrative Office

Ali Towers, # 55, Greams Road,
Chennai – 600 006.
email: investor.relations@apollohospitals.com
website: www.apollohospitals.com

Board Committees

Audit Committee	Nomination & Remuneration Committee	Stakeholders Relationship Committee	Corporate Social Responsibility Committee
Shri. Deepak Vaidya Chairman	Shri. N.Vaghul Chairman	Shri. Rajkumar Menon Chairman	Dr. Prathap C Reddy Chairman
Shri.G.Venkatraman Member	Shri. Deepak Vaidya Member	Smt. Preetha Reddy Member	Smt. Preetha Reddy Member
Shri.Rajkumar Menon Member	Shri.G.Venkatraman Member	Smt. Suneeta Reddy Member	Shri N. Vaghul Member
	Shri. Rafeeque Ahamed Member		Shri.G.Venkatraman Member

Risk Management Committee	Investment Committee	Share Transfer Committee
Smt. Suneeta Reddy Chairperson	Shri. N. Vaghul Chairman	Smt. Preetha Reddy Member
Smt. Preetha Reddy Member	Smt. Preetha Reddy Member	Shri. Rajkumar Menon Member
Shri. Vinayak Chatterjee Member	Smt. Suneeta Reddy Member	Shri. Rafeeque Ahamed Member
Dr. Sathyabhama Member	Shri. Deepak Vaidya Member	
Dr. K. Hariprasad Member	Shri. Vinayak Chatterjee Member	

Directors' Report to the Shareholders

Your Directors are pleased to present the **THIRTY FOURTH ANNUAL REPORT** and the audited statements of accounts for the year ended 31st March 2015.

Financial Results (Standalone)

(₹ in million)

For the year ended	March 31, 2015	March 31, 2014
Income from operations	45,928	38,616
Profit before Exceptional Items and Taxation	4,820	4,201
Provision for Taxation	1,207	894
Net Profit before Exceptional Item after Taxation	3,613	3,307
Exceptional Item	(147)	-
Net Profit after Exceptional Item	3,466	3,307
Balance of Profit brought forward	3,165	2,307
Profit Available for appropriations	6,631	5,614
Appropriations		
Dividend (inclusive of dividend tax)	964	936
Transfer to General Reserve	1,500	1,500
Transfer to Debenture Redemption Reserve	485	13
Amount charged off in accordance with transitional provisions of the Companies Act, 2013	539	-
Balance carried forward to Balance sheet	3,143	3,165

Results of Operations

During the year under review, the income from operations of the Company increased to ₹ 45,928 million compared to ₹ 38,616 million in the previous year, registering an impressive growth of 19%. The profit after tax for the year increased by 5% to ₹ 3,466 million compared to ₹ 3,307 million in the previous year.

During the year under review, the consolidated gross revenue of the Company increased to ₹ 51,785 million compared to ₹ 43,842 million in the previous year, registering an impressive growth of 18%. Net profit after minority interest for the group increased to ₹ 3,399 million from ₹ 3,168 million representing a growth of 7%.

Consolidated Financial Statements

In accordance with the Companies Act, 2013 ("the Act") and Accounting Standard (AS)-21 on Consolidated Financial Statements read with AS-23 on Accounting for Investments in Associates and AS-27 on Financial Reporting of Interests in Subsidiaries, Associates and Joint Ventures, the audited consolidated financial statements form part of the Annual Report.

In terms of provison to sub section (3) of Section 129 of the Act, the salient features of the financial statements of the Subsidiaries, Associates and Joint Venture Companies are set out in the prescribed Form AOC-1 which forms a part of the Annual Report.

In accordance with Section 136 of the Act, the audited financial statements, including the consolidated financial statements of the Company and audited accounts of the subsidiaries are available on the website www.apollohospitals.com. The documents will also be available for inspection during business hours at the registered office of the Company.

Dividend

The Board of Directors have recommended a dividend of ₹ 5.75 per equity share (115% on face value of ₹5/- per share) on the paid-up equity share capital of the company for the financial year ended 31st March 2015 amounting to ₹ 963.76 million inclusive of tax of ₹ 163.79 million, which if approved at the forthcoming Annual General Meeting on 11th August 2015, will be paid to those shareholders whose names appear in the Register of Members as at the closing hours of business on 31st July 2015. In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership furnished by the depositories viz., NSDL and CDSL for this purpose.

The Register of Members and Share Transfer Books will remain closed from **Saturday, 1st August 2015 to 11th August 2015 (both days inclusive)**.

Transfer of Reserves

Your Company proposes to transfer ₹ 1,500 million to the general reserves out of the amount available for appropriations. An amount of ₹ 3,143 million is proposed to be retained in the Profit & Loss Account.

Credit Rating

CRISIL has rated the company's debt instruments as AA indicating a high degree of safety.

Subsidiaries, Joint Ventures and Associate Companies

At the beginning of the year, your Company had ten direct subsidiaries, six step down subsidiaries, seven joint ventures and three associate companies. As on March 31, 2015, your Company has twelve direct subsidiaries and five step down subsidiaries, seven joint ventures and three associate companies.

The statement containing the summarised financial position of the subsidiary companies viz., Apollo Home Healthcare (India) Limited (formerly known as Unique Home Health Care Limited) (AHHCL), AB Medical Centres Limited (ABMCL), Samudra Healthcare Enterprises Limited (SHEL), Apollo Hospital (UK) Limited (AHUKL), Apollo Health and Lifestyle Limited (AHLL), Western Hospitals Corporation Pvt Limited (WHCPL), Total Health (TH), Apollo Nellore Hospital Limited (ANHL), Imperial Hospital and Research Centre Limited (IHRCL), Alliance Medicorp (India) Limited (Alliance), Sapien Bio Sciences Pvt Limited (SBPL), Apollo Rajshree Hospitals Pvt Limited (ARHL), Apollo Bangalore Cradle Limited (ABCL), Apollo Cosmetic Surgical Centre Pvt Limited (ACSPL), Apollo Sugar Clinics Limited (ASCL), Akeso Healthcare Private Limited (AKESO) and Nova Speciality Hospitals Limited (NOVA), pursuant to Section 129 and Rules 5 of the Companies (Accounts) Rules, 2014, is contained in Form AOC - 1 which form part of the Annual Report.

Apollo Home Healthcare (India) Limited (AHHCL)

(Formerly known as Unique Home Health Care Limited)

AHHCL, a wholly owned subsidiary of the Company provides medical and paramedical services including doctor's consultation, physiotherapy direct to patient homes and also offers paramedical services in hospitals to critically ill patients. During the year AHHCL, recorded a revenue of ₹ 31.18 million and a net profit of 4.28 million.

AB Medical Centres Limited (ABMCL)

ABMCL, a wholly owned subsidiary of the Company does not have any commercial operations as it has leased out its infrastructure viz., land, building and medical equipment to the company for running a hospital. For the year ended 31st March, 2015, ABMCL recorded an income of ₹ 6.40 million and a net profit of ₹ 4.78 million.

Samudra Healthcare Enterprises Limited (SHEL)

SHEL, a wholly owned subsidiary of the Company, runs a 120 bed multi speciality hospital at Kakinada. For the year ended 31st March, 2015, SHEL recorded an income of ₹ 282.92 million and a net profit of 5.29 million.

Apollo Hospital (UK) Limited (AHUKL)

AHUKL is a wholly owned foreign subsidiary of the Company and has not yet commenced its operations.

Apollo Health and Lifestyle Limited (AHLL)

AHLL, a wholly owned subsidiary of the Company is engaged in the business of providing primary healthcare facilities through a network of owned/franchised clinics across India offering specialist consultations, diagnostics, preventive health checks, telemedicine facilities and a 24-hour pharmacy all under one roof. For the year ended 31st March, 2015, AHLL recorded an income of ₹ 1,664.35 million and a net loss of ₹ 271.61 million.

Western Hospitals Corporation Private Limited (WHCPL)

For the year ended 31st March 2015, WHCPL, a wholly owned subsidiary of the Company, recorded a net profit of ₹ 8.93 million.

Total Health (TH)

Total Health, a wholly owned subsidiary of the Company registered under Section 25 of the then Companies Act, 1956, is carrying out CSR activities.

Apollo Nellore Hospital Limited (ANHL)

ANHL has leased out its land at Nellore to the Company. ANHL recorded revenues of ₹ 7.42 million and a net loss of ₹ 7.78 million.

Imperial Hospital and Research Centre Limited (IHRCL)

IHRCL, a 90% subsidiary of the company owns a 240 bed multi-specialty hospital at Bengaluru. For the year ended 31st March, 2015, IHRCL recorded an income of ₹ 1,671.90 million and a net profit of ₹ 46.73 million.

Alliance Medicorp India Limited (Alliance)

Apollo holds a 51% stake in Alliance, which is engaged in the business of running dialysis clinics. For the year ended 31st March, 2015, Alliance recorded an income of ₹ 43.13 million and a net loss of ₹ 6.33 million.

Sapien Biosciences Pvt Ltd (SBPL)

SBPL, a 70% subsidiary of the company which is engaged in the business of bio-banking of tissues is currently in the startup stage. For the year ended 31st March, 2015, SBPL recorded a net loss of ₹ 13.26 million.

Apollo Rajshree Hospitals Pvt Ltd (ARHL)

ARHL, a 57.66% subsidiary of the company, runs a multi speciality hospital at Indore. For the year ended 31st March, 2015, ARHL recorded an income of ₹ 139.98 million and a net loss of ₹ 96.44 million.

Apollo Bangalore Cradle Limited (ABCL)

ABCL, a subsidiary of Apollo Health and Lifestyle Limited, is engaged in the business of healthcare service. For the year ended 31st March, 2015 ABCL recorded an income of ₹ 226.29 million and a net loss of ₹ 34.90 million.

Apollo Sugar Clinics Limited (ASCL)

ASCL, a subsidiary of Apollo Health and Lifestyle Limited, is engaged in the business of healthcare services. For the year ended 31st March, 2015, ASCL recorded an income of ₹ 44.44 million and a net loss of ₹ 50.76 million.

Apollo Cosmetic Surgical Centre Pvt Ltd (ACSPL)

ACSPL, a subsidiary of Apollo Health and Lifestyle Limited, is engaged in the business of running cosmetic surgical centres. For the year ended 31st March, 2015, ACSPL recorded an income of ₹ 42.56 million and a net loss of ₹ 1.67 million.

Akeso Healthcare Private Limited (AKESO)

AKESO, a wholly owned subsidiary of Apollo Health and Lifestyle Limited, is engaged in the business of healthcare services. For the period of 9 months ended 31st March, 2015 it recorded an income of ₹ 57.39 million and a net profit of ₹ 2.35 million.

Nova Speciality Hospitals Private Limited (NOVA)

NOVA, a wholly owned subsidiary of Apollo Health and Lifestyle Limited, is engaged in the business of poly clinics, diagnostic centres and day care surgery centres. For the year ended 31st March 2015, NOVA recorded an income of ₹ 217.86 million and a net loss of ₹ 108.87 million

Corporate Governance

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. The report on Corporate Governance as stipulated under the Listing Agreement forms an integral part of this Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of corporate governance is attached to the report on Corporate Governance.

Management's Discussion and Analysis Report

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of the Annual Report.

Sexual Harassment

The Company has zero tolerance for sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. The company did not receive any complaints to report in the Board's report or intimate to the District Officer.

Vigil Mechanism / Whistle Blower Policy

The Company has established a vigil mechanism for Directors and Employees to report their genuine concerns, the details of which are given in the Corporate Governance Report. The policy on Vigil Mechanism and Whistle Blower Policy have been posted on the website of the Company www.apollohospitals.com.

Particulars of Loans, Guarantees and Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

Fixed Deposits

During the financial year, your Company had accepted fresh deposits of ₹ 43.68 million. The total deposits with the Company as on 31st March 2015 was ₹ 339.27 million (₹ 354.51 million as on 31st March 2014) which include deposits for an aggregate value of ₹ 1.49 million (₹ 6.41 million as on 31st March 2014) not claimed by depositors.

Directors and other Key Managerial Personnel (KMPs)

Changes in the composition of the Board of Directors and KMPs

Shri. Vinayak Chatterjee was appointed as an additional director with effect from 2nd July 2014 and the Members at the Annual General Meeting held on 25th August 2014 approved his appointment as an Independent Director to hold office for five (5) consecutive years for a term upto 31st March 2019, not liable to retire by rotation.

Shri. Khairil Anuar Abdullah has resigned from the office of Director of the Company with effect from 21st January 2015 citing his inability to continue given his other professional commitments.

The Board wishes to place on record its appreciation for his contributions made during his tenure as a Director of the Company.

Board Composition and Independent Directors

The Board consists of the Executive Chairman, four Executive Directors and eight Independent Directors.

Independent directors are appointed for a term of five years and are not liable to retire by rotation.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Retirement by Rotation

Pursuant to Section 161(1) of the Companies Act, 2013 Smt.Preetha Reddy, Director retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.

Re-appointment of Executive Directors

The tenure of offices of the Executive Directors viz., Smt.Preetha Reddy as Executive Vice Chairperson, Smt. Suneeta Reddy as Managing Director and Smt. Sangita Reddy as Joint Managing Director are due for renewal on 3rd February 2016.

The Board recommends their appointments and accordingly resolutions seeking approval of the members for their appointments have been included in the Notice of the Annual General Meeting of the Company along with their brief profiles.

Key Managerial Personnel

Pursuant to the provisions of Section 203 of the Companies Act, 2013 the appointments of Smt. Suneeta Reddy, Managing Director, Shri. Krishnan Akhileswaran, Chief Financial Officer and Shri. S.M. Krishnan, Company Secretary, were formalized as the "Key Managerial Personnel" of the Company.

Statutory Auditors and Secretarial Auditors Report

The Directors hereby confirm that there is no qualification, reservation or adverse remark made by the statutory auditors of the company or in the secretarial audit report by the practicing company secretary for the year ended 31st March, 2015.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of the Audit and Nomination & Remuneration Committees. The manner in which the evaluation has been carried out is stated in the Corporate Governance Report.

Remuneration Policy

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

Meetings of the Board

The Board met seven times during the financial year, the details of which are given in the Corporate Governance Report.

The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Risk Management

Pursuant to the requirement of Clause 49 of the Listing Agreement, the Company has constituted a Business Risk Management Committee. The details of the Committee and its terms of reference are set out in the Corporate Governance Report.

The Company has a robust Business Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage.

The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risk trends, exposure and potential impact analysis at a Company level as also separately for individual business segments.

Internal Control Systems and their Adequacy

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

Significant and Material Orders passed by the Regulators or Courts.

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

Directors' Responsibility Statement

Pursuant to Section 134(3)(c) of the Companies Act 2013, the Directors of the Company hereby state and confirm:

a. that in the preparation of the annual financial statements for the year ended March 31, 2015, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;

b. that such accounting policies have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for the year ended on that date;

c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. that the annual financial statements have been prepared on a going concern basis;

e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.

f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Share Capital

The paid up Equity Share Capital as on March 31, 2015 was ₹ 695.63 million. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity. As on March 31, 2015, the details of the shareholding by the Directors of the Company are set out in the Corporate Governance Report forming part of the Board's Report and none of the directors hold convertible instruments of the Company.

Rights Issue

The Board at its meeting held on 28th May, 2015 approved the proposal to undertake an issue of equity shares to the existing shareholders on a Rights basis of a sum of upto ₹ 7,500 million. The purpose of the Rights Issue would be to provide headroom for future debt funding during a period of low interest rate regime as the Company continues on its growth path, apart from rewarding its shareholders.

The Board has since constituted a Sub Committee to administer and oversee all matters relating to the terms of the Rights Issue.

Contracts and Arrangements with Related Parties

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: http://www.apollohospitals.com . Your Directors draw attention of the members to the Notes to the financial statement which sets out related party disclosures.

None of the Directors have any pecuniary relationships or transactions vis-à-vis the Company.

Particulars of Employees and related disclosures

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules is provided in the Annual Report.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annual Report.

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

Employee Stock Options

No Employee Stock Options have been given to the employees of the company and thus no disclosure is required.

Corporate Social Responsibility Initiatives

As part of its initiatives under "Corporate Social Responsibility (CSR), the Company has undertaken projects in the areas of Rural Development, Education and Health. These projects are in accordance with Schedule VII of the Companies Act, 2013. The Report on CSR activities for the financial year 2014-15 is annexed herewith as "Annexure A".

Statutory Auditors

The Statutory Auditors, M/s. S. Viswanathan, Chartered Accountants, retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if reappointed.

The Audit Committee and the Board recommend the re-appointment of M/s.S.Viswanathan, Chartered Accountants, as Auditors of the Company, to hold office till the conclusion of the next Annual General Meeting.

Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records Activities and Audit) Amendment Rules, 2014, your Directors had, on the recommendation of the Audit Committee, appointed M/s. Raman & Associates, Cost Accountants, Chennai (ICWA Registration No.000050) to audit the cost records of the Company for the financial year 2015-16 on a remuneration of ₹ 1.50 million.

As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a resolution seeking Members' ratification for the remuneration payable to M/s. Raman & Associates, Cost Accountants, Chennai (ICWA Registration No.000050) is included at Item No. 8 of the Notice convening the Annual General Meeting.

Secretarial Audit

The Board has appointed Smt. Lakshmmi Subramanian, Senior Partner, M/s. Lakshmmi Subramanian & Associates, a firm of Company Secretaries in practice, to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed herewith as "Annexure B" to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Particulars regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

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

Extract of Annual Return

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as "Annexure D".

Acknowledgement

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

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

For and on behalf of the Board of Directors

Place : Chennai
Date : 28th May, 2015

Dr. Prathap C Reddy
Executive Chairman

Annexure A to the Directors' Report

Report on Corporate Social Responsibility (CSR) activities for the financial year 2014-15

1	A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.	Your company has undertaken CSR activities during the year to create a meaningful and lasting impact on the communities in remote areas by helping them transcend barriers of socio-economic development. Your company wishes to extend comprehensive integrated healthcare services to the community. Your company is also committed to developing the skills of the youth through high quality education and research in healthcare services. Your company has decided to undertake CSR activities under the following broad themes – A. Rural development B. Healthcare C. Education and skills development D. Research in Healthcare The CSR Policy is available in the Company's website https://www.apollohospitals.com/apollo_pdf/csr-policy.pdf
2	Composition of the CSR Committee	Dr. Prathap C Reddy, Chairman Smt. Preetha Reddy Shri. N. Vaghul Shri.G.Venkatraman
3	Average net profit of the Company for the last three financial years	₹ 3,885 million
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	₹ 77.71 million
5	Details of CSR spent for the financial year 2014-2015 are given below:	
	Total Amount to be spent for the financial year	₹ 77.71 million
	Amount unspent, if any	Nil
6	Manner in which the amount was spent during the financial year is detailed below:-	

The Company has undertaken CSR activities in line with the CSR policy approved by the Board of Directors focussing on the following themes.

1. Rural Development
2. Education and
3. Healthcare encompassing free health screening camps.

Rural Development

The Company has formed a Section 8 Company, "Total Health", a not for profit organisation for the purpose of carrying out corporate social responsibility activities in line with the relevant provisions of the Companies Act, 2013. The Company has initially identified Thavanampalle Mandal in Chittoor district of Andhra Pradesh to implement the activities. Thavanampalle consists of 32 gram panchayats with 195 habitations with a population of more than 60,000. Initially, the activities were carried out in Aragonda gram panchayat consisting of 7 habitations having a population of about 7,000 people and are now being extended to the other gram panchayats of the Mandal. Total Health aims to provide holistic health care for the entire community starting from birth through their journey into childhood, adolescence, adulthood and in the later years of their life.

The activities implemented in Thavanampallee Mandal are given below :-

1. Providing safe drinking water to 3 gram panchayats consisting of 21 habitations that benefits more than 14,000 people.
2. Extension of sanitation facilities to 1 gram panchayat consisting of 7 habitations covering 357 families.
3. Nutrition centres were set up in 3 gram panchayats, that provides nutritious food to 120 + mothers with periodical health check-up and medical counselling.
4. Vocational training centres facilitating skill training to more than 150 women from 27 villages of Thavanampalle and Bangarapalyam mandals of Chittoor district.
5. Mobile clinic extending community health care services to more than 30,000 people in 15 gram panchayats with basic diagnostic facilities at their door steps.
6. Promotion and revival of rural sports programmes in 11 villages to inculcate an healthy environment among the youngsters. Around 300 plus youth were covered under this initiative.
7. Proposed activities –
   - Setting up of community based infrastructure such as community hall, playground, yoga centre, gym centre on the 4 acres land donated by one of the well-wishers of Aragonda village, Thavanampalle Mandal, Chittoor District, Andhra Pradesh.
   - Setting up of satellite clinics to extend better health care services to the communities at their reach with all basic investigation facilities.
   - Setting up of skill development centre to extend value added skill training to the rural communities.
   - Setting up of potable water plants.
   - Providing individual sanitation latrines and dust bins to collect the household wastes.
   - Support to school health and school sanitation with basic child centric infrastructure support.
   - Establishing a veterinary hospital.
   - Setting up a sanitary napkins manufacturing unit.
   - Setting up a counselling and guidance centre.

Education

Aragonda Apollo Medical Educational Research Foundation (AAMERF) is a registered Trust under the Indian Trust Act in the state of Andhra Pradesh.

The main objects of the Trust are to construct, maintain, run, aid and manage any association or institution, colleges and schools solely for educational purposes on a not for profit basis including scientific, medical and technical fields of education.

The trust runs a primary school under the name of "Apollo Isha Vidhya Niketan" at Aragonda village, Chittoor District, Andhra Pradesh, in association with the Isha Foundation for academic delivery since June 2012.

The school has been setup with a vision to shape up the future of these children and give them a strong foundation to take up higher education to become professionals and contribute to society positively.

Currently the school has LKG to V Standard, 450 students and is affiliated to the Andhra Pradesh State syllabus. It is planned to expand the school to up to the 12th standard with minimum 2 divisions each, over a period of the next 5 years.

The school is the one of the best schools in Chittoor district which provides quality education to the rural community. It has a well-equipped Audio Visual Lab, Computer Lab, English Lab etc to enable scientific pedagogy which uses multimedia in an effective way.

Healthcare

Apollo Hospitals Enterprise Limited runs free medical clinics at the following centres mainly providing treatment to the poor and needy persons free of cost.

1. Tirumala Tirupathi Devasthanam (TTD), Tirupathi, Andhra Pradesh.
2. Koyambedu Bus Stand, Chennai.
3. Research Centre at Tambaram, Chennai.
4. Rural Community Centre, Ayanambakkam, Chennai.
5. Medical Camp at Sabarimala, Pamba, Pathanamthitta District, Kerala.

In addition to the above, AHEL has conducted free medical health camps at various places.

The total number of beneficiaries through the free clinics/medical camps conducted during the year was 55,192.

Manner in which the amount was spent during the financial year is detailed below:

Sl No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs 1) Local area or other 2) Specify the State and District where Projects or Programs were undertaken	Amount outlay (Budget) project or programe-wise (₹ in million)	Amount spent on the project or programs (₹ in million)	Cumulative Expenditure upto reporting period (₹ in million)	Amount spent: Direct or through Implementing Agency (₹ in million)
1	Providing safe drinking water Extension of Sanitation facilities Setting up of Nutrition Centres Vocational Training Centres facilitating skill development training Mobile Medical Units – primary & preventive health care including diagnostics promotion and revival of rural sports	Rural Development	Andhra Pradesh, Chittoor District, Aragonda	80.00	19.55	19.55	Implementing Agency: Total Health
2	Education and other related Initiatives	Promoting Education	Andhra Pradesh, Chittoor District, Aragonda	30.00	10.52	10.52	Implementing Agency: Aragonda Apollo Medical and Educational Research Foundation
3	Health Check-up - Free Medicines and Medical Check-ups for poor people Health care activities - Health awareness camps for primary and preventive healthcare including diagnostics.	Promoting Healthcare including Preventive care	Free medical clinics at various places as mentioned above	38.75	38.75	38.75	Direct
4	Free medical treatment for children ailing heart diseases	Promoting Healthcare including preventive care	Tamil Nadu, Chennai, Apollo Children Hospital	5.33	5.33	5.33	Implementing Agency: Save a Child Heart Initiative, registered under Trust Act.
5	Swach Bharat Initiatives	Community Development		3.56	3.56	3.56	Implementing Agency: (Society to Heal, Aid, Restore, Educate)
	Total			**157.64**	**77.71**	**77.71**	

Responsibility Statement by the Corporate Social Responsibility Committee

The implementation and monitoring of the CSR Policy, is in compliance with the CSR objectives and policy of the Company.

Dr. Prathap C Reddy
Chairman, CSR Committee

Suneeta Reddy
Managing Director

Place : Chennai
Date : 28th May 2015

Annexure - B to the Directors' Report
Secretarial Audit Report

Secretarial Audit Report
for the financial year ended 31st March 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To the Members
Apollo Hospitals Enterprise Limited
No. 19 Bishop Gardens,
Raja Annamalaipuram,
Chennai - 600 028

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Apollo Hospitals Enterprise Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanisms in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Apollo Hospitals Enterprise Limited ("the Company") for the financial year ended on 31st March, 2015 according to the provisions as applicable to the Company during the period of audit:

(i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowings;
(v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients to the extent of securities issued;
  (f) The Listing Agreements entered into by the Company with the Stock Exchanges, where the securities of the Company are listed;
  (g) Secretarial Standards issued by the Institute of Company Secretaries of India (Not Applicable for the Audit Period)

It is reported that during the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc, as mentioned above.

We further report that there were no actions/events in the pursuance of:

(a) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
(b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
(c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998

requiring compliance thereof by the Company during the financial year under review.

We further report that, on examination of the relevant documents and records, and based on the Company's Management representation, the Company has generally been regular in complying with the provisions of the Act, Rules, Regulations etc., as mentioned below and has adequate systems to monitor and ensure the compliance (including the process of renewal/fresh/pending applications with Government Authorities), of the following laws specifically applicable to the Company

1 Atomic Energy Act, 1962
2 Birth and Death and Marriage Registrations Act, 1886
3 Blood Bank Regulations under Drugs and Cosmetics Act, 1940
4 Clinical Thermometers (Quality Control)Order, 2001
5 Dentists Act
6 Drugs and Cosmetics Act, 1940
7 Drugs and Cosmetics Rules, 1945
8 Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954
9 Drugs and Magical Remedies Rules, 1955
10 Epidemic Diseases Act, 1897
11 Ethical guidelines for Biomedical Research on Human Subjects
12 Excise Permit (For Storage of Spirit) under Central Excise Act, 1956
13 Infant Milk Substitute, Feeding Bottles and Infant Foods (Regulation of Production, Supply and Distribution) Act, 1992
14 Infant Milk Substitute, Feeding Bottles and Infant Foods (Regulation of Production, Supply and Distribution) Rules, 1993
15 Legal Metrology Act, 2009
16 Legal Metrology Rules, 2011
17 Medical Termination of Pregnancy Act, 1971
18 Medical Termination of Pregnancy Regulations, 1976
19 Medical Termination of Pregnancy Rules, 1975
20 NACO Guidelines.
21 Mental Health Act, 1987
22 Narcotic Drugs and Psychotic Substances Rules, 1985
23 Narcotic Drugs and Psychotropic Substances Act, 1985

24 Pharmacy Act, 1948
25 Poisons Act, 1919
26 Poisons Rules (state specific)
27 Pre Conception and Prenatal Diagnostic Techniques Act, 1994
28 Pre Conception and Prenatal Diagnostic Techniques Rules, 1996
29 Prevention of Illicit Traffic in Narcotics Drugs Act, 1988
30 Prohibition of Smoking Act, 2008
31 Static and Mobile Pressure vessels (unfired) Rules, 1981
32 The Bio Medical Waste (Management and Handling) Rules, 1998
33 Transplantation of Human Organs Act and Rules, 1994
34 Clinical Establishments and Registration Act,2010/ State Private Clinical Establishment Registration Act.

We further report that, based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of quarterly compliance reports by respective department heads / Company Secretary taken on record by the Board of Directors of the Company, in our opinion, adequate systems and processes and control mechanisms exist in the Company to monitor and ensure compliance with applicable other general laws including Industrial Laws, Environmental Laws, Human Resources and labour Laws.

We further report, that the compliance by the Company of applicable financial laws, such as direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by the statutory financial auditor and other designated professionals.

We further report that:

The Board of Directors of the Company is generally well constituted with a proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were delivered and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meetings and for meaningful participation at the meetings.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that during the audit period, no events, other than the following, have occurred during the year, which have a major bearing on the Company's affairs

- Allotment of 2,000 Secured Redeemable Non-Convertible Debentures on 22nd August 2014, with a face value of ₹ 1,000,000/- each issued at par, for a period of 14 years from the date of allotment.

For LAKSHMMI SUBRAMANIAN & ASSOCIATES

Lakshmmi Subramanian

Senior Partner

FCS No. 3534

C.P.No. 1087

Place : Chennai

Date : 28th May, 2015

Note: This report is to be read with our letter of even date which is annexed as an Annexure and forms an integral part of this report.

ANNEXURE

The Members
Apollo Hospitals Enterprise Limited
No. 19 Bishop Gardens,
Raja Annamalaipuram, Chennai - 600 028

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a random test basis to ensure that correct facts are reflected in the secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and occurrence of events.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on a random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For LAKSHMMI SUBRAMANIAN & ASSOCIATES

Lakshmmi Subramanian

Senior Partner

FCS No. 3534

C.P.No. 1087

Place : Chennai

Date : 28th May, 2015

Annexure - C to the Directors' Report
Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

Conservation of Energy

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

Your Company constantly evaluates and invests in new technology to make its infrastructure more energy efficient. The following energy saving measures were adopted during the year 2014-2015.

- Phasing out of CFL lamps to LED lights.
- Phasing out of Mercury lamps to LED Lights.
- Installing chilled water cassette air conditioning systems units at appropriate places.
- VFD installation for AHU motors in a phased manner.
- Introduction of timer control for AHU motors to cut down running hours.

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

Technology Absorption

In its continuous endeavour to serve the patients better and to bring healthcare of international standards within the reach of every individual, your company has introduced the latest technologies in its hospitals.

1. **160 Slice CT scanner:** Toshiba's first 160 slice CT scanner in India Aquilion Prime has been installed at the Apollo Main Hospital, Chennai. The unit has a particularly wide 78 cm bore to accommodate scanning of obese patients. It utilizes latest iterative reconstruction technology to reduce radiation exposure to patients by 75 % . In addition metal artefact reduction technology ensures improved visualization of implants and supporting bone and soft tissue structures. Sure cardio feature enables better cardiac images to be obtained in phase with heart cycles and with reduced patient dose. 0.5 mm detector row thickness yields best isotropic resolution at low dose. Other special features include body perfusion studies and 3D colon analysis.

2. **Surgical Navigation System:** The Medtronic image guided navigation system Stealthstation S7 has been installed at Apollo Speciality Hospital, OMR, Chennai to assist neurosurgeons to precisely track their surgical instruments in relation to patient anatomy during surgeries. The system helps surgeons to plan their surgery in a minimally invasive manner, protect critical brain and spine functions and improve clinical outcomes. The system has advanced software to visualize image data from multiple sources in 2D and 3D with very high resolution. The system has both optical and electromagnetic tracking technology particularly useful in pediatric applications without line of sight limitations.

3. **Endoscopic Ultrasound System:** The latest model of the endoscopic ultrasound system has been installed at Apollo Hyderabad. EUS technology combines standard endoscopy with high frequency ultrasound in order to obtain better images and information about the digestive tract and the surrounding organs. Using EUS, the GI tract wall can be studied in different cross-sections enabling determination of tumor depth, involvement of lymph nodes, and metastasis of tumors in other organs such as liver, adrenal gland or celiac lymph nodes.. A more important application of EUS is that it permits evaluation of organs that are adjacent to the GI tract. The EUS scope has a biopsy channel that permits fine-needle aspiration (FNA) of these organs thereby enabling diagnosis of malignancy in them. EUS is also the most sensitive and accurate means for diagnosing chronic pancreatitis, common bile duct stones and gallstones. The system is complimented by 190 series advanced endoscopy imaging system which augments early cancer detection by its narrow band imaging (NBI) advantage. NBI is patented technology which enhances the observation of mucosal layer that is affected by cancer in the initial stage.

4. **Neuro Surgical Operating Microscope:** The state of the art surgical operating microscope Leica model M720 OH5 has been installed at Apollo Speciality Hospital, OMR, Chennai. It includes a unique intra operative balancing system for safer and faster surgery. It has fluorescence imaging capabilities for vascular surgeries. Its blue light feature enables tumor resection to be performed with ease. In order to protect the tissues against any thermal damage, the light intensity at any working distance is sensed and adjusted within safe levels.

5. **3D Laparoscopy System:** Apollo Bangalore has acquired the innovative 3D laparoscopy system- Einsteinvision from Aesculap. The system offers full HD resolution with excellent 3D depth perception and natural colour with tactile perception while viewing on a 32" HD monitor. The endoscope is equipped with an integrated heating element at its tip to prevent fogging and offers a clear uninterrupted vision throughout the surgery. The single use sterile drape eliminates the need for sterilization of camera and endoscope and thus minimizes the risk of cross contamination. This also increases the life of the optics and saves the surgeon's time.

Foreign Exchange Earnings & Outgo

Foreign Exchange Earnings: ₹ 927.62 million (This is exclusive of rupee payments made by Non-Resident Indians and Foreign Nationals).

Foreign Exchange Outgo: ₹ 1,241.78 million towards purchase of medical equipment and capital expenditure.

Annexure - D to the Directors' Report
Extract of Annual Return

Form No. MGT 9
Extract of Annual Return
as on the financial year ended 31st March 2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014.

I	Registration & other details:	
i	CIN	L85110TN1979PLC008035
ii	Registration Date	5th December 1979
iii	Name of the Company	APOLLO HOSPITALS ENTERPRISE LIMITED
iv	Category/Sub-category of the Company	Public/Company Limited by Shares
v	Address of the Registered office & contact details	#19, Bishop Gardens, Raja Annamalaipuram, Chennai - 600028. Tamil Nadu, INDIA Tel: 91-44 28290956, Fax: 91-44 28290956 email: investor.relations@apollohospitals.com
vi	Whether listed company	Yes
	Name of the Stock Exchanges where equity shares are listed	National Stock Exchange of India Limited, Mumbai Stock Code : APOLLOHOSP
		Bombay Stock Exchange Limited, Mumbai Stock Code : 508869
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Integrated Enterprises (India) Ltd "Kences Towers", II Floor, No.1 Ramakrishna Street, North Usman Road, Chennai 600017. Ph.91- 44 28140801 Fax:91- 44 28142479

II Principal Business activities of the Company

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Healthcare services & pharmacy	86100	100%

III Particulars of Holding , Subsidiary & Associate Companies

Sl No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	**Apollo Home Healthcare (I) Limited** (formerly known as Unique Home Healthcare Limited), Ali Towers, I Floor, No. 55 Greams Road, Chennai - 600 006	U85110TN1995PLC031663	Subsidiary	100.00	2(87)
2	**A.B.Medical Centers Limited** No. 159 EVR Periyar Salai, Chennai 600 010.	U85320TN1974PLC006623	Subsidiary	100.00	2(87)
3	**Apollo Hospital (UK) Limited** 1st Floor, Kirkland House, 11-15, Peterborough Road, Harrow, Middlesex, HA1 2AX, UK	NA	Subsidiary	100.00	2(87)
4	**Western Hospitals Corporation Private Limited** Ali Towers, Ground Floor, No. 55 Greams Road, Chennai - 600 006.	U85110TN2006PTC061323	Subsidiary	100.00	2(87)
5	**Samudra Healthcare Enterprises Limited** No. 13-1-3 Suryaraopeta, Main Road, Kakinada - 533 001.	U85110TG2003PLC040647	Subsidiary	100.00	2(87)
6	**Total Health** Aragonda Village, Thavanampalle Mandal, Chittoor District, Andhra Pradesh.	U85100TN2013NPL093963	Subsidiary	100.00	2(87)
7	**Apollo Health and Lifestyle Limited** (AHLL), 1-10-60/62, Ashoka Raghupathi Chambers, 5th Floor, Begumpet, Hyderabad – 500 016.	U85110TN2000PLC046089	Subsidiary	100.00	2(87)
8	**Imperial Hospital and Research Centre Limited** No. 154/11 Bannerghatta Road, Opp. IIM, Bengaluru- 560 076.	U85110KA1991PLC011781	Subsidiary	90.00	2(87)
9	**Apollo Nellore Hospitals Limited** No. 16/111/1133, Muthukur Road, Pinakini Nagar, Nellore - 524 004.	U85110TN1986PLC072193	Subsidiary	79.44	2(87)
10	**Sapien Bio Sciences Pvt Ltd** 8-2-293/82/J-III/DH/900, 1st Floor, AIMSR Building, Apollo Health City, Jubilee Hills, Hyderabad - 500 033	U73100TG2012PTC080254	Subsidiary	70.00	2(87)

Sl No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
11	**Apollo Rajshree Hospitals Pvt Ltd** Dispensary Plot, Scheme No. 74C Sector "D", Vijay Nagar , Indore, Madhya Pradesh - 452 010.	U85110MP2008PTC020559	Subsidiary	57.66	2(87)
12	**Alliance Medicorp (India) Limited** MNO Complex, 68/1, Loyal Towers, 4th Floor, Greams Road, Chennai - 600 006.	U85110TN2008PLC068161	Subsidiary	51.00	2(87)
13	**Apollo Bangalore Cradle Limited** 1-10-60/62, Ashoka Raghupathi Chambers, 5th Floor, Begumpet, Hyderabad – 500 016.	U85110TG2011PLC077888	Step down Subsidiary; Subsidiary of AHLL	81.37	2(87)
14	**Apollo Sugar Clinics Limited** 1-10-60/62, Ashoka Raghupathi Chambers, 5th Floor, Begumpet, Hyderabad – 500 016.	U85110TG2012PLC081384	Step down Subsidiary; Subsidiary of AHLL	80.00	2(87)
15	**Apollo Cosmetic Surgical Centre Pvt Limited** 1-10-60/62, Ashoka Raghupathi Chambers, 5th Floor, Begumpet, Hyderabad – 500 016	U85110TN2007PTC064258	Step down Subsidiary; Subsidiary of AHLL	69.40	2(87)
16	**Akeso Healthcare Private Limited** 1-10-60/62, Ashoka Raghupathi Chambers, 5th Floor, Begumpet, Hyderabad – 500 016.	U85190TG2010PTC099156	Step down Subsidiary; Subsidiary of AHLL	100.00	2(87)
17	**Nova Speciality Hospitals Private Limited** OPUS, 143, 1st Cross, 5th Block, Koramangala, Bangalore - 560034.	U85100KA2009PTC049961	Step down Subsidiary; Subsidiary of AHLL	100.00	2(87)
18	**Apollo Hospitals International Limited** Plot No. 1A, GIDC Estate, Bhat Village, Gandhi Nagar, Gujarat - 382 428.	U85110TN1997PLC039016	Joint Venture	50.00	2 (6)
19	**Apollo Gleneagles Hospitals Limited** No. 58 Canal Circular Road, Kolkata - 700 054.	U33112WB1988PLC045223	Joint Venture	50.00	2 (6)

Sl No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
20	**Apollo Gleneagles PET-CT Private Limited** Apollo Hospitals Complex, Jubilee Hills, Hyderabad - 500 033.	U85110TN2004PTC052796	Joint Venture	50.00	2 (6)
21	**ApoKos Rehab Pvt Limited** 4th Floor, Apollo Hospitals Building, Jubilee Hills, Hyderabad - 500 033.	U85191TG2012PTC084641	Joint Venture	50.00	2 (6)
22	**Future Parking Private Limited** 3rd Floor, G Block, No. 55 Greams Road, Chennai - 600 006.	U45206TN2009PTC072304	Joint Venture	49.00	2 (6)
23	**Apollo Lavasa Health Corporation Limited** Hincon House, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083.	U85100MH2007PLC176736	Joint Venture	37.50	2 (6)
24	**Apollo Munich Health Insurance Company Limited** iLABS Centre, 2nd & 3rd Floor, Plot No 404 - 405, Udyog Vihar, Phase – III, Gurgaon -122016.	U66030AP2006PLC051760	Joint Venture	10.23	2 (6)
25	**Stemcyte Therapautics India Pvt Ltd** Apollo Hospitals Complex, Plot No. 1A, GIDC Estate, Bhat Village, Gandhi Nagar, Gujarat - 382 428.	U85100GJ2008PLC052859	Associate	24.50	2 (6)
26	**Family Health Plan (TPA) Limited** Srinilaya Cyber Spazio, Ground Floor, Road No.2, Banjara Hills, Hyderabad - 500034.	U85110TN1995PLC031121	Associate	49.00	2 (6)
27	**Indraprastha Medical Corporation Limited** Sarita Vihar, Delhi Mathura Road, New Delhi - 110 044.	L24232DL1988PLC030958	Associate	22.03	2 (6)

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total equity)

(i) Category-wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1st April 2014)				No. of Shares held at the end of the year (As on 31st March 2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	20,550,530	-	20,550,530	14.77	20,550,530	-	20,550,530	14.77	-
b) Central Govt.or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	27,237,924	-	27,237,924	19.58	27,237,924	-	27,237,924	19.58	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (1)	**47,788,454**	**-**	**47,788,454**	**34.35**	**47,788,454**	**-**	**47,788,454**	**34.35**	**-**
2) Foreign									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	**47,788,454**	**-**	**47,788,454**	**34.35**	**47,788,454**	**-**	**47,788,454**	**34.35**	**-**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	1,265,286	-	1,265,286	0.91	358,089	-	358,089	0.26	(0.65)
b) Banks/FI	6,954	3,896	10,850	0.01	62,309	3,846	66,155	0.05	0.04
C) Central govt	-	-	-	-	-	-	-	-	-
d) State Govt.	323,708	-	323,708	0.23	323,708	-	323,708	0.23	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	3,712,201	-	3,712,201	2.67	2,371,187	-	2,371,187	1.70	(0.97)
g) FIIS	57,803,321	-	57,803,321	41.55	60,909,116	-	60,909,116	43.78	2.23
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1)	**63,111,470**	**3,896**	**63,115,366**	**45.37**	**64,024,409**	**3,846**	**64,028,255**	**46.02**	**0.65**
2) Non Institutions									
a) Bodies corporates									
i) Indian	1,261,377	65,200	1,326,577	0.95	698,558	59,500	758,058	0.54	(0.41)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	4,272,993	2,597,795	6,870,788	4.94	3,975,788	2,175,391	6,151,179	4.42	(0.52)
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakh	168,268	126,650	294,918	0.21	985,168	96,650	1,081,818	0.78	0.57
c) Others									
i) Trusts	2,760	117,710	120,470	0.09	2,110	117,710	119,820	0.09	-
ii) Directors & their Relatives	91,606	-	91,606	0.07	91,606	-	91,606	0.07	-
iii)Foreign Nationals	300	-	300	-	750	-	750	-	-
iv) Non Resident Indians	402,138	1,299,434	1.701,572	1.22	407,957	1,014,852	1,422,809	1.02	(0.20)
v) Overseas Corporate Bodies	16,199	-	16,199	0.01	16,199	-	16,199	0.01	-
vi)Clearing Member	201,092	-	201,092	0.14	118,773	-	118,773	0.09	(0.05)
vii)Hindu Undivided Families	131,198	-	131,198	0.09	119,369	-	119,369	0.09	-
viii)Foreign Corporate Bodies	16,405,575	-	16,405,575	11.79	16,388,979	-	16,388,979	11.78	(0.01)
SUB TOTAL (B)(2)	**22,953,506**	**4,206,789**	**27,160,295**	**19.52**	**22,805,257**	**3,464,103**	**26,269,360**	**18.88**	**(0.64)**
Total Public Shareholding (B) = (B) (1) + (B) (2)	**86,064,976**	**4,210,685**	**90,275,661**	**64.89**	**86,829,666**	**3,467,949**	**90,297,615**	**64.90**	**0.01**
C. Shares held by Custodian for GDRs & ADRs									
i) Promoter and Promoter Group									
ii) Public	1,061,044	-	1,061,044	0.76	1,039,090	-	1,039,090	0.75	(0.01)
Total Public Shareholding (C)	**1,061,044**	**-**	**1,061,044**	**0.76**	**1,039,090**	**-**	**1,039,090**	0.75	**(0.01)**
Grand Total (A+B+C)	**134,914,474**	**4,210,685**	**139,125,159**	**100.00**	**135,657,210**	**3,467,949**	**13,125,159**	**100.00**	**-**

(ii) Shareholding of Promoters

Sl No.	Shareholders Name	Shareholding at the begining of the year (As on 1st April 2014)			Shareholding at the end of the year (As on 31st March 2015)			% change in share holding during the year
		No. of Shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	No. of Shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	
1	Dr. Prathap C Reddy	6,445,464	4.63	-	5,445,464	3.91	-	(0.72)
2	Smt. Sucharitha P Reddy	569,800	0.41	-	569,800	0.41	-	-
3	Smt. Preetha Reddy	2,193,915	1.58	1.47	2,193,915	1.58	1.39	-
4	Smt. Suneeta Reddy	2,381,590	1.71	0.45	3,381,590	2.43	0.98	0.72
5	Smt. Shobana Kamineni	2,189,952	1.57	1.57	2,239,952	1.61	1.61	0.04
6	Smt. Sangita Reddy	2,432,508	1.75	1.63	2,432,508	1.75	1.75	-
7	Shri. Karthik Anand	220,600	0.16	-	330,600	0.24	-	0.08
8	Shri. Harshad Reddy	210,200	0.15	-	320,200	0.23	-	0.08
9	Smt. Sindoori Reddy	517,600	0.37	-	517,600	0.37	-	-
10	Shri. Aditya Reddy	210,200	0.15	-	210,200	0.15	-	-
11	Smt. Upasana Kamineni	267,276	0.19	-	217,276	0.16	-	(0.04)
12	Shri. Puansh Kamineni	212,200	0.15	-	212,200	0.15	-	-
13	Smt. Anuspala Kamineni	259,174	0.19	-	259,174	0.19	-	-
14	Shri. Konda Anindith Reddy	230,200	0.17	-	230,200	0.17	-	-
15	Shri. Konda Vishwajit Reddy	222,300	0.16	-	222,300	0.16	-	-
16	Shri. Konda Viraj Madhav Reddy	168,224	0.12	-	168,224	0.12	-	-
17	Shri. P Obul Reddy	18,000	0.01	-	-	-	-	(0.01)
18	Shri. P Vijay Kumar Reddy	223,957	0.16	-	3,957	-	-	(0.16)
19	Shri. P Dwaraknath Reddy	-	-	-	18,000	0.01	-	0.01
20	Shri. Anil Kamineni	20	-	-	20	-	-	-
21	Shri. K Vishweshwar Reddy	1,577,350	1.13	-	1,577,350	1.13	-	-
22	PCR Investments Ltd	27,223,124	19.57	16.58	27,223,124	19.57	16.18	-
23	Obul Reddy Investments Ltd	11,200	0.01	-	11,200	0.01	-	-
24	Indian Hospitals Corporation Ltd	3,600	-	-	3,600	-	-	-
	Total	**47,788,454**	**34.35**	**21.70**	**47,788,454**	**34.35**	**21.91**	**-**

(III) Change in Promoters' Shareholding

Sl No.	Shareholders Name	Shareholding at the begining of the year (As on 1st April 2014)		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	**Dr. Prathap C Reddy**				
	At the beginning of the year	6,445,464	4.63	6,445,464	4.63
	29th Dec 2014 (Inter Se Transfer)	(1,000,000)	(0.72)	5,445,464	3.91
	At the end of the year			5,445,464	3.91
2	**Smt. Sucharitha P Reddy**				
	At the beginning of the year	569,800	0.41	569,800	0.41
	At the end of the year			569,800	0.41
3	**Smt. Preetha Reddy**				
	At the beginning of the year	2,193,915	1.58	2,193,915	1.58
	At the end of the year			2,193,915	1.58
4	**Smt. Suneeta Reddy**				
	At the beginning of the year	2,381,590	1.71	2,381,590	1.71
	29th Dec 2014 (Inter Se Transfer)	1,000,000	0.72	3,381,590	2.43
	At the end of the year			3,381,590	2.43
5	**Smt. Shobana Kamineni**				
	At the beginning of the year	2,189,952	1.57	2,189,952	1.57
	1st Dec 2014 (Inter Se Transfer)	50,000	0.04	2,239,952	1.61
	At the end of the year			2,239,952	1.61
6	**Smt. Sangita Reddy**				
	At the beginning of the year	2,432,508	1.75	2,432,508	1.75
	At the end of the year			2,432,508	1.75
7	**Shri. Karthik Anand**				
	At the beginning of the year	220,600	0.16	220,600	0.16
	19th Nov 2014 (Inter Se Transfer)	110,000	0.08	330,600	0.24
	At the end of the year			330,600	0.24
8	**Shri. Harshad Reddy**				
	At the beginning of the year	210,200	0.15	210,200	0.15
	19th Nov 2014 (Inter Se Transfer)	110,000	0.08	320,200	0.23
	at the end of the year			320,200	0.23
9	**Smt. Sindoori Reddy**				
	At the beginning of the year	517,600	0.37	517,600	0.37
	At the end of the year			517,600	0.37
10	**Shri. Aditya Reddy**				
	At the beginning of the year	210,200	0.15	210,200	0.15
	At the end of the year			210,200	0.15
11	**Smt. Upasana Kamineni**				
	At the beginning of the year	267,276	0.19	267,276	0.19
	1st Dec 2014 (Inter Se Transfer)	(50,000)	(0.03)	217,276	0.16
	At the end of the year			217,276	0.16
12	**Shri. Puansh Kamineni**				
	At the beginning of the year	212,200	0.15	212,200	0.15
	At the end of the year			212,200	0.15

Sl No.	Shareholders Name	Shareholding at the begining of the year (As on 1st April 2014)		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
13	**Smt. Anuspala Kamineni**				
	At the beginning of the year	259,174	0.19	259,174	0.19
	At the end of the year			259,174	0.19
14	**Shri. Konda Anindith Reddy**				
	At the beginning of the year	230,200	0.17	230,200	0.17
	At the end of the year			230,200	0.17
15	**Shri. Konda Vishwajit Reddy**				
	At the beginning of the year	222,300	0.16	222,300	0.16
	At the end of the year			222,300	0.16
16	**Shri. Konda Viraj Madhav Reddy**				
	At the beginning of the year	168,224	0.12	168,224	0.12
	At the end of the year			168,224	0.12
17	**Shri. P Obul Reddy**				
	At the beginning of the year	18,000	0.01	18,000	0.01
	15th July 2014 (Transmission)	(18,000)	(0.01	-	-
	At the end of the year	-	-	-	-
18	**Shri. P. Vijay Kumar Reddy**				
	At the beginning of the year	223,957	0.16	223,957	0.16
	19th Nov 2014 (Inter Se Transfer)	(220,000)	(0.16)	3,957	-
	At the end of the year			3,957	-
19	**Shri. P. Dwaraknath Reddy**				
	At the beginning of the year		-	-	-
	15th July 2014 (Transmssion)	18,000	0.01	18,000	0.01
	At the end of the year			18,000	0.01
20	**Shri. Anil Kamineni**				
	At the beginning of the year	20	-	20	-
	At the end of the year			20	-
21	**Shri. K Vishweshwar Reddy**				
	At the beginning of the year	1,577,350	1.13	1,577,350	1.13
	At the end of the year			1,577,350	1.13
22	**PCR Investments Ltd**				
	At the beginning of the year	27,223,124	19.57	27,223,124	19.57
	At the end of the year			27,223,124	19.57
23	**Obul Reddy Investments Ltd**				
	At the beginning of the year	11,200	0.01	11,200	0.01
	At the end of the year			11,200	0.01
24	**Indian Hospitals Corporation Ltd**				
	At the beginning of the year	3,600	-	3,600	-
	At the end of the year			3,600	-

Note:

1 There is no change in the total shareholding of promoters between 1st April, 2014 and 31st March, 2015.

2 The cumulative shareholding column reflects the balance as on day end.

IV) Shareholding Pattern of top ten shareholders (other than Directors, Promoters & Holders of GDRs).

Sl No.	Shareholders Name	Shareholding at the begining of the year (As on 1st April 2014)		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	**Integrated (Mauritius) Healthcare Holdings Limited**				
	At the beginning of the year	15,093,860	10.85	15,093,860	10.85
	At the end of the year			15,093,860	10.85
2	**Oppenheimer Developing Markets Fund**				
	At the beginning of the year	11,678,894	8.40	11,678,894	8.40
	16-01-2015	58,758	0.04	11,737,652	8.44
	23-01-2015	217,449	0.16	11,955,101	8.60
	30-01-2015	131,194	0.09	12,086,295	8.69
	At the end of the year			12,086,295	8.69
3	**Life Insurance Corporation of India**				
	At the beginning of the year	3,638,128	2.62	3,638,128	2.62
	11-04-2014	185,000	0.13	3,823,128	2.75
	18-04-2014	9,174	0.01	3,832,302	2.76
	25-04-2014	20,077	0.01	3,852,379	2.77
	06-06-2014	(30,895)	(0.02)	3,821,484	2.75
	13-06-2014	(40,197)	(0.03)	3,781,287	2.72
	18-07-2014	(49,000)	(0.04)	3,732,287	2.68
	29-08-2014	(144,494)	(0.10)	3,587,793	2.58
	05-09-2014	(60,165)	(0.04)	3,527,628	2.54
	12-09-2014	(99,275)	(0.07)	3,428,353	2.47
	19-09-2014	(26,205)	(0.02)	3,402,148	2.45
	30-09-2014	(52,875)	(0.04)	3,349,273	2.41
	28-11-2014	(17)	-	3,349,256	2.41
	19-12-2014	(85,931)	(0.06)	3,263,325	2.35
	31-12-2014	(113115)	(0.08)	3,150,210	2.27
	02-01-2015	(55,205)	(0.04)	3,095,005	2.23
	09-01-2015	(37,009)	(0.03)	3,057,996	2.20
	16-01-2015	(10,566)	(0.01)	3,047,430	2.19
	30-01-2015	(54,660)	(0.04)	2,992,770	2.15
	06-02-2015	(146,944	(0.11)	2,845,826	2.04
	13-02-2015	(46,783)	(0.03)	2,799,043	2.01
	20-02-2015	(44,575)	(0.03)	2,754,468	1.98
	27-02-2015	(168,328)	(0.12)	2,586,140	1.86
	06-03-2015	(51,083)	(0.04)	2,535,057	1.82
	13-03-2015	(36,798)	(0.02)	2,498,259	1.80
	20-03-2015	(22,080)	(0.02)	2,476,179	1.78
	27-03-2015	(192,231)	(0.14)	2,283,948	1.64
	At the end of the year	(1,142)	-	2,282,806	1.64
4	**BNY Mellon Investment Funds Newton Oriental Fund**				
	At the beginning of the year	2975000	2.14	2975000	2.14
	04-04-2014	(10,000)	(0.01)	2,965,000	2.13
	09-05-2014	(7,000)	(0.01)	2,958,000	2.12

Sl No.	Shareholders Name	Shareholding at the begining of the year (As on 1st April 2014)		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	16-05-2014	(33,000)	(0.02)	2,925,000	2.10
	23-05-2014	(25,000)	(0.02)	2,900,000	2.08
	30-05-2014	(10,000)	(0.01)	2,890,000	2.07
	06-06-2014	(20,000)	(0.01)	2,870,000	2.06
	13-06-2014	(30,000)	(0.02)	2,840,000	2.04
	20-06-2014	(5,000)	-	2,835,000	2.04
	04-07-2014	(19,783)	(0.01)	2,815,217	2.03
	11-07-2014	(25,217)	(0.02)	2,790,000	2.01
	18-07-2014	(50,000)	(0.04)	2,740,000	1.97
	25-07-2014	(30,000)	(0.02)	2,710,000	1.95
	01-08-2014	(10,000)	(0.01)	2,700,000	1.94
	15-08-2014	(45,000)	(0.03)	2,655,000	1.91
	22-08-2014	(85,000)	(0.06)	2,570,000	1.85
	29-08-2014	(10,000)	(0.01)	2,560,000	1.84
	05-09-2014	(45,340)	(0.03)	2,514,660	1.81
	12-09-2014	(50,429)	(0.04)	2,464,231	1.77
	19-09-2014	(19,231)	(0.01)	2,445,000	1.76
	30-09-2014	(15,000)	(0.01)	2,430,000	1.75
	24-10-2014	(30,000)	(0.02)	2,400,000	1.73
	31-10-2014	(74,000)	(0.05)	2,326,000	1.68
	07-11-2014	(23,523)	(0.02)	2,302,477	1.66
	14-11-2014	(22,477)	(0.02)	2,280,000	1.64
	21-11-2014	(56,000)	(0.04)	2,224,000	1.60
	12-12-2014	(24,000)	(0.02)	2,200,000	1.58
	16-01-2015	(22,000)	(0.02)	2,178,000	1.56
	23-01-2015	(45,000)	(0.03)	2,133,000	1.53
	30-01-2015	(58,000)	(0.04)	2,075,000	1.49
	27-02-2015	(19,000)	(0.01)	2,056,000	1.48
	06-03-2015	(26,000)	(0.02)	2,030,000	1.46
	13-03-2015	(30,000)	(0.02)	2,000,000	1.44
	20-03-2015	(36,395)	(0.03)	1,963,605	1.41
	27-03-2015	(13,605)	(0.01)	1,950,000	1.40
	At the end of the year			1,950,000	1.40
5	**Abu Dhabi Investment Authority**				
	At the beginning of the year	2,592,687	1.86	2,592,687	1.86
	25-04-2014	8,000	0.01	2,600,687	1.87
	02-05-2014	(171,631)	(0.12)	2,429,056	1.75
	06-06-2014	36,830	0.02	2,465,886	1.77
	20-06-2014	22,042	0.02	2,487,928	1.79
	30-06-2014	(196,232)	(0.14)	2,291,696	1.65
	04-07-2014	9,400	0.01	2,301,096	1.66
	11-07-2014	(205,181)	(0.15)	2,095,915	1.51
	18-07-2014	26,752	0.02	2,122,667	1.53
	01-08-2014	(7,776)	(0.01)	2,114,891	1.52
	19-09-2014	9,720	0.01	2,124,611	1.53

Sl No.	Shareholders Name	Shareholding at the begining of the year (As on 1st April 2014)		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	14-11-2014	(47,029)	(0.03)	2,077,582	1.50
	21-11-2014	(21,368)	(0.02)	2,056,214	1.48
	28-11-2014	25,759	0.02	2,081,973	1.50
	19-12-2014	7,800	0.01	2,089,773	1.51
	27-02-2015	(8,100)	(0.01)	2,081,673	1.50
	06-03-2015	(27,210)	(0.02)	2,054,463	1.48
	At the end of the year			2,054,463	1.48
6	**Schroder International Selection Fund Asian Total Return**				
	At the beginning of the year	2,536,644	1.98	2,536,644	1.98
	23-05-2014	226,598	1.98	2,763,242	1.98
	At the end of the year			2,763,242	1.98
7	**Fidelity Investment Trust - Fidelity Diversified International Fund**				
	At the beginning of the year	2,493,661	1.79	2,493,661	1.79
	31-12-2014	(52,746)	(0.04)	2,440,915	1.75
	02-01-2015	(30,238)	(0.02)	2,410,677	1.73
	09-01-2015	(183,551)	(0.13)	2,227,126	1.60
	At the end of the year			2,227,126	1.60
8	**Emerging Markets Growth Fund, Inc.**				
	At the beginning of the year	244,932	1.75	244,932	1.75
	04-04-2014	(15,492)	(0.01)	2,430,440	1.74
	11-04-2014	(237,943)	(0.17)	2,192,497	1.57
	18-04-2014	(47,125)	(0.03)	2,145,372	1.54
	25-04-2014	(95,600)	(0.07)	2,049,772	1.47
	02-05-2014	(54,798)	(0.04)	1,994,974	1.43
	16-05-2014	(113,378)	(0.08)	1,881,596	1.35
	23-05-2014	(166,310)	(0.12)	1,715,286	1.23
	11-07-2014	(87,849)	(0.06)	1,627,437	1.17
	18-07-2014	(52,856)	(0.04)	1,574,581	1.13
	12-09-2014	(121,783)	(0.09)	1,452,798	1.04
	31-10-2014	(122,233)	(0.09)	1,330,565	0.96
	06-02-2015	(70,237)	(0.05)	1,260,328	0.91
	13-02-2015	(54,742)	(0.04)	1,205,586	0.87
	20-02-2015	(165,670)	(0.12)	1,039,916	0.75
	At the end of the year			1,039,916	0.75
9	**Munchener Ruckversicherungsgesellschaft Aktiengesellschaft In Munchen**				
	At the beginning of the year	2,397,380	1.72	2,397,380	1.72
	Closing Balance as on 31-03-2015			2,397,380	1.72
10	**International Finance Corporation**				
	At the beginning of the year	1,290,149	0.93	1,290,149	0.93
	At the end of the year			1,290,149	0.93

(V) Shareholding of Directors and Key Managerial Personnel

Sl No.	Name	Shareholding at the beginning of the year (As on 1st April 2014)		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	DIRECTORS				
1	Dr. Prathap C Reddy				
	at the beginning of the year	6,445,464	4.63	6,445,464	4.63
	29th Dec 2014 (Inter Se Transfer)	(1,000,000)	(0.72)	5,445,464	3.91
	At the end of the year			5,445,464	3.91
2	Smt. Preetha Reddy				
	At the beginning of the year	2,193,915	1.58	2,193,915	1.58
	At the end of the year			2,193,915	1.58
3	Smt. Suneeta Reddy				
	At the beginning of the year	2,381,590	1.71	2,381,590	1.71
	29th Dec 2014 (Inter Se Transfer)	10,00,000	0.72	3,381,590	2.43
	At the end of the year			3,381,590	2.43
4	Smt. Shobana Kamineni				
	At the beginning of the year	2,189,952	1.57	2,189,952	1.57
	1st Dec 2014 (Inter Se Transfer)	50,000	0.04	2,239,952	1.61
	At the end of the year			2,239,952	1.61
5	Smt. Sangita Reddy				
	At the beginning of the year	2,432,508	1.75	2,432,508	1.75
	At the end of the year			2,432,508	1.75
6	Shri. Habibullah Badsha				
	At the beginning of the year	10,806	0.01	10,806	0.01
	At the end of the year			10,806	0.01
7	Shri. Rafeeque Ahamed				
	At the beginning of the year	55,900	0.04	55,900	0.04
	At the end of the year			55,900	0.04
8	Shri. N. Vaghul				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
9	Shri. Deepak Vaidya				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
10	Shri. Rajkumar Menon				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
11	Shri. G. Venkatraman				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
12	Shri. Sanjay Nayar				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
13	Shri. Vinayak Chatterjee				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
14	Shri. Khairil Anuar Abdullah				
	(ceased to be director w.e.f. 21st Jan 2015)				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
	KEY MANAGERIAL PERSONNEL				
15	Shri. Krishnan Akhileswaran				
	At the beginning of the year	4	-	4	-
	At the end of the year			4	-
16	Shri. S.M. Krishnan				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-

Note:

1 The cumulative shareholding column reflects the balance as on day end

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in million)

Sl. No	Description	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
	Indebtness at the beginning of the financial year				
i)	Principal Amount	9,116.52	1,328.20	354.51	10,799.23
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	94.79	-	0.87	95.66
	Total (i+ii+iii)	**9,211.31**	**1,328.20**	**355.38**	**10,894.89**
	Change in Indebtedness during the financial year				
	Additions	6,609.94	372.77	43.68	7,026.39
	Reduction	941.38	-	58.92	1,000.30
	Net Change	**5,668.56**	**372.77**	**(15.24)**	**6,026.09**
	Indebtedness at the end of the financial year				
i)	Principal Amount	14,785.08	1,700.97	339.27	16,825.32
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	160.05	-	1.64	161.69
	Total (i+ii+iii)	**14,945.13**	**1,700.97**	**340.91**	**16,987.01**

VI Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole time director and/or Manager:

(₹ in million)

Sl. No	Particulars of Remuneration	Name of the MD/WTD/Manager					Total Amount
		Dr. Prathap C Reddy	Smt. Preetha Reddy	Smt. Suneeta Reddy	Smt. Shobana Kamineni	Smt. Sangita Reddy	
1	Gross salary a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	107.28	49.25	50.70	49.97	49.25	306.45
	b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-	-	-	-
	c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-	-	-
2	Stock option	NA	NA	NA	NA		NA
3	Sweat Equity	NA	NA	NA	NA		NA
4	Commission						
	as % of profit	45.54	-	-	-	-	45.54
	others (specify)	-	-	-	-	-	-
5	Others	-	-	-	-	-	-
	Total (A)	**152.82**	**49.25**	**50.70**	**49.97**	**49.25**	**351.99**
	Ceiling as per the Act	₹ 467.32 million (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)					

B. Remuneration to other directors:

(₹ in million)

Sl. No	Particulars of Remuneration	Name									Total Amount
	Independent Directors	Shri Rajkumar Menon	Shri Rafeeque Ahamed	Shri Habibullah Badsha	Shri Deepak Vaidya	Shri N. Vaghul	Shri. Khairil Anuar Abdullah	Shri. G. Venkatraman	Shri. Sanjay Nayar	Shri. Vinayak Chatterjee	
1	(a) Fee for attending board committee meetings	0.70	0.22	0.19	0.59	0.56	0.19	0.65	0.19	0.35	3.64
	(b) Commission	1.25	1.25	1.25	1.25	1.25	1.08	1.25	1.25	0.93	10.76
	(c) Others	-	-	-	-	-	-	-	-	-	-
	Total (1)	1.95	1.47	1.44	1.84	1.81	1.27	1.90	1.44	1.28	14.40
2	Other Non Executive Directors	Not Applicable									
	(a) Fee for attending board committee meetings	-	-	-	-	-	-	-	-	-	-
	(b) Commission	-	-	-	-	-	-	-	-	-	-
	(c) Others	-	-	-	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-	-	-	-
	Total (B) = (1+ 2)	1.95	1.47	1.44	1.84	1.81	1.27	1.90	1.44	1.28	14.40
	Total Managerial Remuneration (A+B)										366.39
	Overall Ceiling as per the Act.		₹514.06 million (being 11% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013								

C. Remuneration to Key Managerial Personnel other than MD/Manager / WTD

(₹ in million)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
1	Gross Salary	CFO	Company Secretary	
	a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	13.83	4.05	**17.88**
	b) Value of perquisites u/s 17(2) of thwe Income tax Act, 1961	-	-	-
	c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock option	NA	NA	**NA**
3	Sweat Equity	NA	NA	**NA**
4	Commission			
	as % of profit	-	-	-
	others (specify)	NA	NA	**NA**
5	Others	-	-	-
	Total	**13.83**	**4.05**	**17.88**

VII Penalties/Punishment/Compounding of Offences

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeall made if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

Corporate Governance Report

The Company's philosophy on code of governance

The basic objective of corporate governance policies adopted by the Company is to attain the highest levels of transparency, accountability and integrity. This objective extends not merely to comply with statutory requirements but also to go beyond them by putting into place procedures and systems, which are in accordance with the best practices of governance. Your Company believes that good Corporate Governance enhances the trust and confidence of all the stakeholders. Good practice in corporate behaviour helps to enhance and maintain public trust in companies and the stock markets.

Your Company reviews its corporate governance practices to ensure that they reflect the latest developments in the corporate arena and in positioning itself to conform to the best corporate governance practices. Your Company is committed to pursuing excellence in all its activities and in maximisation of its shareholders' wealth.

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

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

Governance Structure

Apollo's Governance structure broadly comprises of the Board of Directors and the Committees of the Board at the apex level and the Management structure at the operational level. This layered structure brings about a harmonious blend in governance as the Board sets the overall corporate objectives and gives direction and freedom to the Management to achieve these corporate objectives within a given framework, thereby bringing about an enabling environment for value creation through sustainable profitable growth.

The Board of Directors plays a pivotal role in ensuring that the Company runs on sound and ethical business principles and that its resources are utilized for creating sustainable growth and societal wealth. The Board operates within the framework of a well defined responsibility matrix which enables it to discharge its fiduciary duties of safeguarding the interest of the Company, ensuring fairness in the decision making process and integrity and transparency in the Company's dealing with its Members and other stakeholders.

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

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

I) Board of Directors

The Company has an Executive Chairman. As per Clause 49 of the Listing Agreement, if the Chairman is an Executive Chairman, at least half of the Board should comprise of independent directors. Independent Directors constitute 61 per cent of the overall Board. The Board has a healthy blend of executive and non-executive directors, and consequently ensures the desired level of independence in functioning and decision-making. Moreover all the non-executive directors are eminent professionals, and bring the wealth of their professional expertise and experience to the management of the Company.

A) Composition of the Board of Directors and details of external directorships and memberships of boards/committees

Director	Category	Designation	Share holding in the Company	Number of Directorships (out of which as Chairman) other than AHEL #	Number of Memberships in Board Committees other than AHEL ##	Whether Chairman / Member
Dr. Prathap C Reddy	Promoter	Executive Chairman	5,445,464	8 (7)	-	-
Smt. Preetha Reddy	Promoter	Executive Vice Chairperson	2,193,915	8	1	Member
Smt. Suneeta Reddy	Promoter	Managing Director	3,381,590	9	1	Member
Smt. Shobana Kamineni	Promoter	Executive Vice Chairperson	2,239,952	9	1	Member
Smt. Sangita Reddy	Promoter	Joint Managing Director	2,432,508	9	1	Member
Shri. Rajkumar Menon	Independent	Director	-	5	-	-
Shri. Rafeeque Ahamed	Independent	Director	55,900	-	-	-

Statutory Section

Shri. Habibullah Badsha	Independent	Director	10,806	2	-	-
Shri. Deepak Vaidya	Independent	Director	-	3(1)	2 1	Chairman Member
Shri. N. Vaghul	Independent	Director	-	4(1)	2 1	Chairman Member
Shri.G.Venkatraman	Independent	Director	-	6	5	Chairman
Shri. Sanjay Nayar	Independent	Director	-	6	1	Member
Shri Vinayak Chatterjee	Independent	Director	-	3(1)	1 1	Chairman Member

excluding Directorships in Foreign Companies, Private Companies and Section 8 companies.

Represents Membership/Chairmanship of Audit Committees and Shareholders' /Investors' Grievance Committee.

As on 31st March, 2015, none of the Directors on the Board hold the office of Director in more than 10 Public Limited Companies, or Membership of Committees of the Board in more than 10 Committees or Chairmanship of more than 5 Committees, across all companies.

(B) Policy for Selection of Directors and their Remuneration

The Nomination and Remuneration (N&R) Committee of the Board consists of Independent Directors.

The N&R Committee has adopted a Charter which, inter alia, deals with the manner of selection of Non-Executive Independent Directors and Executive Directors, Key Managerial Personnel and their remuneration. This Policy is accordingly derived from the said Charter.

1) Criteria for selection of Non-Executive Independent Directors

a. The Non-Executive Independent Directors shall be persons of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of marketing, finance, taxation, law, governance and general management.

b. In case of appointment of Non-Executive Independent Directors, the N&R Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.

c. The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.

d. The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.

   i. Qualification, expertise and experience of the Directors in their respective fields;

   ii. Personal, Professional or business standing;

   iii. Diversity of the Board.

e. In case of re-appointment of Non-Executive Independent Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

2) Criteria for selection of Executive Directors

For the purpose of selection of the Executive Directors, the N&R Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendations, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfils such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

3) Remuneration Policy

a) Executive Directors

The Nomination and Remuneration Committee of the Board consists of Independent directors. Its terms of reference include making recommendations to the Board in respect of the policy on executive remuneration, and the consideration and determination of the remuneration of the executive directors and senior management.

The main objective of the remuneration policy is to pay the Executive Directors and senior management competitively, having regard to other comparable companies and the need to ensure that they are properly remunerated and motivated to perform in the best interests of shareholders. Performance related rewards, based on measured and stretch targets, are therefore an important component of remuneration packages.

The Nomination and Remuneration Committee obtains external advice from independent firms of compensation and benefit, consultants when necessary.

The main components of the remuneration package for executive directors comprises of base salary and performance related variable annual incentive linked to company's performance.

Base Compensation (Fixed pay)

The base salary or the fixed component has been finalized based on prevailing market standards. The salaries for executive directors will be reviewed annually having regard to the job size, responsibility levels, performance evaluation and competitive market practices. Also, the annual increments relating to the fixed pay components will be decided by the Nomination and Remuneration Committee based on company performance and market conditions.

Performance based incentive (Variable pay)

All Executive Directors would be eligible for performance based Variable Pay, linked to the achievement of operating profit targets and job related goals. A percentage of the bonus is payable by reference to the profit targets and the balance is payable by reference to individual performance criteria. The maximum annual bonus payable is 125% of base salary.

In addition to the variable pay, the Executive Chairman will be eligible for a commission of upto 1% of the net profits before tax of the Company. This will be determined by the Nomination and Remuneration Committee based on the review of the Executive Chairman's achievement linked to improvement in shareholders returns and brand enhancement.

The Executive Directors Compensation as detailed above is within the overall framework of the approvals given by the shareholders and in line with the managerial remuneration limits as specified under the Companies Act, 2013. The job related goals for each working director will be set out by the Nomination and Remuneration Committee every year.

b) Non Executive Directors

Compensation to the non-executive directors takes the form of:-

1. Sitting fees for the meetings of the Board and Committees, if any attended by them and
2. Commission on profits.

The Shareholders have approved the payment of commission to Non Executive and Independent Directors within the overall maximum ceiling limit of 1% of the net profits of the Company for a period of five years with effect from 1st April 2014 in addition to the sitting fee being paid by the Company for attending the Board/Committee Meetings.

The compensation is reviewed periodically taking into consideration various factors such as performance of the Company, time spent by the directors for attending to the affairs and business of the Company, and the extent of responsibilities cast on the directors under various laws and other relevant factors.

The Board approved the payment of commission of ₹ 1.25 million to each Non Executive Independent Director of the company for the year ended 31st March 2015.

The aggregate commission payable to all non-executive directors is well within the limits approved by the shareholders and in line with the provisions of the Companies Act, 2013.

(c) Senior Management Employees

I. In determining the remuneration of the Senior Management Employees (i.e. KMPs and Executive Committee Members) the N&R Committee shall ensure / consider the following:

   i. the relationship of remuneration and performance benchmark is clear;

   ii. the balance between fixed and incentive pay reflecting short and long term performance objectives, is appropriate to the working of the Company and its goals;

   iii. the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;

   iv. the remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individuals performance vis-à-vis KRAs / KPIs, industry benchmarks and current compensation trends in the market.

   v. The Managing Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned herein-above, whilst recommending the annual increment and performance incentive to the N&R Committee for its review and approval.

(d) Details of remuneration paid to the Directors

The details of the remuneration paid/accrued to the Directors for the year ended 31st March 2015 along with their relationships and business interests are given below:

₹ in million

Name of the Director	Relationship with other Directors	Remuneration paid/payable for the year ended 31st March 2015				
		Remuneration				
		Sitting Fee	Fixed pay	Variable Pay	Commission	Total
Dr. Prathap C Reddy	Father of Smt. Preetha Reddy, Smt. Suneeta Reddy, Smt. Sangita Reddy & Smt. Shobana Kamineni	–	64.15	43.13	45.54	152.82
Smt. Preetha Reddy	Daughter of Dr. Prathap C Reddy, Sister of Smt. Suneeta Reddy, Smt.Sangita Reddy & Smt. Shobana Kamineni	–	29.16	20.09	–	49.25
Smt. Suneeta Reddy	Daughter of Dr. Prathap C Reddy, Sister of Smt.Preetha Reddy, Smt.Sangita Reddy & Smt. Shobana Kamineni	–	29.16	21.54	–	50.70
Smt. Shobana Kamineni	Daughter of Dr. Prathap C Reddy, Sister of Smt.Preetha Reddy, Smt. Suneeta Reddy & Smt. Sangita Reddy	–	29.16	20.81	–	49.97
Smt. Sangita Reddy	Daughter of Dr. Prathap C Reddy, Sister of Smt. Preetha Reddy, Smt. Suneeta Reddy & Smt. Shobana Kamineni	–	29.16	20.09	–	49.25
Shri. Rajkumar Menon	–	0.70		–	1.25	1.95
Shri. Rafeeque Ahamed	–	0.22		–	1.25	1.47
Shri. Habibullah Badsha	–	0.19		–	1.25	1.44
Shri. Deepak Vaidya	–	0.59		–	1.25	1.84
Shri. N. Vaghul	–	0.56		–	1.25	1.81
Shri.Khairil Anuar Abdullah (resigned with effect from 21.01.2015)	–	0.19		–	1.08	1.27
Shri. G. Venkatraman	–	0.65		–	1.25	1.90
Shri. Sanjay Nayar	–	0.19		–	1.25	1.44
Shri Vinayak Chatterjee (appointed w.e.f 2nd July, 2014)	–	0.35		–	0.93	1.28

Notes:

(i) The term of the executive directors is for a period of 5 years from the respective dates of appointment.

(ii) The Company does not have any service contract with any of the directors.

(iii) None of the above persons is eligible for any severance pay.

(iv) Commission to the Non-Executive Directors for the year ended 31st March 2015 @ ₹ 1.25 million each per annum will be paid, subject to deduction of tax after adoption of accounts by shareholders at the Annual General Meeting to be held on 11th August 2015. Sitting fee also includes payment of fees for attending Board-level Committee Meetings.

(v) The Company has no stock option plans and hence, such an instrument does not form part of the remuneration package payable to any Executive Director.

(vi) The Company did not advance any loan to any of its directors during the year.

(e) Pecuniary relationships or transactions of Non executive directors vis-à-vis the Company

The Company does not have any direct pecuniary relationship/transaction with any of its Non Executive Directors.

C) Performance Evaluation of the Board and the Directors

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance and the Directors individually.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interests of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Executive Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the overall evaluation process.

D) Familiarization Programmes for Board Members

The Board Members of the Company are eminent personalities having wide experience in the field of business, finance, education, industry, commerce and administration. Their presence on the Board has been advantageous and fruitful in taking business decisions.

The Board Members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices.

Periodic presentations are made at the Board and Board Committee Meetings, on business apart from performance updates on the Company, global business environment, business strategy and risks involved. Updates on relevant statutory changes encompassing important laws are regularly circulated to the Independent directors.

E) Board Procedures

(a) Number of Board Meetings held, dates on which held

Seven board meetings were held during the financial year from 1st April 2014 to 31st March 2015. The dates on which the meetings were held are as follows:-

25th April 2014, 28th May 2014, 2nd July 2014, 12th August 2014, 12th November 2014, 14th February 2015 and 31st March 2015.

(b) Attendance details of each director at the Board Meetings and at the last AGM are set out below:-

Director	Number of Board Meetings held	Number of Board Meetings Attended	Last AGM attendance (Yes/No)
Dr. Prathap C Reddy	7	7	Yes
Smt. Preetha Reddy	7	7	Yes
Smt. Suneeta Reddy	7	7	Yes
Smt. Sangita Reddy	7	6	Yes
Smt. Shobana Kamineni	7	6	Yes
Shri. Rajkumar Menon	7	7	Yes
Shri. Rafeeque Ahamed	7	4	No
Shri. Habibullah Badsha	7	5	Yes
Shri. Deepak Vaidya	7	5	Yes
Shri. N. Vaghul	7	7	Yes
Shri. Khairil Anuar Abdullah[1]	7	5	No
Shri. G. Venkatraman	7	7	Yes
Shri. Sanjay Nayar	7	5	Yes
Shri. Vinayak Chatterjee[2]	5	5	Yes

1. Ceased to be a Director with effect from 21st January 2015.
2. Appointed to the Board with effect from 2nd July 2014.

The Companies Act, 2013 read with the relevant rules made thereunder, now facilitates the participation of a Director in Board / Committee Meetings through video conferencing or other audio visual mode. Accordingly, the option to participate in the Meeting through video conferencing was made available for the Directors except in respect of such Meetings / Items which are not permitted to be transacted through video conferencing.

The Board periodically reviews the items required to be placed before it and in particular reviews and approves quarterly/half yearly unaudited financial statements and the audited annual financial statements, corporate strategies, business plans, annual budgets, projects and capital expenditure. It monitors overall operating performance, progress of major projects and reviews such other items which require the Board's attention. It directs and guides the activities of the Management towards the set goals and seeks accountability. It also sets standards of corporate behaviour, ensures transparency in corporate dealings and compliance with laws and regulations. The Agenda for the Board Meeting covers items set out as guidelines in Clause 49 of the Listing Agreement to the extent these are relevant and applicable. All agenda items are supported by relevant information, documents and presentations to enable the Board to take informed decisions.

(c) The information made available to the Board includes the following

1. Annual Operating plans, budgets and any updates.
2. Capital budgets and any updates.
3. Quarterly results for the Company and its operating divisions or business segments.
4. Minutes of meetings of the audit committee and other committees of the Board.
5. The information or recruitment and remuneration of senior officers just below the board level, including appointment and removal of the Chief Financial Officer and the Company Secretary.
6. Show cause, demand, prosecution notices and penalty notices, which are materially important.
7. Fatal or serious accidents, dangerous occurrences any material effluent or pollution problems.
8. Any material default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company.
9. Any issue which involves possible public or product liability, claims of substantial nature including judgment or order which, may have passed strictures on the code of conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
10. Details of joint venture or collaboration agreements.
11. Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
12. Significant labour problems and their resolutions. Any significant development on the Human Resources / Industrial Relations front like signing of wage agreement, implementation of VRS scheme etc.
13. Sale of material nature such as investments, subsidiaries, assets which is not in the normal course of business.
14. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
15. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfers etc.

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

F) Code of Conduct for Board Members and Senior Management Personnel

The Board of Directors had adopted a Code of Conduct for the Board Members and employees of the company. This Code helps the Company to maintain the Standard of Business Ethics and ensure compliance with the legal requirements, specifically under Clause 49 of the Stock Exchange Listing Agreements of the Company. The Code is aimed at preventing any wrongdoing and promoting ethical conduct at the Board and employees. The Code has been posted on the Company's website www.apollohospitals.com.

The Company Secretary has been appointed as the Compliance Officer and is responsible to ensure adherence to the Code by all concerned. A copy of the code of conduct has been posted at the Company's official website www. apollohospitals.com

The Code lays down the standard of conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. All the Board Members and the Senior Management personnel have confirmed compliance with the Code.

The declaration regarding compliance with the code of conduct as required under clause 49 of the Listing Agreement with the stock exchanges is appended to this report.

Code of Conduct for prevention of Insider Trading

The Company has adopted a code of conduct for prevention of insider trading in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. Shri. S.M. Krishnan, Senior General Manager - Finance and Company Secretary is the Compliance Officer. All the Directors and Senior Management Personnel and such other designated employees of the Company who are expected to have access to unpublished price sensitive information relating to the Company are covered under the said code. The Directors, their relatives, senior management personnel, designated employees etc., are restricted from purchasing, selling and dealing in the shares while being in possession of unpublished price sensitive information about the Company during certain prohibited periods. All Board Directors and the designated employees have confirmed compliance with the Code.

G) Vigil Mechanism / Whistle Blower Policy

Apollo Hospitals Group believes in the conduct of affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior and is committed to developing a culture where it is safe for all employees to raise concerns about any unacceptable practice or any event of misconduct. The organization provides a platform for directors and employees to disclose information internally, which he/ she believes shows serious malpractice, impropriety, abuse or wrong doing within the company without fear of reprisal or victimization. Further, assurance is also provided to directors and employees that prompt action will be taken to investigate complaints made in good faith.

The Ethics Helpline can be contacted to report any suspected or confirmed incident of fraud / misconduct on:

The Chairman, GROUP COMPLIANCE COMMITTEE
Apollo Hospitals Enterprise Limited
Mezzanine Floor, Ali Towers
55, Greams Road, Chennai 600 006
Tel : 044-28296716
email: gcc @apollohospitals.com

II) Composition of Board Committees

Audit Committee	Nomination & Remuneration Committee	Stakeholders Relationship Committee	Corporate Social Responsibility Committee
Shri. Deepak Vaidya Chairman	Shri. N.Vaghul Chairman	Shri. Rajkumar Menon Chairman	Dr. Prathap C Reddy Chairman
Shri.G.Venkatraman Member	Shri. Deepak Vaidya Member	Smt. Preetha Reddy Member	Smt. Preetha Reddy Member
Shri.Rajkumar Menon Member	Shri.G.Venkatraman Member	Smt. Suneeta Reddy Member	Shri N. Vaghul Member
	Shri. Rafeeque Ahamed Member		Shri.G.Venkatraman Member

Risk Management Committee	Investment Committee	Share Transfer Committee
Smt. Suneeta Reddy Chairperson	Shri. N. Vaghul Chairman	Smt. Preetha Reddy Member
Smt. Preetha Reddy Member	Smt. Preetha Reddy Member	Shri. Rajkumar Menon Member
Shri. Vinayak Chatterjee Member	Smt. Suneeta Reddy Member	Shri. Rafeeque Ahamed Member
Dr. Sathyabhama Member	Shri. Deepak Vaidya Member	
Dr. K. Hariprasad Member	Shri. Vinayak Chatterjee Member	

1. Audit Committee

(a) Composition of the Audit Committee

The Company continued to derive immense benefit from the deliberations of the Audit Committee comprising of the following Independent Directors.

1. Shri. Deepak Vaidya, Chairman
2. Shri. G. Venkatraman
3. Shri. Rajkumar Menon

The committee comprises of eminent professionals with expert knowledge in corporate finance. The Minutes of each audit committee meeting are placed before and discussed by the Board of Directors of the Company.

(b) Meetings of Audit Committee

The Audit Committee met six times during the financial year from 1st April 2014 to 31st March 2015. The dates on which the meetings were held are as follows:-

24th April 2014, 27th May 2014, 11th August 2014, 11th November 2014, 13th February 2015 and 31st March 2015.

Sl. No	Name of the Member	Designation	Number of Meetings Held	Number of Meetings attended
1.	Shri. Deepak Vaidya	Chairman	6	6
2.	Shri. G. Venkatraman	Member	6	6
3.	Shri. Rajkumar Menon	Member	6	6

(c) Powers of the Audit Committee

The powers of the Audit Committee include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary

(d) Functions of the Audit Committee

The role of the Audit Committee includes the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payments to the statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
    a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
    b. Changes, if any, in accounting policies and practices and reasons for the same.
    c. Major accounting entries involving estimates based on the exercise of judgment by management
    d. Significant adjustments made in the financial statements arising out of audit findings
    e. Compliance with listing and other legal requirements relating to financial statements
    f. Disclosure of any related party transactions
    g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of the audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of the internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payments to the depositors, debenture holders, shareholders (in case of non-payments of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of the CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee shall mandatorily review the following information.

(i) Management discussion and analysis of financial condition and results of operations.

(ii) Statement of significant related party transactions (as defined by the audit committee and submitted by management)

(iii) Management letters / letters of internal control weaknesses issued by the statutory auditors.

(iv) Internal audit reports relating to internal control weaknesses; and

(v) The appointment/removal and terms of remuneration of the Internal Auditors shall be subject to review by the Audit Committee.

In addition to the areas noted above, the audit committee reviews controls and security relating to the Company's critical IT applications, the internal and control assurance audit reports of all major divisions and profit centers and deviations from the code of business principle, if any.

2. Nomination and Remuneration Committee

(a) Composition and Scope of the Nomination & Remuneration Committee

The Nomination & Remuneration Committee comprises of the following Independent Directors.

1. Shri. N. Vaghul, Chairman
2. Shri. Deepak Vaidya
3. Shri. G. Venkatraman
4. Shri. Rafeeque Ahamed

Meetings of the Nomination & Remuneration Committee

Three meetings were held during the financial year from 1st April 2014 to 31st March 2015. The dates on which the meetings were held are as follows:-

28th May 2014, 2nd July 2014 and 14th February 2015.

Attendance details of the Members of the Committee

Sl. No	Name of the Member	Designation	Number of Meetings Held	Number of Meetings attended
1.	Shri. N. Vaghul	Chairman	3	3
2.	Shri. Deepak Vaidya	Member	3	1
3.	Shri. G. Venkatraman	Member	3	3
4.	Shri. Rafeeque Ahamed	Member	3	1

The Scope of the Nomination & Remuneration Committee includes the following:

1. The Committee shall formulate the criteria for determining the qualification, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
2. The Committee shall identify persons who are qualified to become directors and who may be appointed in senior management positions in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
3. The Committee shall ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets performance benchmarks, and involves a balance between fixed and incentive pay.
4. Review the policy from time to time for selection and appointment of Directors, Key Managerial Personnel and senior management employees and their remuneration;
5. Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board. In reviewing the overall remuneration of the Board of Directors and Senior Management, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short term and long term objectives of the Company.
6. Filling up of vacancies in the Board that might occur from time to time and appointment of additional Non-Executive Directors. In making these recommendations, the Committee shall take into account the special professional skills required for efficient discharge of the Board's functions.

7. Recommendation to the board with regard to retirement of Directors, liable to retire by rotation and appointment of Executive Directors.
8. To determine and recommend to the Board from time to time -
   (a) the amount of commission and fees payable to the Directors within the applicable provisions of the Companies Act, 2013.
   (b) the amount of remuneration, including performance or achievement bonus and perquisites payable to the Executive Directors
   (c) To frame guidelines for Reward Management and recommend suitable schemes for the Executive Directors and Senior Management
9. To determine the need for key man insurance for any of the company's personnel
10. To carry out the evaluation of every director's performance
11. To carry out any function as is mandated by the Board from time to time and /or enforced by any statutory notification, amendment or modifications as may be applicable.

3. Stakeholders' Relationship Committee

(a) Composition and Scope of the Stakeholders Relationship Committee

The Stakeholders Relationship Committee specifically looks into issues such as redressing of shareholders' and investors' complaints such as transfer of shares, non-receipt of shares, non-receipt of declared dividends and ensuring expeditious share transfers and also redresses the grievances of deposit holders, debenture holders and other security holders.

This Committee comprises of the following Directors:-

1. Shri. Rajkumar Menon, Chairman
2. Smt. Preetha Reddy and
3. Smt. Suneeta Reddy

(b) Meetings of the Stakeholders Relationship Committee

The Committee met four times during the year on 8th April 2014, 7th July 2014, 9th October 2014 and 12th January 2015.

Sl. No	Name of the Member	Designation	Number of Meetings Held	Number of Meetings attended
1.	Shri. Rajkumar Menon	Chairman	4	4
2.	Smt. Preetha Reddy	Member	4	4
3.	Smt. Suneeta Reddy	Member	4	4

Name and designation of the Compliance Officer:-

Shri. S.M. Krishnan, Sr. General Manager – Finance and Company Secretary.

4. Corporate Social Responsibility Committee

In compliance with Section 135 of the Companies Act, 2013, the Board constituted a CSR Committee ('the Committee') comprising :

1. Dr. Prathap C Reddy, Chairman
2. Smt. Preetha Reddy
3. Shri. N. Vaghul and
4. Shri.G.Venkatraman

The purpose of the Committee is to formulate and monitor the CSR policy of the Company.

The terms of reference of the Committee will include the following:-

- To formulate and recommend to the board, a CSR policy, which will indicate the activities to be undertaken by the company as well as the amount of expenditure to be incurred on the activities referred to in the CSR policy.
- To monitor the CSR activities from time to time.
- To prepare a transparent monitoring mechanism for ensuring implementation of the projects / programmes / activities proposed to be undertaken by the company.
- To report, in the prescribed format, the details of the CSR initiatives in the Directors' Report and in the company's website.
- The Company undertook the following projects as specified in Schedule VII of the Companies Act, 2013.
  a. Preventive Healthcare encompassing free health and medical screening camps.
  b. Education/Vocational skilling initiatives
  c. Rural Development.

  During the financial year the company contributed a total of ₹ 77.71 million to CSR activities and constituted a team to monitor its progress. The detailed report on the projects and status are attached with this report.

5. Risk Management Committee

Business Risk Evaluation and Management is an ongoing process within the Organization.

The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities.

The objectives and scope of the Risk Management Committee broadly comprises:

- Oversight of risk management performed by the executive management;
- Reviewing the BRM policy and framework in line with local legal requirements and SEBI guidelines;
- Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
- Defining framework for identification, assessment, monitoring, mitigation and reporting of risks. Within its overall scope as aforesaid, the Committee shall review risk trends, exposure, potential impact analysis and mitigation plans.

The composition of the Risk Management Committee as at March 31, 2015 and the details of Members' participation at the Meetings of the Committee are as under:

Sl. No	Name of the Member	Designation	Number of Meetings Held	Number of Meetings attended
1.	Smt. Suneeta Reddy	Chairperson	1	1
2.	Smt. Preetha Reddy	Member	1	1
3.	Shri. Vinayak Chatterjee	Member	1	1
4.	Dr. Sathyabhama	Member	1	1
5.	Dr. K Hariprasad	Member	1	1

The Committee met and reviewed the status on 14th February, 2015.

6. Investment Committee

(a) Composition and Scope of the Investment Committee

The Investment Committee comprises of a majority of Independent Directors and consists of the following members.

1. Shri. N. Vaghul
2. Shri. Deepak Vaidya
3. Shri. Vinayak Chatterjee
4. Smt. Preetha Reddy and
5. Smt. Suneeta Reddy

The scope of the Investment Committee is to review and recommend investments in new activities planned by the Company.

(b) Meetings of the Investment Committee

During the year, the Investment Committee met on 11th August 2014, 1st September 2014 and 1st October 2014. The attendance details of the members are set out as follows:

Sl. No	Name of the Member	Designation	Number of Meetings Held	Number of Meetings attended
1.	Shri. N. Vaghul	Chairman	3	3
2.	Smt. Preetha Reddy	Member	3	2
3.	Smt. Suneeta Reddy	Member	3	3
4.	Shri. Deepak Vaidya	Member	3	2
5.	Shri. Vinayak Chatterjee	Member	3	2

7 Share Transfer Committee

Composition and Scope of the Share Transfer Committee

The Share transfer committee comprises the following directors:

1. Smt. Preetha Reddy
2. Shri. Rajkumar Menon and
3. Shri. Rafeeque Ahamed,

The Share Transfer Committee, constituted by the Board has been delegated powers to administer the following:-

- To effect transfer of shares
- To effect transmission of shares
- To issue duplicate share certificates as and when required; and
- To confirm demat/remat requests

The Committee, attends to share transfers and other formalities once in a fortnight

8 Independent Directors' Meeting

During the year under review, the Independent Directors met on February 14, 2015, inter alia, to discuss:

- Evaluation of the performance of the Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

III) Subsidiaries

As per the revised Clause 49 of the Stock Exchange Listing Agreement, your Company does not have any Material non-listed Subsidiary Company whose turnover or networth exceeded 20% of the consolidated turnover or networth respectively of the Company and its subsidiaries in the immediately preceding accounting year.

The Company has formulated a policy for determining Material Subsidiaries and the same has been posted on the website: www.apollohospitals.com

IV) Disclosures

(A) Related Party Transactions

There were no materially significant related party transactions, pecuniary transactions or relationships between the Company and its directors, promoters or the management that may have a potential conflict with the interests of the Company at large except the details of transactions disclosed in Notes forming part of the Accounts as required under Accounting Standard 18 of the Institute of Chartered Accountants of India, and all related party transactions are negotiated on an arms length basis.

All details relating to financial and commercial transactions, where directors may have a potential interest are provided to the Board and the interested Directors neither participate in the discussions, nor do they vote in such matters. The Audit Committee of the Company also reviews related party transactions periodically.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website.

(B) Accounting Treatment

The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and in preparation of financial statements, the Company has not adopted a treatment different from that prescribed by any Accounting Standard. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

Internal Controls

The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory / regulatory compliances. The Company has a strong monitoring and reporting process resulting in financial discipline and accountability.

(C) Proceeds of Public, Rights and Preferential Issues

During the year, the Company had not issued or allotted any equity shares.

(D) Management

The Management's Discussion and Analysis Report is appended to this report.

(E) Shareholders

(1) Disclosures regarding appointment or re-appointment of Directors

As per the Companies Act, 2013, atleast two thirds of the Board should consist of retiring Directors, of these atleast one third are required to retire every year.

Except the Chairman, Managing Director and Non Executive Independent Directors, other Directors are liable to retire by rotation as per the provisions of the Companies Act, 2013.

During the year, Smt. Preetha Reddy will retire and is eligible for re-appointment at the ensuing Annual General Meeting.

` The tenure of offices of three Executive Directors viz., Smt. Preetha Reddy as Executive Vice Chairperson, Smt. Suneeta Reddy as Managing Director and Smt. Sangita Reddy as Joint Managing Director are due for renewal on 3rd February 2016. A recommendation is being made to the members for approving their re-appointment for a further period of five years with effect from 3rd February 2016.

The detailed resumes of the above directors are provided as part of the Notice of the Annual General Meeting.

(2) Means of Communication

The unaudited quarterly/half yearly financial statements are announced within forty five days from the end of the quarter. The aforesaid financial statements are taken on record by the Board of Directors and are communicated to the Stock Exchanges where the Company's securities are listed. Once the Stock Exchanges have been intimated, these results are communicated by way of a Press Release to various new agencies/analysts and published within 48 hours in two leading daily newspapers - one in English and one in Tamil.

The audited annual results are announced within two months from the end of the last quarter as stipulated under the Listing Agreement with the Stock Exchanges. For the financial year ended 31st March 2015, the audited annual results were announced on 28th May 2015. The audited annual results are taken on record by the Board of Directors and were communicated to the Stock Exchanges where these results were communicated by way of a Press Release to various news agencies/analysts and are also published within 48 hours in two leading daily newspapers - one in English and one in Tamil. The audited financial results form a part of the Annual Report which is sent to the Shareholders prior to the Annual General Meeting.

The Company also informs by way of intimation to the Stock Exchanges all price sensitive matters or such other matters which in its opinion are material and of relevance to the shareholders.

The quarterly/half yearly and the annual results of the company are put on the Company's website www.apollohospitals.com.

Reminder to Investors: Reminders for unclaimed dividend/interest are sent to the shareholders as per records every year.

NSE Electronic Application Processing System (NEAPS) : The NEAPS is a web based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, Share capital Reconciliation Report, Secretarial Audit Report, Quarterly Financial Results and Annual Report are filed electronically on NEAPS.

SEBI Complaints Redress System (SCORES) : The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are : Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of action taken on the complaint and its current status.

(3) Investors' Grievances and Share Transfer

As mentioned earlier, the Company has a Board-level Stakeholders Relationship Committee to examine and redress shareholders and investors' complaints. The status on complaints and share transfers is reported to the Committee. The details of shares transferred and nature of complaints is provided in the Additional information to shareholders section of the Annual Report.

For matters regarding shares transferred in physical form, share certificates, dividends, change of address etc., shareholders should send in their communications to Integrated Enterprises (India) Ltd, Registrar and Share Transfer Agent. Their address is given in the section on Shareholder Information.

(4) Details of Non-Compliances

There are no non-compliances by the Company and no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

(5) General Body Meetings

The location, date and time of the Annual General Meetings held during the preceding three years are given below:

Year	Date	Venue	Time	Special Resolutions Passed
2011-2012	9th August 2012	Kamaraj Arangam, Chennai	11.00 a.m.	Payment of remuneration equivalent to 5% of the net profits of the company to Dr. Prathap C Reddy, Permanent Chairman for a period of five years with effect from 25th June 2012
2012-2013	7th August 2013	The Music Academy, Chennai	10.15 a.m.	a. Appointment of Smt.Sindoori Reddy as Vice President – Operations under the provisions of Section 314 of the Companies Act, 1956 b. Alteration of Articles of Association of the Company
2013-2014	25th August, 2014	The Music Academy, Chennai	10.30 a.m.	a. Payment of commission to Non-Executive Directors within the overall ceiling limit of 1% of net profit of the company for a period of five years with effect from 1st April, 2014 b. Maintenance of Register of Members and other statutory registers at a place other than the Registered Office of the Company c. Revision in the borrowing limits of the company upto a sum of ₹ 25,000 million. d. Mortgaging the assets of the company in favour of Financial Institutions, Banks and other lenders for securing their loans up to sum of ₹ 25,000 million. e. Acceptance of Unsecured/ secured deposits from the public and members. f. Offer / Invitation to subscribe to NCDs on a private placement basis.

(6) Postal Ballots

During the year no ordinary or special resolutions were passed by the members through Postal Ballot.

V) CEO/CFO Certification

The Managing Director and Chief Financial Officer have issued a certificate pursuant to the provisions of Clause 49 of the Listing Agreement certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate from Smt. Suneeta Reddy, Managing Director and Shri. Krishnan Akhileswaran, Chief Financial Officer was placed before the Board of Directors at their meeting held on 28th May 2015.

VI. Compliance with Corporate Governance Norms

(i) Mandatory Requirements

The Company has complied with all the mandatory requirements of Corporate Governance norms as enumerated in Clause 49 of the Listing Agreement with the Stock Exchanges.

(ii) Non-Mandatory Requirements

The status of compliance in respect of non-mandatory requirements of Clause 49 of Listing Agreement is as follows:-

1. **The Board :**

   (a) There is no Non-Executive Chairman for the Company.

2. **Shareholder Rights :**

   Details are given under the heading 'Communication to Shareholders'

3. **Audit Qualifications :**

   During the year under review, there was no audit qualification in the Company's financial statements.

4. **Reporting of Internal Auditor**

   The Company has Internal Auditors who report directly to the Audit Committee.

VII. Auditors Report on Corporate Governance

As required by Clause 49 of the Listing Agreement, the auditors' certificate is given as an annexure to the Directors Report.

General Shareholders' information

(i) AGM date, time and venue — 11th August 2015 at 10.30 a.m.
The Music Academy, New No. 168 (Old No.306)
T.T.K. Road, Chennai – 600 014

(ii) Financial Calendar

1st Quarter	1st April to 30th June
2nd Quarter	1st July to 30th September
3rd Quarter	1st October to 31st December
4th & last Quarter	1st January to 31st March

(iii) Date of Book Closure — 1st August 2015 to 11th August 2015

(iv) Dividend Payment — On or before 25th August 2015.

(v) Listing of :

(1) Equity Shares

(i) Bombay Stock Exchange Ltd (BSE)
Phiroze Jheejheebhoy Towers, Dalal Street, Mumbai 400 001
Tel :91-22-2272 1233, 1234, Fax : 91-22-2272 3353/3355
Website : www.bseindia.com

(ii) National Stock Exchange of India Limited (NSE)
Exchange Plaza, Bandra-Kurla Complex,
Bandra (E), Mumbai – 400 051
Tel : 91-22-2659 8100 - 8114 Fax : 91-22-2659 8237/38
Website : www.nseindia.com

(2) GDRs

EuroMTF of Luxembourg Stock Exchange,
BP 165 L-2011 Luxembourg
Traded at :Nasdaq – Portal Market

(3) Non Convertible Debentures — Wholesale Debt Market Segment of
National Stock Exchange of India Limited
Exchange Plaza, Bandra-Kurla, Complex, Bandra (E)
Mumbai – 400 051 Tel : 91-22-2659 8100 - 8114
Fax : 91-22-26598237/38 Website : www.nseindia.com

(4) Listing Fees — Paid for all the above stock exchanges for 2014-2015 and 2015-16.

(vi) Address of Registered Office — No. 19 Bishop Gardens, Raja Annamalaipuram,
Chennai – 600 028.

(vii) a) Stock Exchange Security Code for

(1) Equity Shares

(i) The Bombay Stock Exchange Limited, Mumbai — 508869

(ii) National Stock Exchange of India Limited, Mumbai — APOLLOHOSP

(2) GDRs

(i) Luxembourg Stock Exchange — US0376082055

(ii) Nasdaq – Portal Market — AHELYP05

(3) Non Convertible Debentures

(i) National Stock Exchange of India Limited, Mumbai — APOL 17, APOL20, APOL21, APOL28

b) Demat ISIN Numbers in NSDL & CDSL for Equity Shares: — INE437A01024

c) ISIN Numbers of GDRs — Reg. S GDRs – US0376082055
Rule 144a GDRs – US0376081065

d) ISIN Numbers of Debentures — INE437A07062, INE437A07070, INE437A07088,
INE437A07093 & INE437A07104

e) Overseas Depositary for GDRs — The Bank of New York Mellon
101 Barclay Street, 22W, New York, NY 10286

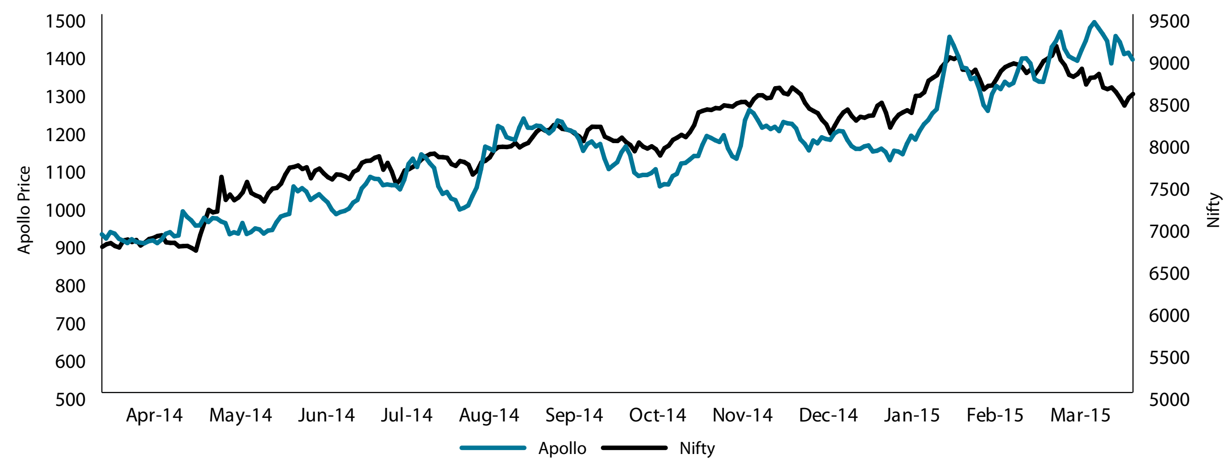
f) Domestic Custodian for GDRs — ICICI Bank Limited
Securities Markets Services, 1st Floor, Empire Complex,
414 Senapati Bapat Marg, Lower Parel, Mumbai – 400 013
Tel. +91-22-6667 2026 | Fax +91-22-6667 2779/2740

g) Trustee for Debenture Holders — Axis Trustee Services Limited
2nd floor, Axis Bank Building, Bombay Dyeing,
Pandurang Bhudkar Marg, Worli, Mumbai - 400025
Tel. +91-22- 24255212 | Fax +91-22-6667 2779/2740

VIII) Monthly High and Low quotations along with the volume of shares traded in NSE & BSE during the year 2014-15

Month	National Stock Exchange (NSE)			The Bombay Stock Exchange, (BSE)		
	High	Low	Volume	High	Low	Volume
	(₹)		Numbers	(₹)		Numbers
Apr-2014	924.00	870.85	3,008,685	925.00	875.00	170,291
May-2014	978.70	892.00	4,052,776	976.60	899.15	584,430
Jun-2014	1,044.55	910.00	3,597,939	1,042.90	910.00	301,836
Jul-2014	1,129.30	986.25	3,701,358	1,129.00	987.00	458,521
Aug-2014	1,224.05	960.10	5,475,092	1,219.55	963.00	303,258
Sep-2014	1,218.80	1,034.05	3,546,547	1,218.00	1,033.45	262,363
Oct-2014	1,150.50	1,016.05	2,332,987	1,149.90	1,022.10	170,142
Nov-2014	1,246.50	1,088.20	3,288,643	1,242.75	1,091.00	237,332
Dec-2014	1,214.85	1,062.00	3,126,282	1,215.00	1,070.35	157,808
Jan-2015	1,439.90	1,079.75	4,999,743	1,437.30	1,080.00	263,490
Feb-2015	1,383.25	1,211.00	3,316,304	1,382.00	1,213.95	216,697
Mar-2015	1,478.70	1,312.00	4,590,282	1,479.40	1,314.40	252,310

IX) Apollo Price Vs Nifty



Statutory Section

X) Registrar & Share Transfer Agent

Integrated Enterprises (India) Limited
"Kences Towers", II Floor, No.1 Ramakrishna Street, North Usman Road,
T. Nagar, Chennai – 600 017,
Tel. No.: 044 – 2814 0801, 2814 0803,
Fax No.: 044 – 2814 2479
E-mail : sureshbabu@integratedindia.in

XI) 1. Share Transfer System

Share transfer requests for shares held in physical form received by the Company are processed and the share certificates are returned within the stipulated time under the Companies Act and the listing agreement, provided that the documents received are in order and complete in all respects. Delays beyond the stipulated period were mainly due to disputes over the title to the shares.

The shares transferred (in physical form) during the year are as under.

	2014-2015	2013-2014
	(face value of ₹ 5/-)	(face value of ₹ 5/-)
Shares Transferred	469,688	83,898
Total No. of Shares as on 31st March	139,125,159	139,125,159
% on Share Capital	0.34	0.06

The Company obtains from a Company Secretary in Practice a half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with Stock Exchanges and files a copy of the certificate with the Stock Exchanges.

2) Shareholders' Services

The status on the total number of requests / complaints received during the year was as follows:

Sl. No.	Nature of Complaints/Requests	Received	Replied	Pending
1.	Change of Address	126	126	-
2.	Revalidation and issue of duplicate dividend warrants	154	154	-
3.	Share transfers	1,766	1,766	-
4.	Split of Shares	1	1	-
5.	Stop Transfers	-	-	-
6.	Change of Bank Mandate	92	92	-
7.	Correction of Name	3	3	-
8.	Dematerialisation Confirmation	495	495	-
9.	Rematerialisation of shares	19	19	-
10.	Issue of duplicate share certificates	27	27	-
11.	Transmission of shares	56	56	-
12.	General enquiry	390	390	

The Company usually attended to the investor grievances/correspondence within a period of 2 days from the date of receipt of the same during the financial year, except in cases that were constrained by disputes and legal impediments.

3) Legal Proceeding:

There are four pending cases relating to dispute over the title to shares, in which Company had been made a party. However these cases are not material in nature.

4) Change of Address, Bank Details, Nomination etc.

All the members are requested to notify immediately any changes in their address, email id, bank mandate and nomination details to the Company's Registrar and Share Transfer Agents, Integrated Enterprises (I) Limited. Members holding shares in electronic segment are requested to notify the change of address, email id, bank details, nomination etc to the depository participants (DP) with whom they maintain client accounts for effecting necessary corrections. Any intimation made to the Registrar without effecting the necessary correction with the DP cannot be updated. It is therefore necessary on the part of the shareholders to inform changes to their DPs with whom they have opened accounts.

5) Transfer of unclaimed amounts to the Investor Education and Protection Fund

During the year, the Company has transferred a sum of ₹ 2.34 million as unclaimed dividend to the Investor Education and Protection Fund pursuant to Section 125 of the Companies Act, 2013 and the Investor Education and Protection Fund (Awareness and Protection of Investor) Rules, 2001.

XII) 1) Distribution of Shareholdings as on 31st March 2015

No. of Equity Shares	Shares				Holders			
	Physical		Electronic		Physical		Electronic	
	Nos.	%	Nos.	%	Nos.	%	Nos.	%
1 - 500	895,253	0.64	1,717,795	1.23	5,835	18.00	23,399	72.19
501 - 1,000	392,792	0.28	714,698	0.51	521	1.61	935	2.88
1,001 - 2,000	423,620	0.30	677,551	0.49	249	0.77	432	1.33
2,001 - 3,000	293,394	0.21	345,845	0.25	110	0.34	135	0.42
3,001 - 4,000	314,370	0.23	336,563	0.24	88	0.27	94	0.29
4,001 - 5,000	69,454	0.05	214,297	0.15	15	0.05	46	0.14
5,001 - 10,000	640,637	0.46	827,579	0.59	80	0.25	114	0.35
10,001 - above	438,429	0.32	130,822,882	94.05	17	0.04	343	1.07
Total	3,467,949	2.49	135,657,210	97.51	6,915	21.33	25,498	78.67
Grand Total	**139,125,159**				**32,413**			

2) Categories of shareholders as on March 31, 2015

Category code	Category of Shareholder	No. of Shaerholders	Total number of shares	Percentage to total no. of shares
(A)	**Shareholding of Promoter and Promoter Group**			
1	Indian			
(a)	Individuals/ Hindu Undivided Family	21	20,550,530	14.77
(b)	Bodies Corporate	3	27,237,924	19.58
	Sub Total (A) (1)	**24**	**47,788,454**	**34.35**
	Total Shareholding of Promoter and Promoter Group	**24**	**47,788,454**	**34.35**
(B)	**Public shareholding**			
1	Institutions			
(a)	Mutual Funds/ UTI	20	358,089	0.26
(b)	Financial Institutions / Banks	9	66,155	0.05
(c)	Central Government/ State Government(s)	1	323,708	0.23
(d)	Insurance Companies	5	2,371,187	1.70
(e)	Foreign Institutional Investors	373	60,909,116	43.78
	Sub-Total (B) (1)	**408**	**64,028,255**	**46.02**
B2	**Non-institutions**			
(a)	Bodies Corporate	542	758,058	0.54
(b)	Individuals			
	i. Individual shareholders holding nominal share capital up to ₹ 1 lakh	29,822	6,151,179	4.42
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	9	1,081,818	0.78
(c)	**Any Others**			
	Trusts	14	119,820	0.09
	Directors and their relatives	6	91,606	0.07
	Foreign Nationals	2	750	0.00
	Non Resident Indians	1,046	1,422,809	1.02
	Overseas Corporate Bodies	1	16,199	0.01
	Clearing Member	78	118,773	0.09
	Hindu Undivided Families	456	119,369	0.09
	Foreign Corporate Bodies	4	16,388,979	11.78
	Sub-Total (B)(2)	**31,980**	**26,269,360**	**18.88**
(B)	**Total Public Shareholding (B)= (B)(1)+(B)(2)**	**32,388**	**90,297,615**	**64.90**
	TOTAL (A)+(B)	**32,412**	**138,086,069**	**99.25**
(C)	**Global Depository Receipts (GDRs)**			
	(1) Promoter and Promoter Group	Nil	Nil	Nil
	(2) Public	1	1,039,090	0.75
(C)	**Total Public Shareholding (C)= (C)(1)+(C)(2)**	**1**	**1,039,090**	**0.75**
	GRAND TOTAL (A)+(B)+(C)	**32,413**	**139,125,159**	**100.00**

3 Top Ten Shareholders (other than promoters) as on 31st March 2015.

S. No.	Name	No. of Shares	Percentage to total no. of shares
1	Integrated (Mauritius) Healthcare Holdings Limited	15,093,860	10.85
2	Oppenheimer Developing Markets Fund	12,086,295	8.69
3	Schroder International Selection Fund Asian Total Return	2,763,242	1.98
4	Munchener Ruckversicherungsgesellschaft Akliengesellschaft in Munchen	2,397,380	1.72
5	Life Insurance Corporation of India	2,282,806	1.64
6	Fidelity Investment Trust - Fidelity Diversified International Fund	2,227,126	1.60
7	Abu Dhabi Investment Authority	2,054,463	1.48
8	BNY Mellon Investment Funds Newton Oriental Fund	1,950,000	1.40
9	International Finance Corporation	1,290,149	0.93
10	Emerging Markets Growth Fund Inc	1,039,916	0.75
	Total	**43,185,237**	**31.04**

GDRs :

The details of high / low market prices of the GDRs at The Luxembourg Stock Exchange and Rule 144 A GDRs at Portal Market of NASDAQ during the financial year 2014-2015 are as under

Month	Reg. S			Rule 144 - A		
	High ($)	Low ($)	Closing ($)	High ($)	Low ($)	Closing ($)
Apr-2014	15.19	14.49	14.83	15.18	14.47	14.82
May-2014	16.00	15.13	15.36	16.09	15.04	15.27
Jun-2014	17.25	15.63	16.54	17.24	15.60	16.62
Jul-2014	18.64	16.46	16.74	18.29	16.46	16.70
Aug-2014	19.82	15.67	19.33	19.79	15.71	19.50
Sep-2014	19.86	17.01	18.15	19.85	17.01	18.09
Oct-2014	18.17	16.62	18.17	18.23	16.74	18.16
Nov-2014	20.04	17.90	18.79	19.98	17.88	18.78
Dec-2014	19.46	17.71	17.90	19.39	17.58	17.87
Jan-2015	23.18	17.26	21.21	23.08	17.25	21.14
Feb-2015	21.81	19.57	21.07	21.90	19.69	21.14
Mar-2015	23.14	21.40	21.88	23.11	21.37	21.80

Note : 1 GDR = 1 equity share.

XIII) 1) Dematerialization of Shares

As on 31st March 2015, 97.51% of the Company's paid up equity capital was held in dematerialized form. Trading in equity shares of the Company is permitted only in dematerialized form as per a notification issued by the Securities and Exchange Board of India (SEBI).

2) Reconciliation of Share Capital Audit Report

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

XIV)Outstanding GDRs or Warrants or any convertible instrument, conversion dates and likely impact on equity

(i) Pursuant to the resolution passed by the members in an Extraordinary General Meeting held on 24th May 2005, the Company had issued 9,000,000 Global Depositary Receipts (GDRs) and the details of GDRs issued and converted and outstanding (after adjusting the split of face value of 5/- per share) as on 31st March 2015 are given below :

Particulars		Nos.
Total GDRs issued		18,000,000
Add : Equity Shares converted into GDRs during		
2011-2012	7,689,329	
2012-2013	10,949	
2013-2014	439,944	
2014-2015	400	8,140,622
Less : GDRs converted into underlying equity shares		
2005-2006	4,415,068	
2006-2007	2,346,712	
2007-2008	1,515,600	
2008-2009	347,020	
2009-2010	49,600	
2010-2011	6,263,200	
2011-2012	5,396,660	
2012-2013	4,597,869	
2013-2014	147,449	
2014-2015	22,354	25,101,532
Outstanding GDRs as on 31st March 2015		1,039,090

There is no change in the issued equity on conversion of GDRs into equity shares.

XV) Equity Shares in the suspense account

In accordance with the requirements of Clause 5A(I) of the Listing Agreements entered into with the stock exchanges, the company transferred 425,692 unclaimed equity shares to the Unclaimed Suspense Account during the financial year 2013-14.

The list of unclaimed shares was posted in the company's website under the column "Investor Relations".

The voting rights on the shares outstanding in the suspense account as on 31st March 2015 shall remain frozen till the rightful owners of such shares claim the shares.

No. of shares lying in the Unclaimed Suspense Account as on 1st April 2014	425,692
Less: No. of shares claimed by the shareholders during the financial year	8,944
No. of shares lying in the Unclaimed Suspense Account as on 31st March 2015	416,748

XVI) Investors Correspondence

a. For queries relating to shares

Mr. Suresh Babu, Senior Vice President
Integrated Enterprises (India) Limited
"Kences Towers", II Floor,No.1 Ramakrishna Street,
North Usman Road, T. Nagar, Chennai – 600 017,
Tel. No.: 044 – 2814 0801, 2814 0803,
Fax No.: 044 – 2814 2479
E-mail : sureshbabu@integratedindia.in

b. For queries relating to dividend

Shri. L. Lakshmi Narayana Reddy
Sr. General Manager -Secretarial
Apollo Hospitals Enterprise Limited, Ali Towers,
III Floor, No. 55, Greams Road, Chennai -600 006.
Tel. No.: 044 -2829 0956, 2829 3896,
Fax No.: 044 -2829 0956,
E-mail : apolloshares@vsnl.net, lakshminarayana_r@apollohospitals.com

Designated Exclusive email-id:

The company has designated the following email-id exclusively for investor grievances/services.
investor.relations@apollohospitals.com

XVII) Hospital Complexes

Apollo Hospitals Group

Chennai

No. 21 & 24 Greams Lane, Off. Greams Road, Chennai – 600 006
Tel : 044 2829 3333/ 28290200

320 Anna Salai, Nandanam, Chennai – 600 035
Tel : 044 2433 1741, 2433 6119, 4229 1111

No. 646 T.H. Road, Tondiarpet, Chennai – 600 081
Tel : 044 2591 3333, 2591 5858

Apollo First Med Hospital, No.159 E.V.R. Periyar Salai, Chennai – 600 010. Tel : 044 2821 1111, 2821 2222

Apollo Children Hospital, 15-A Shafi Mohammed Road, Chennai – 600 006 Tel : 044 2829 8282, 2829 6262

	Apollo Royal Women's Hospital, Shafi Mohammed Road, Chennai – 600 006 Tel : 044-28296262
	New No. 6, Old No. 24, Cenotaph Road,Chennai – 600 018 Tel : 044 2433 4455
	No. 134, Mint Street, Sowcarpet, Chennai – 600 079 Tel : 044 2529 6080/84
	No.64, Vanagaram to Ambattur Main Road, Chennai-600 095 Tel :044-2653 7777
	2/319 Rajiv Gandhi Salai (OMR), Karapakkam, Chennai – 600 097 Tel : 044-24505700
	No.5/639, Old Mahabalipuram Road, Kandanchavadi, Chennai – 600 096 Tel : 044-2496 3697
Madurai	Lake View Road, K.K.Nagar, Madurai–625 020 Tel : 0452 – 2580 199/2580 892/ 893
	Apollo First Med Hospital, No.484, B-West First Street, Near District Court, KK Nagar, Madurai – 625 020
Karur	Apollo Hospital, No. 163, Allwyn Nagar, Kovai Road, Karur – 639 002. Tel. : 04324 - 241900
Karaikudi	Managiri Sukkanenthal Village, Thalakkavur Panchayat Kallal Panchayat Union, Karaikudi – 630 001 Tel.04565-223700
Tiruchirappalli	Varaganeri Village, Chennai Madurai Bypass Road, Tiruchirappalli Tel: 0431 3307777
Aragonda	Thavanampallee Mandal, Chittoor District, Andhra Pradesh – 517 129 Tel : 08573-283 220, 221, 222, 231
Hyderabad	#8-2-293/82-J-III/DH/900, Phase III - Jubilee Hills, Hyderabad – 500 033 Tel : 040-2360 7777
	H.No. 3-5-836,837 & 838 Old MLA Quarters, Hyderguda, Hyderabad – 500 029 Tel.: 040-2323 1380, 2338 8338
	Apollo Hospitals – DRDO, # 18-14, DMRL 'X' Roads, Kanchanbagh, Hyderabad – 500 058, Tel. No. 040 – 2434 2222 / 2211 / 3333
	# 22-1-25/1 & 22-1-26/1 Bhagyanagar Colony, Kukatpally, Hyderabad – 500 072 Tel. No. 040 – 2316 0039/41
	PET-CT Scan Centre, Apollo Hospitals Complex, Jubilee Hills, Hyderabad – 500 033 Tel.No. : 040-2360 7777
	H-No. 9-1-87/1, Polisetty Towers, St. Johns Road, Secunderabad – 500 003, Tel. No. 040-2771 8888
Nellore	H. No. 16-111-1133, Muthkur Road, Pinakini Nagar, Nellore – 524 004., Tel.0861 2301066/2321077
Karim Nagar	Apollo Reach Hospital, H.No.G.P.No.4-72, Subhash Nagar, Theegalgutta Pally, G.P.Arepally Rev. Village, Karim Nagar – 505 001. Tel. No.0878 220 0000
Visakapatnam	No.10-50-80 Waltair Main Road, Visakapatnam – 530 002 Tel.No.0891-272 7272, 252 9619
Kakinada	H-No. 13-1-3 Surya Rao Peta, Main Road, Kakinada – 533 001 Tel.No. 0884 – 2345 700/800/900
Mysore	Apollo BGS Hospitals, Adichunchanagiri Road, Kuvempu Nagar, Mysore – 570 023 Tel. No. 0821 – 256 6666, 256 8888
Bilaspur	Lingiyadi Village, Bilaspur – 495 001, Chattisgarh Tel : 07752–240390 /243300-02
Bhubaneswar	#251, Sainik School, Unit 15, Bhubaneswar – 751 003 Tel.0674 6661016/1066/0413
Bangalore	154/11 Bannerghatta Road, Opp. IIM, Bangalore – 560 076 Tel. No. 080-4030 4050
	#1533, 9th Main 3rd Block, Jayanagar, Bangalore - 560 011. Tel No. 080-4020 2222
	Malleeswaram, New No.1 Old No.28, Plarform Road, Seshadripuram, Bangalore - 560 020
Ahmedabad	Plot No.1A, GIDC Estate, Bhat Village,Gandhi Nagar, Gujarat – 382 428, Tel : 079-6670 1800
Kolkata	No.58, Canal Circular Road, Kolkata – 700 054, Tel : 033-2320 3040
New Delhi	Sarita Vihar, Delhi Mathura Road, New Delhi – 110 044 Tel. No. 011-2692 5858
Nashik	Swamy Narayan Nagar, Off Mumbai Agra Highway, Near Lunge Mangal Karyalaya, Panchavati, Nashik – 422 003. Tel : 0253-2510350/2510450

Other Health Centres

Woodhead Tower, No. 12 CP Ramaswamy Road
Alwarpet, Chennai – 600 018, Tel. No. 044-04672200/24988866

Apollo Heart Centre, # 156, Greams Road, Chennai – 600 006
Tel : 044 2829 6923

Apollo Medical Centre, Plot No. C-150, 6th Cross, Thillai Nagar, Trichy – 620 018
Tel. No.0431-2740864

Apollo Emergency Centre, Rajiv Gandhi International Airport, Samshabad Hospital.
Tel.:040-2400 8346

Apollo Gleneagles Clinic, 48/1F, Leela Roy Sarani, Ghariahat, Kolkata – 700 019, Tel : 033 2461 8028

City Center, 1 Tulsibaug Society, Opp. Doctor House, Ellisbridge,
Ahmedabad – 380 006 Tel. No. 079 6630 5800

Apollo Clinic, KR 28, VIP Road, Port Blair, Andaman 744 101
Tel : 03192 233550

Declaration under Clause 49 of the Listing Agreement regarding adherence to the Code of Conduct

I, Suneeta Reddy, Managing Director of the Company, hereby declare that the Board of Directors has laid down a Code of Conduct for its Board Members and Senior Management Personnel of the Company and the Board Members and Senior Management Personnel have affirmed compliance with the said code of conduct.

For **APOLLO HOSPITALS ENTERPRISE LIMITED**

Place : Chennai
Date : 28th May 2015

SUNEETA REDDY
Managing Director

Auditors' Report On Corporate Governance

To
The Members,
Apollo Hospitals Enterprise Limited

We have examined the compliance of conditions of Corporate Governance by Apollo Hospitals Enterprise Limited, for the year ended on 31st March 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

17, Bishop Wallers Avenue (West)
CIT Colony, Mylapore, Chennai – 600 004

Place : Chennai
Dated : 28th May 2015

For **M/s. S. VISWANATHAN**
Chartered Accountants

V.C. KRISHNAN
Partner

Management Discussion and Analysis

General Overview of Healthcare Services in India

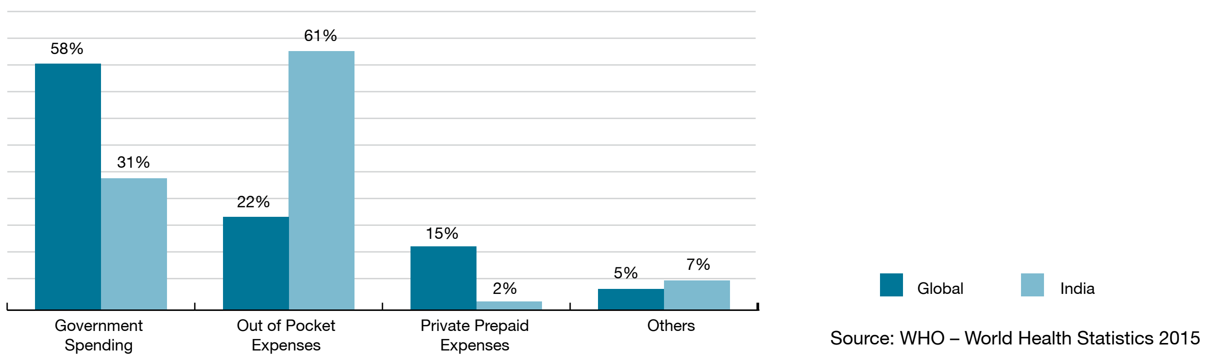
A fundamental indicator of the social and economic development of a country is the health of its population. Despite experiencing substantial economic progress over the last 25 years, India continues to rank low on many of the basic health indicators. Apart from trailing developed nations, India compares unfavourably even with its economic peers, other Asian countries and many of its neighbours.

Over the last two decades, the Government has introduced health programmes like the National Rural Health Mission (NRHM), Janani Suraksha Yojana (JSY) and the Rashtriya Swasthya Bima Yojana (RSBY) with the intention of improving the weak public health systems. To its credit, it has witnessed an improvement in certain basic health indicators such as Life Expectancy at Birth and Maternal & Infant Mortality Ratios. Further, the country's celebration of polio-free status and a reduction in HIV/AIDS have also been notable achievements.

Despite these green shoots, the public health system in India remains inadequate. Decades of low spending on the health sector has resulted in massive deficiencies in health infrastructure and a shortage of qualified healthcare providers. Public healthcare facilities do not cover the country as extensively as they should and most of them are poorly equipped and, understaffed while the few relatively better ones are overcrowded.

As a result, the private sector accounts for a majority of the total healthcare expenditure in India. While the proportion of Government expenditure on healthcare is only 31% as compared to the global average of 58%. India continues to report among the highest proportions of private investment in healthcare spending by nations across the globe. The global average for private prepaid expenses was 15% as compared to only 2% in India. A lack of a strong public healthcare delivery system and weak penetration of health insurance in the country means that there is significant Out of Pocket (OOP) expenditure on healthcare. It is estimated that the out-of-pocket spend as a proportion of total healthcare spending continues to remain elevated at about 61% in 2015 as compared to the global average of 22%.

Healthcare expenditure Composition (%) - spending driven by out of pocket components



Source: WHO – World Health Statistics 2015

Several challenges remain on the horizon and India must rapidly step up its progress on the Human Development Index by widening access to healthcare to improve the Basic Healthcare Indicators. It must meet the challenge posed by the emergence of new drug resistant forms of diseases, including some which were thought to have been controlled. The challenges are further accentuated by the rising incidence of chronic non-communicable diseases and lifestyle diseases, both physical and mental, which should be addressed immediately and effectively.

Higher healthcare spend by government; narrowing infrastructure gaps, workforce utilization and addressing the paucity of qualified doctors are critical. The Government and the private sector will need to collaborate in a close and transparent manner to deliver the health care system that India deserves. It must be recognized that healthcare initiatives have moved in the right direction and a reasonable foundation has been created from which the country should accelerate and progress towards the goal of universal healthcare for all.

The Healthcare Services Delivery Landscape in India

India's world ranking in health outcomes is quite low. It ranks in the bottom quartile for most of the basic healthcare indicators and is likely to miss a majority of the Millennium Development Goals in the target year 2015. Low public expenditure on healthcare is possibly the most important factor responsible for the persistent poor health outcomes.

Public expenditure on healthcare is 1.2% of GDP (Source: WHO World Health Statistics, 2015), and has remained stagnant for many years. Further, this limited public spending remained skewed towards curative tertiary care as against preventive, primary and secondary care. There is lack of access to clean drinking water and sanitation facilities, despite the improvements in per capita income over the years, India continues to report poor nutritional status across the general population, this has resulted in a large number of incidences of communicable and water-borne diseases. India also ranks poorly on Child and Maternal mortality rates which are indicators of a country's general medical and public health conditions.

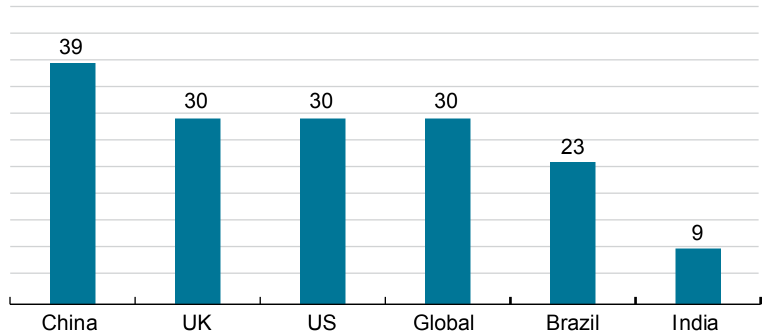
The situation would have been even more alarming had it not been for the opening up of medical care to the private sector and the voluntary sector under the Sixth Plan.

Private healthcare infrastructure thrived as it proved to be more responsive to the needs of the populace. Consequently, there was a substantial increase in scale and widening of private healthcare offerings and the continuous evolution allowed it to firmly entrench itself in the landscape.

The Government has undertaken initiatives to address the lacuna in Healthcare Accessibility and Human Development Measures. While these have met with some improvement, the increased public expenditure on these schemes have not yielded the desired results. Further, Government efforts to empower and engage communities in the planning and delivery of healthcare have also produced sporadic results. There have been attempts to leverage private sector efficiencies and capacities through Public Private Partnerships (PPPs).

Despite these efforts, significant Infrastructural gaps persist in the industry. The bed availability in India stood at 9 per 10,000 in 2012 which was significantly lower than the WHO guideline of 30 beds per 10,000 population.

Beds per 10,000 population – India lags behind other developed and emerging economies in healthcare infrastructure.

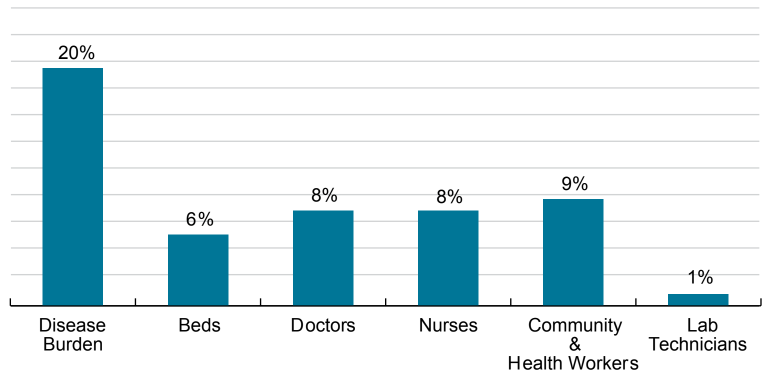


Source: WHO – World Health Statistics 2013

According to CRISIL Research, in order to meet the Global median of 30 beds per 10,000 population, India will need to invest over ₹14 trillion.

In terms of availability of medical staff, the number of doctors and nurses available for every 10,000 population was at 6.5 and 10.0 in India compared to the global average of 13.9 doctors and 29.0 nurses per 10,000 population. (Source: WHO World Health Statistics, 2013). India's share in global disease burden is 20%, while its share of healthcare infrastructure is much lower with only 6% of global beds and 8% share of doctors and nursing staff.

Healthcare Infrastructure in India



Source: FICCI and E&Y. Note: Data for India's share in world health parameters.

Comparison of India Vs other countries in healthcare infrastructure parameters

Per 10,000 population	China	India	Indonesia	Malaysia	Singapore	Thailand	Australia	USA
Health Workforce Density								
Physicians	14.6	6.5	2.0	12.0	19.2	3.0	38.5	24.2
Nurses and midwives	15.1	10.0	13.8	32.8	63.9	15.2	95.9	98.2
Dental	0.4	0.8	0.4	1.4	3.3	0.7	6.9	16.3
Infrastructure								
Hospital beds	39	9	6	18	27	21	39	30

Source: WHO – World Health Statistics 2013

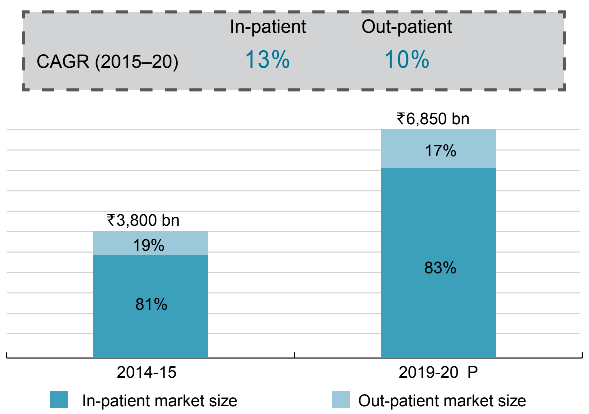
Business Review

While the public sector is vast, it is sorely underfunded and not large enough to meet the growing needs of the country. Private healthcare service providers are acknowledged to be geographically pervasive and therefore easy to access, possessing technical and managerial skills that are often not found in public hospitals, innovative and flexible in the deployment of resources and perceived to provide services of better quality with greater efficiency. The private sector is also dominant in the field of medical education as well as manufacturing of medical equipment, pharmaceuticals and provision of diagnostic services.

The growth of the private sector is expected to continue. This is due to the introduction of macro-economic policies that recognized the healthcare sector as an industry and stimulus provided for private sector investment through tax concessions, willingness of the people to pay for health services, and demand arising from a rapid increase in non-communicable diseases (NCDs).

CRISIL Research expects the healthcare delivery market to grow at a CAGR of 12 per cent and reach ₹ 6.8 trillion by 2019-20 as a change in age demographics and rising incomes, improvement in health awareness, increase in life-related ailments, rising penetration of health insurance and increasing opportunities from medical tourism will propel demand for healthcare facilities in India. It is expected that the expansion plans by major private players would be skewed towards illnesses related to the in-patient department (IPD). Hence, the share of IPD by value is expected to increase from 81 per cent in 2014-15 to 83 per cent in 2019-20. During the same period, average cost for IPD treatments are forecast to increase at nearly 8 per cent CAGR.

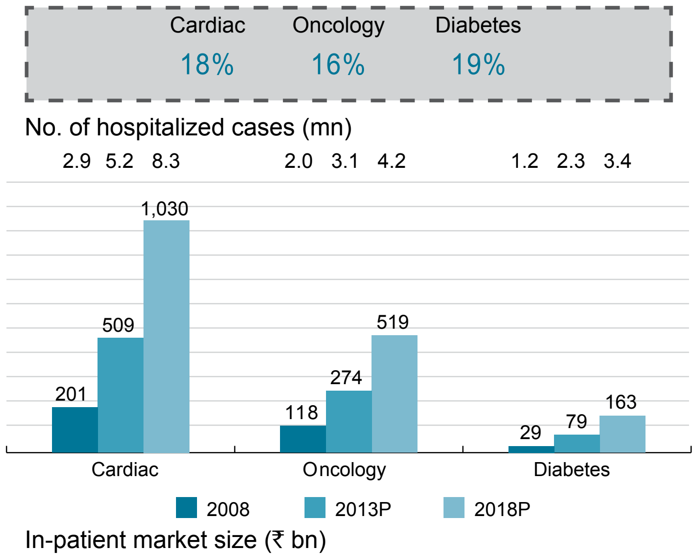
Indian Healthcare services market – Growth in Indian healthcare services to be driven by in-patient based facilities



Source: CRISIL Research

Demand for life diseases-related healthcare services is expected to grow over the next 5 years. Life-related illnesses or non-communicable diseases (NCDs) have been increasing rapidly in India over the last few years. Statistics show that these illnesses accounted for nearly 56 per cent of all deaths in India in 2008. CRISIL Research believes that these illnesses exhibit a tendency to increase in tandem with rising income levels. With the share of households earning above ₹ 5 lakh per annum expected to go up to 20 per cent in 2017-18 from 13 per cent in 2013-14, the share of NCDs as a major cause of deaths in India will rise. Consequently, demand for healthcare services associated with life-related diseases such as cardiac ailments, oncology, diabetes, etc is also forecast to increase.

Indian Healthcare services market – Increase in-patient volumes due to non-communicable life style diseases



Source: CRISIL Research

Key Characteristics

The healthcare industry is expected to continue to expand rapidly in the near future. This is due to the prevalence of favourable dynamics which are expected to sustain the demand for healthcare. The industry in India is characterized by the following.

Inadequate Public Infrastructure

In several countries, especially those in the developed world, Healthcare delivery is a primary responsibility of the State and public healthcare systems (PHS) are the primary choice for most people. However, in India, the public healthcare infrastructure is woefully inadequate. Most of the facilities that exist are poorly equipped, and understaffed, while those that are of a reasonable standard are overcrowded. This has facilitated the rise of the private sector which for most citizens is the only realistic choice.

Dual Burden of Disease

India faces a dual burden of disease. While it has a reasonable track record in infectious diseases, many communicable diseases such as dengue, tuberculosis, malaria, pneumonia which were considered to be under control are occurring once again and in drug-resistant forms. This is attributed to inferior quality housing, poor water supply, bad sewage and waste management, poor public infrastructure and weak public health systems. Alongside this, the burden of non-communicable diseases (NCDs) which are caused by poor dietary patterns and a sedentary lifestyle, is reaching alarming proportions in India.

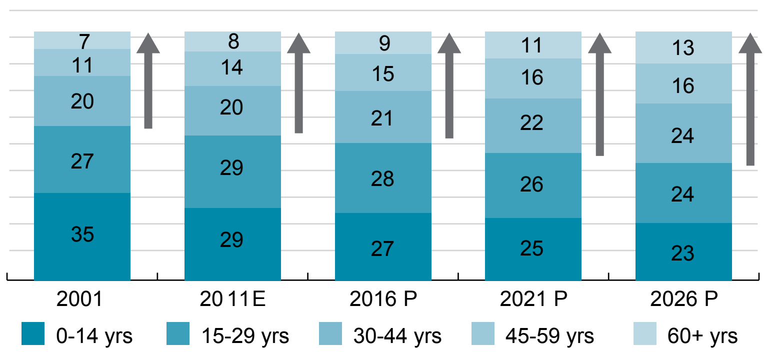
Focus on Curative Healthcare

There has been a skew towards curative care with a lesser focus on preventive healthcare and primary and secondary care. This has been exacerbated by the general neglect of basic discipline and good habits in lifestyle and dietary patterns of the populace.

Population growth, demographics & rising per capita income

India is the second most populated country in the world and is expected to surpass China to become the world's most populated nation by 2025. India is faced with the dual challenge of making good the current deficiency in healthcare infrastructure as well as planning for future requirements. While it is considered as a country with a large proportion of population below the age of 30, India is also expected to have a significant population of middle-aged and older adults, leading to a corresponding increase in demand for healthcare delivery systems and services. Nearly 8 per cent of the Indian population was above the age of 60 years in 2011. This proportion is expected to climb to 12.5 per cent by 2026, but there is no documented knowledge base on the healthcare needs of the elderly (aged 60 years or more). As per the 'Report on the status of elderly in select states of India, 2011' (covering Himachal Pradesh, Kerala, Maharashtra, Odisha, Punjab, West Bengal and Tamil Nadu) published by the United Nations Population Fund (UNFPA) in November 2012, chronic ailments like arthritis, hypertension, diabetes, asthma and heart diseases were common place among the elderly. Nearly 66 per cent of the elderly reported 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 for contracting arthritis, hypertension and osteoporosis. CRISIL Research, therefore, believes that with more and more people being added to this age group, the demand for healthcare infrastructure in India will only surge in the future.

India: Demographic shift (% of population by age group) - population between ages 45 and 60 from 22% in 2011 to a projected 29% in 2026



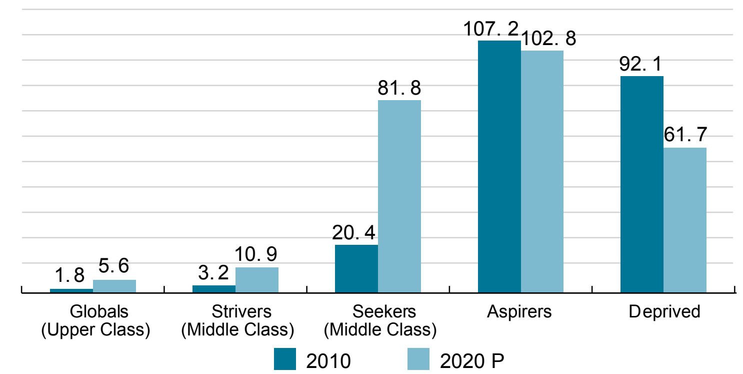
Source: CRISIL Research

Rising per capita income has improved affordability of healthcare and significantly expanded the addressable market for private healthcare providers. This has led to an increase in the standards of consumer awareness and patients are now demanding and willing to pay for better infrastructure, improved diagnostic facilities, latest technology and best-in-class medical care.

Even though healthcare is considered as a non-discretionary expense, considering that an estimated 59 per cent of households in India had an annual income of less than ₹ 2 lakh in 2013-14, affordability of quality healthcare facilities remains a major constraint. Growth in household, and consequently, disposable incomes, is, therefore, critical to the overall growth in demand for healthcare delivery services in India. But, CRISIL Research believes the immense opportunity in the industry can be gauged from the fact that the share of households in the ₹ 2-5 lakh per annum income bracket is expected to go up to 38 per cent in 2017-18 from 28 per cent in 2013-14.

In a different research conducted by Mckinsey on burgeoning middle class households they have inferred that rising income levels in India have contributed to a middle class bulge. The number of middle / upper income households is expected to increase 4 fold between 2010 & 2020.

Burgeoning middle class households (in million) – Increasing income levels have contributed to a middle class bulge



Source: McKinsey Global Institute

Emergence of Medical Value Travel & Accreditation of facilities

Increased globalization and faster flow of information has broken traditional barriers and transformed the world into a global marketplace. From the comfort of their own homes patients can now evaluate healthcare institutions across the globe by assessing clinical outcomes, evaluate physician success rates and compare healthcare costs at facilities in all corners of the world. This has led to a sharp growth in the number of people who travel to undergo medical procedures giving rise to the term Medical Value Travel. Healthcare service providers have now realized that their potential market has widened considerably and hence adopt global accreditation standards which help to improve their standing and profile in the global marketplace.

Disparity in Health Infrastructure between urban and rural areas

The progress made by private healthcare service providers in the last few years has been largely concentrated in urban areas. These areas are now home to a wide variety of facilities offering single specialty, multi-specialty, primary care, quaternary care as well as value added services and personalized offerings. These urban markets cater to local residents as well as international medical value travelers. Thus there is a vast disparity in offerings between the metros and urban centres vis-a-vis the semi-urban and rural areas in the country.

Evolving Business Models

Intensifying competition and the ever increasing cost of resources have greatly encouraged innovation in the healthcare industry. While healthcare delivery has traditionally been a standalone hospital offering all services under one roof, the last two decades have seen the emergence of private hospital chains, single specialty chains and boutique healthcare centres. It is now common for healthcare service providers to focus on a single specialization such as eye care, orthopedics, cardiac care and maternity. These business models have proven effective in increasing efficiencies through higher volumes resulting in reduced costs while delivering comparable quality standards and success rates. Touch points have also multiplied with all encompassing hospitals at one single location being replaced by multiple interface points such as Standalone clinics, diagnostic centres and pharmacies. At the other end of the spectrum, integrated healthcare delivery centres like Medicities are also emerging as viable business models in the Indian healthcare services industry.

Increased Deployment of Private Capital

The long-term growth potential of the healthcare industry in India has never been in doubt. However, investors have been deterred by the track record of high capital intensity and elongated gestation periods. In recent years, steps to moderate capital intensity such as leasing of premises, franchising, operating and management contracts, etc. have helped to somewhat mitigate such concerns. Further, innovative delivery models and value added services have led to increased capital efficiency and improved asset turns. This has resulted in multi-faceted growth in the healthcare industry and resulted in a notable increase in capital invested into the industry.

Standalone Pharmacies

Standalone pharmacies are a substantial distribution channel for pharmaceuticals, dispensing a majority of retail prescriptions. The Industry continues to be highly fragmented in nature due to the overwhelming presence of the unorganized segment or stand-alone units. Independent units enjoy a comprehensive presence across the country as they have a first mover advantage. It is only in recent years that the organized segment has emerged largely through chains of standalone pharmacy stores. These are yet to represent a large share of the market; although their presence has increased meaningfully in recent years.

It is estimated that there are approximately 800,000 pharmacies in India today with about 60,000 distributors. In value terms, the size of the total pharmacy retail market is estimated to be between ₹ 750 – ₹ 800 billion. Out of this, the organised market accounts for approximately ₹ 30 billion or under 5% of the overall market.

Organized players are gaining increased acceptability amongst the Indian consumers and have been gradually raising their market share. With a specialized focus on the quality of retail services they have brought to the fore customer centricity. A professional focus and novelties like Loyalty schemes, discouraging spurious drugs, tele-consultation services, private labels and value added services such as basic diagnostics and offering health insurance plans have been well appreciated and consumed. New and improved retail formats, better Warehousing and supply chain infrastructure, digitizing of prescriptions are some of the new trends being driven by the organized players.

New drug price control legislation, which put a ceiling on prices of some essential medicines, have compressed profitability. Consolidation is an emerging theme in the Standalone pharmacy industry. Large organized players with superior scale of operations and a healthy mix of sales from prescription drugs and wellness products including private labels has been the beneficiary of this trend. These mergers have created discussion around what impact consolidation will have on the health care system efficiency, access, and costs.

The sector is still developing and needs sustainable solutions to address challenges such as inefficient distribution and supply chains, counterfeit and spurious drugs, shortage of trained and qualified manpower, increased competition from international players and the prohibitive cost of real estate.

Nevertheless, the levers supporting exponential growth in Standalone pharmacies continue to strengthen. Rising urbanization, increase in lifestyle diseases and focus on preventive care offer a tremendous long-term opportunity. The sector is developing rapidly with the advent of International players and heightened interest from large domestic players, resulting in sharper focus on scale, innovation, benchmark practices and rationalized cost regimes.

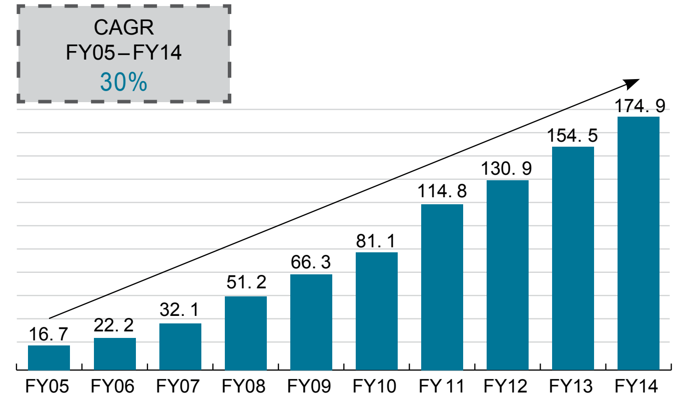
Health Insurance

Post liberalization, the insurance industry recorded significant growth with the number of private players significantly increasing. For the purpose of regulation, health insurance companies are classified as non-life companies. 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 continues to remain an issue. As per the Insurance Regulatory and Development Authority (IRDA), nearly 216 million people have health insurance coverage in India (as of 2013-14), accounting for only 17 per cent of the total population.

Despite the country's slowdown, the annual growth in premiums of the non-life insurance sector was a healthy 9% for 2014-15. Health insurance's annual premium collections were over ₹ 200 billion. (Source: data published by GI Council)

While low penetration is a key concern, it also presents a huge opportunity for the growth of the healthcare delivery industry in India. This is evident from the fact that between 2011-12 and 2013-14, the total number of commercial health insurance policies in India increased at a CAGR of nearly 10 per cent while the premiums increased at nearly 16 per cent. With the health insurance coverage in India set to increase, hospitalisation 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. (Source: IRDA annual reports).

Growth in Insurance premiums – rising health insurance premium with rising income levels and awareness (₹ bn)



Source: CRISIL Research

Due to the public sector monopoly for nearly 5 decades, the majority market share in the health insurance industry continues to be dominated by four public sector entities (National, New India, Oriental, and United India) who together have above 60% market share. The rest of the share is with 22 private sector players including the standalone health insurance players.

The insurance penetration level in India is very low when compared with the global average. Over 80% of health financing continues to be from private financing, much of which is out of pocket payments and employer funding. Prima facie it seems that there is significant scope for health insurance to grow further. However, there are several consumer biases which will take time to overcome.

The Industry has also shown signs of maturing as the overall service levels and customer management standards are improving. The industry has been stimulated by product innovation, vibrant distribution channels, coupled with targeted publicity and promotional campaigns by the insurers. Customers are more conscious of the benefits of insurance and its importance for a secure future. The introduction of health insurance portability has offered more convenience to customers and has enhanced competition in the industry.

Co-ordination by the IRDA to address sustained losses in the industry by permitting revision in premiums and allowing for negotiation with hospitals has helped to improve the financial position of the industry. Enabling a higher cap on FDI limit has also brought in increased participation and know-how. This is expected to spur further innovation and encourage introduction of customer friendly products which will pave the way for sustained growth in the years ahead.

Evolving Healthcare Ecosystem

The Indian healthcare system ecosystem is undergoing significant transformation, in line with global trends. While the traditional hospitalization model remains the dominant healthcare services delivery model in the ecosystem, there has been a proliferation of daycare and short stay centres, maternity centres and home healthcare offerings. New technology and improved processes are driving large volumes of basic treatments, corrective procedures and surgeries of low complexity out of the confines of the traditional hospital environment.

The affordability and accessibility challenges in the Indian healthcare ecosystem have encouraged the establishment of new models of healthcare delivery which are largely focused outside the traditional hospital space. These new formats are able to handle the constraints such as high cost of real estate and unavailability, elongated procedural and regulatory processes, multiple permissions being required etc. which drive up the set up costs and extend the gestation period.

The innovation of specialized and newer formats of healthcare delivery is also driven by demographical and lifestyle changes coupled with altering disease profiles. Patients prefer treatments which allow for shorter hospital stays, larger volumes of elective or voluntary surgeries are carried out, nuclear families and working spouses have altered family equations, leaving little time and energy for personalized healthcare. In addition, new technologies such as Minimally Invasive surgeries and Robotics have transformed the physical impact and tissue trauma of several procedures thereby shortening recovery times and enabling patients to be discharged earlier.

There has been a proliferation of dental chains, maternity centres, institutions focused on short stay and daycare surgeries, specialized healthcare institutions focusing on a single line of treatment such as eye care, cardiac care, diabetes, etc. The home healthcare space covering post hospitalization recovery, physiotherapy and geriatric care has also witnessed increased interest from organized and professional healthcare institutions.

These trends only bode well for the healthcare ecosystem in India as it will widen and deepen offerings to enable greater access to healthcare. A key challenge for these formats which are skewed towards primary care will be to integrate with the traditional formats of healthcare delivery to ensure that patient-centricity remains paramount and that high complexity cases are addressed both in a timely and appropriate manner.

SWOT Analysis

Strengths

Brand Value: The “Apollo” Brand is recognized as a strong brand in the healthcare sector in India. The benefits of this recognition translate into making us the preferred choice of patients and medical professionals alike, ability to appropriately price the healthcare services, sustained marketing benefits and a head start in footfalls at new facilities.

Integrated Healthcare Delivery Model: Through our presence in various initiatives across the healthcare services delivery chain, we believe that we have a competitive advantage and are able to benefit from the following:

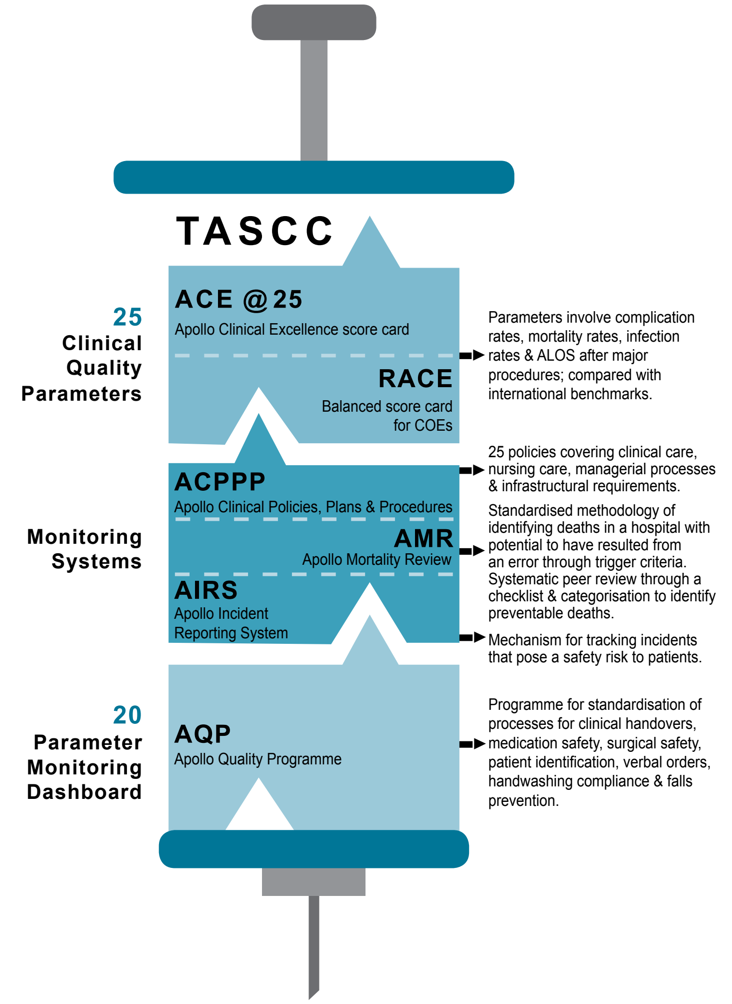
- Pan-India presence across healthcare formats such as primary clinics, telemedicine, pharmacies and retail healthcare facilitates multiple touch points and ensures a larger number of patient footfalls into our hospitals.
- Captive market to cross sell businesses of pharmacies, health insurance and self-branded products.
- Ability to participate in a wider share of the patient treatment cycle from insurance coverage to diagnostics to hospitalization and supply of medicines.
- Access to qualified and trained medical resources through our educational initiatives

Scale: Our network of 55 hospitals, 1,822 pharmacies and over 100 clinics and retail healthcare centres provide us with the following benefits:

- Cost efficiencies through sharing of managerial and clinical resources;
- Economies of scale and competitive prices from our suppliers and service providers due to centralized purchasing;
- Ability to set up new hospitals without significantly impacting operating performance

Focus on Clinical Excellence: We are highly focused on clinical excellence. We have systems and procedures which frequently monitor key metrics and we enjoy high success rates and clinical outcomes especially for complex and high-end medical procedures. With 6 JCI accredited facilities, we have the largest number of global accreditations for any single healthcare group in Asia. We also have 14 facilities which are accredited by NABH. Further, 4,334 of our 6,321 operating beds are over 5 years old which indicates the strength and maturity of the business.

TASCC – The Apollo Standards of Clinical Care – We benchmark our practices with the best hospitals in the world to ensure the highest quality clinical standards



Arrangements with Doctors/ Medical Personnel: We are able to attract senior medical professionals as we offer them a 'fee for service' arrangement which provides them the professional comfort and freedom to deliver optimal performance. Many of our doctors are prominent within their chosen specializations – which furthers the attractiveness of our network. Our training establishments provide us with an abundant number of newly qualified medical personnel which can otherwise be a serious constraint to growth and efficiency.

Professional Management team with rich industry experience: Our management team comprises senior professionals with rich industry experience and a proven track record. The appropriate blend of doctors as well as qualified professionals for key functions has enabled the company to balance excellence with growth.

Pioneer in leveraging Technology: We have been a pioneer in adopting cutting edge technology to elevate treatment quality and clinical standards in India. From introducing the first MRI machine in the country to our initiatives in the areas of Robotics, Minimally invasive surgery, telemedicine, paperless hospitals, e-ICU and the first Proton for the regions of Asia, Africa and Australia, Apollo has consistently been at the forefront of technology based treatment in India. This has been a key enabler for maintaining high clinical standards, helping to attract renowned doctors from India and abroad and in improving overall efficiency.

Weaknesses

High Resource Intensity: The healthcare services delivery business requires deployment of significant amount of resources which are either costly or scarce or both. The upfront investment to set up a hospital is high as the 'per bed' cost to set up a tertiary hospital in an urban area can be upwards of ₹ 10 million per bed. Once operational, hospitals are highly labour intensive. Skilled manpower includes doctors, nurses and para-medical staff comprising lab-technicians, radiographers and therapists all of whom are in short supply in India. The overall requirement for resources makes it challenging to set up and profitably run a hospital in India.

Long gestation period: Apart from the significant upfront capital outlay on land, building and medical equipment required at the time of setting up a hospital, operating costs are also high. Though there are exceptions, the average maturity time frame for a facility to turn net income positive is approximately 4-5 years. Inability to scale up occupancy in new facilities could adversely affect our operating efficiencies and our profitability. This also explains why the Company has historically preferred equity funding. The establishment of facilities which are now mature and generating positive cash flows has improved the Company's ability to service debt capital.

Unsystematic Regulatory Structure: There are over 80 licenses and approvals required to set up a hospital. There are multiple rules and regulations to adhere to even in the case of day to day occurrences like importing medical equipment, setting up parking facilities at hospitals or adding or reducing staff. The lack of co-ordination between various regulatory departments and absence of proactive and forward looking regulation has resulted in loss of some potential opportunity for the healthcare sector.

Scarcity of Human Resources: The hospitals business is labour intensive and the quality of doctors and supporting healthcare professionals critical for the quality and efficiency of the business. Top quality doctors and medical personnel are a finite resource and these professionals enjoy abundant opportunities in the form of entrepreneurial ventures, independent practice as well as competing offers from other service providers in India and abroad. Our continued performance and growth substantially depends on our ability to attract and retain the best of medical professionals.

Obsolescence of medical equipment: We use the latest treatment technologies in our hospitals to provide top quality healthcare services. Due to the extent of global research and development into healthcare and frequent product improvements and evolving technology, the rate of obsolescence of medical equipment is high.

Heterogeneous Markets: Healthcare is an extremely dynamic industry and there are different requirements even in markets which are reasonably proximate. Every market has a unique set of circumstances with variance in demographics, disease profiles, customer attitudes, seasonal variations, price sensitivity and so on. Even hospitals in two different cities in the same state will not be subject to identical operating circumstances. This requires a higher degree of customization and increases the level of monitoring required.

Complex business model: The hospital business is not a 'plug and play' business by any standard. Merely having all of the necessary resources is not a guarantee to success. Due to the complexities involved, significant management overview is required in sustaining clinical standards, balancing case mix, ensuring adequate volumes and regularly upgrading technology. In addition, there is a high level of doctor interaction combined with multiple operating metrics to monitor and analyse. The operating environment is dynamic organizations need to be responsive and appropriately react to the ongoing challenges.

Opportunities

Growing Population and changing demographics: India is expected to see continued growth in its population which will increase absolute demand for healthcare. It will also be home to an increasing number of middle-aged and elderly people where the need for healthcare services is acute.

Change in disease profile: India is on path to be the cancer, diabetes and heart disease capital in the world. The increasing incidence of NCDs is an outcome of changing dietary patterns and alterations in lifestyle caused by rising per capita income. This rising burden of non-communicable disease is a humongous challenge that Indian healthcare service providers will need to address.

Disparity between Urban and non-urban areas: There is a world of difference between the quality of healthcare services available in urban areas and in non-urban areas. Patients in non-urban areas have the ability and the willingness to pay for good quality healthcare services and many of them end up travelling to urban areas for appropriate treatment. Healthcare service providers who are able to offer services of the desired quality in these areas will benefit from a ready marketplace for their services.

Increase in demand for elective surgeries: Given steady increases in disposable incomes and growing health awareness, there has been a manifold expansion in demand for elective or planned surgeries. Patients are now willing to undergo discretionary treatments and healthcare procedures where the goal is to enhance health and quality of life. These procedures are known as electives as patient can 'elect' to undergo these treatments. We intend to concentrate on this market and build a strong presence in this segment.

Medical Value Travel: Due to the escalating costs of healthcare services in developed countries and the emergence of high quality healthcare services in emerging regions there has been an increasing prevalence of medical value travel. In addition to regional peers like Singapore, Malaysia and Thailand, India is fast emerging as a preferred destination due to high clinical success rates, top quality medical professionals; rapid adoption of technology and increasing number of globally accredited facilities. However, the opportunity is large and the country will need to improve procedural efficiency and enhance marketing of services to garner a sizeable share.

High number of under-performing facilities in India: There are several healthcare facilities which have been set up across the country that are languishing due to inability to attract enough patients and, top quality medical professionals, invest in latest equipment and technology and have ineffective marketing strategies. This can be an opportunity for service providers who can address these deficiencies.

Threats

Intense competition: The increasing propensity for entrepreneurs and business houses to enter into the healthcare business has led to a situation where a number of greenfield facilities have been set up apart from Joint ventures and acquisitions in the healthcare space .There are even pockets of over-capacity in some cities. In order to make these ventures succeed, there is a possibility that some of these ventures may resort to unsustainable pricing to gain market share.

Increasing cost of resources: The emergence of several domestic hospital chains combined with the entry of international players has led to an increasing number of competitors chasing finite resources. A failure to acquire resources such as land and attract medical professionals at reasonable costs will impact the ability to suitably grow and expand our operations. Further, increases in operating costs can result in an undesirable impact on the Company's results of operations and financial condition.

Discontinuation of leases: Lands on which some of our hospital buildings and stand-alone pharmacies are operating on are not owned by us. In the event of these leased properties not being renewed in our favour or on terms that are not favourable to us, our business operations may suffer disruptions.

Withdrawal of tax incentives: Since fiscal 2011, we have benefited from the tax deduction given in respect of capital expenditure incurred on setting up new hospital projects. The resultant deferment of tax has helped to improve our immediate cash flows allowing us more resources to fund growth. Any withdrawal of tax incentives or increase in corporate tax rates will result in reduced profits.

Increased Regional Competition: Several countries in the Asia-Pacific region have woken up to the opportunity to attract Medical Tourists from the Middle East and Africa. These countries are providing incentives to domestic service providers in the form of subsidized capital, ease in permissions and tax benefits. Further, due to better quality of infrastructure and simplified visa norms, they are poised to grab a larger share of the opportunity. Indian Healthcare providers will need to market themselves more aggressively while the Government will need to respond rapidly to enhance the country's competitiveness to ensure it gets its fair share of opportunities.

Industry Outlook / Prospects

Looking ahead, the healthcare sector is expected to be at the core of the Indian economy with a meaningful contribution to GDP growth. The structural theme supporting the growth of healthcare remains intact with rising income levels, ageing population, growing health awareness and changing attitudes towards preventive healthcare.

However, a number of challenges remain ahead. In addition to the shortage and the inequitable distribution of health infrastructure across the country, the sector will need to tackle the shortage of doctors as well as the growing burden of lifestyle diseases. Ensuring investments for introducing the latest medical technologies and a strong and supportive regulatory framework are other critical hurdles to be crossed.

To improve the overall healthcare map of India, huge investments would be required. Mobilizing a capital spending of this order for capacity building is neither possible for the Government nor for the private sector if they work in isolation. Uniquely tailored solutions will be needed as current level of investments from the Government, Private sector or PPP model while helping the sector to progress will not serve the long-term requirements.

Optimal utilization of underutilized Government infrastructure, incentivizing capital flows into the sector and leveraging on technology to reduce intensity of physical infrastructure are some of the options under consideration.

It is likely that private players will continue to upgrade their skills and the overall healthcare market will be divided into sub-markets based on geographic location, complexity of care and economic strata of population being serviced.

Company Overview

Apollo Hospitals was founded by Dr. Prathap C. Reddy in 1979. It was listed on the BSE in 1983 and on the NSE in 1996. The first hospital was launched at Chennai in 1983. Now, as Asia largest and most trusted healthcare group, its presence includes over 9,200 beds across 55 Hospitals, 1,822 Pharmacies, over 100 primary care & diagnostic clinics, over 150 telemedicine units across 17 countries, health insurance services, global projects consultancy, 15 academic institutions and a Research Foundation with a focus on global clinical trials, epidemiological studies, stem-cell and genetic research.

We are headquartered in Chennai and our diversified operations include multiple subsidiaries, joint ventures and associates. We have large hospital clusters in Chennai and Hyderabad and have established landmark hospitals in Delhi, Bengaluru, Kolkata, Ahmedabad, Pune, Bhubaneshwar, Madurai and Mysore. International operations comprise operating and management contracts in Hospitals in Bangladesh, Kuwait and Africa as well as telemedicine units in Burma and East & West Africa.

Our healthcare facilities comprise a mix of primary, secondary, and tertiary care facilities. The tertiary care hospitals in the network provide advanced levels of care in over 50 specialties, including cardiac sciences, oncology, neurosciences, critical care, orthopedics, radiology, gastroenterology, and transplants. In addition, we are increasingly focusing on technology based treatment areas such as minimally invasive surgery, robotics and high-end solutions for cancer.

In addition to existing operations, the Group has several initiatives in progress such as setting up of the Proton Therapy Centre in Chennai. This will be the first of its kind in the Southern Hemisphere and is well placed to offer advanced oncology therapy to a combined population of over 3.5 billion people in Asia, Africa and Australia. It is also expanding its network of Retail Healthcare Centres including Short stay and Day Care surgery Centres, Diabetes Management, Dental Clinics and Lifestyle Birthing Centres. Significant efforts are also underway to integrate cutting edge technologies and innovative systems such as Paperless Hospitals, Tele-radiology, homecare services, wearable devices and personalized medicine into mainstream offerings.

Healthcare Services

Our Healthcare services segment consists of hospitals, hospital-based pharmacies and projects and consultancy services.

Hospitals

As of March 31, 2015 we had a capacity of 9,215 beds in 55 hospitals located in India and overseas. Of the 9,215 beds, 7,207 beds are in 44 hospitals owned by us and 2,008 beds are in 11 hospitals under our management through operations and management contracts

	31.03.2015	31.03.2014
Number of owned hospitals at end of period	44	39
Number of owned beds at end of period	7,207	6,684
Number of operating beds at end of period	6,321	5,811
In-patient discharges	353,547	331,678
Adjusted discharges	498,134	459,588
Average length of stay (days)	4.43	4.54
Average daily census	4,294	4,126
Bed occupancy rate (%)	68%	71%
Average revenue per occupied bed per day	25,381	23,684

Clinical Excellence

Clinical Excellence is the edifice around which our healthcare operations are structured. The Apollo Hospitals group has set the highest standards of clinical outcomes in various specialties and strives to meet or surpass these standards. In the process it has developed an enviable track record of clinical excellence.

In order to ensure sustainable clinical outcomes the Company follows an internal quality management process known as the “Apollo Clinical Excellence” program which is referred to as “ACE @ 25”. This has been implemented across the entire network of hospitals. ACE @ 25 assesses performance based on 25 clinical parameters which are critical to delivering the very best clinical outcomes. In order to enhance standards even further, the Company has introduced the Rocket ACE program which covers an additional 25 parameters leading to an advanced clinical performance assessment model for key focus areas. These parameters are frequently monitored and even minor deviations are addressed immediately.

Due to this steadfast focus on Clinical Excellence, the Group has an impeccable track record and high success rates even in surgeries of high complexity such as transplants, cardiac care and oncology. This unwavering focus on clinical excellence enables Apollo Hospitals to continuously assess the quality of care provided to patients and allows it to objectively measure the consistency and success of healthcare delivery services.

Accreditations

Technology has removed traditional barriers to global trade and transformed the mindsets of consumers. Today, patients can evaluate healthcare facilities across the globe when selecting a service provider. These are evaluated on the basis of cost and value, patient centric approach and clinical success rates. Due to an increase in global evaluation and benchmarking, Healthcare Service Providers are increasingly opting for global accreditation to showcase the quality of care and to reassure patients that healthcare processes and protocols are in line with global best practices.

Six of our hospitals have received accreditations from the Joint Commission International, USA (“JCI”) for meeting international healthcare quality standards for patient care and management. JCI is the world’s premier accreditation body for evaluation of healthcare facilities. Our Hospitals at Chennai, Bengaluru, Delhi, Dhaka, Hyderabad and Kolkata have the accreditation.

In developing countries like India, where health services are delivered mainly through private health providers, regulation is a vital instrument and function of government policy. To that end, the government has set up the National Accreditation Board for Hospitals & Healthcare Providers (“NABH”) to establish and operate accreditation programmes for healthcare organisations in India. It is a constituent board of the Quality Control of India.

Fourteen of our hospitals including Apollo Specialty Hospitals in Madurai, Chennai, Ahmedabad, Noida and Secunderabad have received accreditations from NABH.

Strategy

The Company remains focused on growth with the objective of simultaneously improving operating efficiencies and clinical outcomes. We aim to achieve this through :

Developing additional Healthcare Delivery Capacity in India: The principal focus of the Company continues to be delivery of healthcare services in India. We have a two pronged strategy on growing our Healthcare services business. Under our cluster strategy for expansion, our aim is to ensure that there is continued dominance in the key existing regions of Chennai, Bengaluru, Kolkata, Hyderabad, Delhi and Ahmedabad. We also plan to enter into metros like Mumbai and large cities like Pune with no existing presence thereby reaching to a wider urban population.

We also seek to grow laterally in high potential tier II cities thorough REACH Hospitals.

Under both our strategies above we are open to inorganic growth through mergers, acquisitions including acquiring a majority stake in attractive newer markets.

Increasing patient touch points by way of multiple formats: We aim to increase our presence and reach across all markets through our retail healthcare subsidiary – AHLL. We recognize the necessity of and have made concerted efforts to build additional formats for healthcare services delivery through this subsidiary which includes primary clinics, lifestyle birthing centers, sugar clinics & short stay surgery centers. We additionally have a strong presence in Standalone pharmacies, health insurance, medical education, telemedicine and projects & consultancy services. We have covered the entire spectrum of the healthcare services business enabling higher points of interactions with patients, better brand equity and referrals into our main hospitals.

Emphasis on high acuity cases: The Indian healthcare services market is of significant size as well as variety presenting opportunities as well as challenges. Limited resources inhibit our ability to pursue all available opportunities and hence we have listed out focus areas referred to internally as “Centers of Excellence”, where we believe we can optimize efforts and value. So the chief areas of focus for our tertiary care hospitals comprise of cardiology, oncology, neurology, critical care, orthopedics and transplants. We aim to gain significant market share in each of the key specialties by setting benchmark standards in clinical outcomes, technology and practices in the above mentioned specialties. We have also invested significant resources to develop robotic surgery capabilities. We believe that it is crucial to treat higher volumes of high acuity cases at our facilities to maximize our productivity in the healthcare services market.

Hub and Spoke Model: As stated above we have set up a network of Clinics, REACH Hospitals, pharmacies and telemedicine units. All these centres act as the primary touch point for patients. As setting up of these facilities is significantly less resource intensive vis-à-vis a secondary or tertiary care facilities, we can apply different strategies when adding such facilities either in urban centres or semi-urban centres. These centres offer basic healthcare services and refer any high acuity cases back to the main hospitals. These facilities act as spokes and contribute to increased volumes of the entire network including the tertiary healthcare facilities. Similarly, we are executing plans to enhance Outpatient Departments and add daycare centres to shift non-critical treatments to these facilities which will allow a larger proportion of capacity at existing hospitals to focus on high end tertiary care.

The recent acquisition of Nova Specialty Hospitals having 11 centers in 8 cities across India allows us to enter the markets of Mumbai, Jaipur and Kanpur. These centres are designed to provide convenient facilities for patients to undergo planned surgeries. In addition, the service offerings in these centres would be strengthened by introducing Apollo's Preventive Health Checks and Apollo Sugar Clinics.

Strong Doctor engagement and use of technology: Our Doctor engagement model and clinical focus has been our core. We will further strengthen this model by building group practice in key specialties with combination of incentives based on revenue share and profit share. We continue to introduce cutting-edge technology in all our operations, we have been able to enhance clinical outcomes, reduce ALOS and optimize value while improving the patient care experience. In line with our innovation agenda we will continue to focus on initiatives such as Minimally Invasive Surgeries, Robotics and Proton Cancer Therapy amongst others.

Optimisation of asset utilisation in mature facilities and Compressing time-to-maturity of new facilities: We have specific plans in our mature facilities to further deepen our presence in Cardiology, Neurosciences and Oncology. We have created value differentiators and set service standards for enhancing patient satisfaction in terms of time-to- serve. We will also leverage on our personalized health checks and tertiary care OP services to target superior topline contribution from out patients. This will ensure higher market share in select acute care services.

Our focus will be to stabilize and compress time-to-maturity at the new facilities. We plan to recruit specialist consultants for the Centers of Excellence at our new hospitals to ensure a superior specialization mix from the very beginning for increasing the topline. The phased commissioning of the additional beds linked to occupancy levels at new facilities will keep the fixed costs lower to achieve our objective.

Developing Regulatory Support: Unfavourable government policies and the regulatory environment can adversely impact the performance of the sector. The healthcare industry continues to face multiple challenges on account of increased costs of capital, scarcity of medical resources, increased competition from regional markets and archaic laws and regulations. We are one of the founding members of Healthcare bodies such as 'NATHEALTH' and the Healthcare Alliance which comprise several leading players of the Healthcare Industry as members. It is expected that these bodies will act as a unified voice for the Healthcare Industry and lobby for incentives and forward looking legislation required to promote the growth of the healthcare industry in India. The Government and private sector need to foster a transparent and conducive relationship to meet the sizable gap present in the Indian health care system.

Expansion Plans

In line with our stated strategy of driving capacity creation, we are executing a multi-pronged expansion plan. In addition to a strong base of 9,215 beds across 55 hospitals as on March 31, 2015, we plan to add another 1,590 beds in the coming 3 years across 6 hospitals, which will expand the overall network of hospitals to 61.

We are cognizant of the fact that the gestation of new facilities is a gradual process and are following a measured approach in rolling out beds while setting up presence in key markets. This involves strengthening our presence in our core Chennai and Hyderabad clusters. This will help us to consolidate our presence in major urban centres where we already have established hospitals through a more widespread network.

Given our growing brand strength and the need for augmenting health care capacity in India we plan to expand our footprint in the newer geographies of Mumbai, Indore, Nashik and Patna. This will help us build a presence in urban centres where we do not currently have a significant presence.

Retail healthcare is a space providing sizable untapped opportunities. Currently, we are focused on increasing our presence with the rollout of clinics, dental care centres, lifestyle birthing centres and pharmacies.

We continue to look for favourable opportunities to expand our presence in the healthcare market. Firstly, with the objective of taking the standalone pharmacy business segment's growth to the next stage, we acquired the Hetero Pharmacy business. This will increase the count of stores by 300 outlets spread across Andhra Pradesh, Telangana and Tamil Nadu which will further consolidate our existing leadership position in these states. Secondly, the acquisition of Nova Specialty Hospitals which runs 11 Day & Short stay surgery centers across 8 cities in India provides us with an opportunity to strengthen our presence in the Secondary care segment. Thirdly, we formalized our partnership with Sanofi, a global leader in diabetes management to set up Sugar Clinics. The scaling up of the Sugar Clinics business is on track and from the existing 26 Apollo Sugar Clinics as of 31st March 2015, we plan to gradually expand our network with a broader plan to reach to a number of 250 clinics in India and overseas over 5 years.

We are also looking to strengthen our presence across multiple retail formats in the coming years. For the CRADLE format we aim to be a pan India player with a presence in all metro and Tier I cities. Apollo Health and Lifestyle Limited plans to add five more CRADLE centres - two in Hyderabad, two in Delhi and one in Bengaluru. In another three years, the target is to set up 20 centres and in five years, 30 centres. The Apollo WHITE Dental chain has 70 clinics in 17 cities which is planned to be expanded to 100 centres over the next 24 months.

We are cognizant of the challenges that entail an aggressive expansion program spread across multiple formats and geographies. The human resource requirement is well managed through medical colleges and nurse and paramedical training institutes which are run by group entities. Incrementally, innovations such as telemedicine and eICU enable our specialists to optimize their productivity and treat maximum number of patients by saving time that would otherwise be spent on travel and commuting.

The table below sets forth the locations of planned projects that we are currently implementing:

Location	CoD*	Type of Hospital	No. of Beds	Total Estimated Project Cost (₹ mn)	AHEL's Share of Cost*** (₹ mn)
Mumbai Cluster					
Navi Mumbai	FY16	Super Specialty	350	4,374	4,374
Byculla, Mumbai	FY18	Super Specialty	300	1,400	1,400
Sub Total			650	5,774	5,774
Chennai Cluster					
Chennai-Main (Expansion)	FY16	Super Specialty	30	100	100
MLCP	FY16			400	83
South Chennai	FY18	Super Specialty	175	2,000	2,000
Proton	FY18			4,200	4,200
Sub Total			205	6,700	6,383
Others					
Patna	FY18	Super Specialty	240	2,000	2,000
Vizag	FY16	Super Specialty	250	1,494	1,494
North Bangalore	FY16	Super Specialty	180	925	925
Indore (expansion)**	FY16	Super Specialty	65	280	50
Sub Total			735	4,699	4,469
Total			1,590	17,173	16,626

* Expected date of completion
** Acquired 51% stake in a running 125 bedded hospital in April with plan to increase capacity to 185 beds in the next 12-18 months
*** Apollo share of project cost is different from total estimated project cost due to part investment by the JV partner / local partner

The expansion plans are based on management estimates. The actual date of completion and the actual number of new beds to be rolled out on completion of each planned project may differ from the estimated dates or numbers set out above due to various factors.

Our Board has approved a capital expenditure of approximately ₹ 16,626 million for our expansion plans. Of this ₹ 4,583 million has already been invested and the balance ₹ 12,043 million will be invested in a calibrated manner over the next three years. This will be financed from existing funds, internal accruals as well as through debt funds. Capital expenditure primarily relates to expansion activities. The amount and purpose of these expenditures may change in accordance with business requirements.

Capital Expenditure

Apart from the expansion plans outlined above we have made investments to increase bed capacity in existing centres and incurred maintenance and refurbishment costs. We have invested in new technologies, modernization of facilities and expansion of services. We believe that these investments will help us to attract and retain doctors and to make our hospitals a preferred choice for patients.

Apollo Reach Hospitals

The Apollo "REACH" Hospitals initiative is aimed at setting up a network of secondary care facilities with around 100 to 200 beds each in Tier II and Tier III cities in India. Such facilities provide patients in these cities and towns access to high quality healthcare services and technology at their doorstep and hence reduce the need for them to travel to metros to avail the same.

The expansion of population in these towns and cities and improved purchasing power indicates that these micro-markets have developed and there is latent demand for good quality healthcare services. Apart from improving the access to healthcare for larger segments of the population, this model of healthcare delivery will help extend the Apollo Brand to more corners of the country. We have identified a number of Tier II and Tier III cities across the country that are currently under-served in terms of healthcare services but have a sizable population and willingness to spend on quality care. We believe we can set up high quality primary and secondary healthcare facilities at competitive costs to further our geographic reach to non-metros and smaller towns to address the latent demand.

The REACH model allows us to moderate the capital intensity when setting up a hospital as we provide only primary and secondary care in the initial stages. Since the cost of land and building are lower in these cities and the medical equipment used for secondary care is less cost intensive the set up costs are relatively lower. A reduction in the capital deployment and the breakeven point allows operational flexibility. Further, some of these hospitals are eligible for tax benefits which enhance the economic viability and schedule for cash deployment. As these facilities witness increased traction and footfalls, the specialties and equipment can be augmented in a calibrated manner to convert them into tertiary care centres.

We have REACH hospitals in Tier II cities including Kakinada, Karaikudi, Karimnagar, Bhubaneswar, Karur, and Trichy and in Vanagaram, a suburb of Chennai. In FY15, REACH Hospitals in Nellore and Nashik were commissioned.

Projects & Consultancy

Our projects and consultancy services business is among the leading healthcare consulting organizations of its kind in the country. We provide comprehensive support and services to the healthcare delivery industry including pre-commissioning consultancy services comprising feasibility studies, infrastructure planning as well as design & advisory services (functional design and architecture review), 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 including 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.

Medical Tourism

We enjoy good patronage from international patients and have a track record of steadily increasing volumes of patients from international locations. Several hospitals in the network, especially those in major urban centres such as Delhi, Bengaluru, Chennai, Kolkata, Hyderabad and Ahmedabad handle large volumes of International patients.

These international patients select Apollo Hospitals among many facilities in the country primarily due to the quality of care and success rates. The value proposition offered by Apollo Hospitals is another positive factor in decision making process of these patients. The 6 hospitals accredited by JCI & 14 hospitals accredited by NABH in our network helps in attracting international patients.

Patients also evaluate the accessibility of a healthcare facility. Proximity along with cost of travel and stay is carefully considered. Cities like Delhi, Chennai and Mumbai benefit from their accessibility to International locations. Centres like Hyderabad, Bengaluru and Ahmedabad have witnessed improvements in travel infrastructure over the last decade but are yet to scale up accessibility to the levels of the metro cities.

We believe Indian doctors are highly regarded overseas and as a destination for medical tourism, India is being preferred for complex surgeries in the fields of cardiology, orthopedics, Oncology and neurology. Neighbouring countries such as Singapore, Thailand and Malaysia are able to attract patients for low intensity procedures. These countries also have an advantage of friendly and conducive regulations pertaining to medical visas.

Apollo Hospitals is able to attract large numbers of patients from neighbouring countries as well as from the Middle East and Africa. In addition, there are several patients from developed countries such as UK, USA for whom the cost value proposition is attractive..

We expect continued strong growth in volumes of international patients. We have stepped up marketing efforts in international centres and are driving in-person consultations with senior specialists. These activities are being supplemented by the local presence of clinics and telemedicine units in these international markets. Further, the addition of new beds at existing hospitals in metros and new facilities in cities like Delhi, Bengaluru and Chennai will have special blocks for International patients with suites of international standards.

The option of 'visa on arrival' for individuals of select nationalities at several airports across India is a step in the right direction. The impending launch of our hospitals in Mumbai in the near future is expected to further boost our volumes of international patients given the connectivity that Mumbai enjoys with key international locations.

Standalone Pharmacies

Though Apollo has been in the Standalone pharmacy business for 20 years, the business has seen rapid evolution in the recent past. There has been an exponential growth in the business over the last 6 years, where the network has expanded from around 350 stores to 1,822 stores currently. This has been a transformative journey as the Company has put out several novelties in terms of new store formats and introduced unique value added services.

One such value added service unique to Apollo is a ‘nurse station’ where basic services of dressing, blood pressure, blood sugar monitoring, are provided free of charge to our customers. We also introduced a service called ATM (Anytime medicine) – where patients get priority delivery of medicines. We also launched a service known as compliance pack, where patients are reminded of their medicine schedule to help them refill medicines before they run out of doses.

Our product mix has also seen favourable modification with the introduction of wellness and self-branded products. When we started our operations, we were primarily selling pharmaceutical products which has now evolved to include more wellness products.

We also tailor our product mix for each pharmacy. The product mix and display in pharmacies in the North will vary from those in the South. Apart from this, 40-45% of our business is from loyal customers. We have a cluster analysis mechanism and each cluster is managed by an independent manager. We have standardised our systems for tracking the viability of each store in terms of its real estate costs, supply chain, cost-benefit ratios and various other operating metrics.

The profitability profile of this business has improved steadily due to maturity of stores, increasing proportion of private label products and rationalization of the store network through the discontinuation of unviable stores. Margin compression between 1-2% due to higher costs of operations and the impact of the Drug Price Control Order, were offset by the increasing contribution of self-branded products in the overall revenue mix.

We believe there is a high potential for growth in this sector for large organised players like us with superior scale of operations. During the year, the Company acquired the pharmacy chain of Hyderabad-based Hetero Med Solutions Ltd (HMSL). Hetero pharmacy stores are in the process of being rechristened as Apollo Pharmacy stores. The acquisition is in the form of purchase of the business undertaking on a slump sale basis for a maximum consideration of upto ₹ 1,460 million subject to completion of due diligence and other statutory formalities.

HMSL is a natural fit for Apollo given its significant presence in the territories of Andhra Pradesh, Telangana and Tamil Nadu which helps Apollo to consolidate its leadership position in these markets and widen the gap over the next largest player. The potential is exciting for Apollo as HMSL’s network comprises stores of varying sizes situated at favourable locations. Apart from consolidating the back-end operations in these locations, the pharmacy team is looking at levers such as improved stocking, widening of product portfolio including addition to our range of self-branded products, more impactful marketing, and the introduction of value-added services in these stores to get them to more profitable operating margins over the next few quarters.

Apollo Health & Lifestyle Limited

AHLL is a wholly owned subsidiary which houses the retail healthcare business of the Apollo group. The business comprises Apollo Clinics, Apollo Sugar, White Dental, Apollo Day Surgery Centers and Apollo Cradle. We believe that these formats can act as a critical component of our integrated healthcare delivery model as they help to bridge the gaps between our existing facilities/formats and the customer, They also provide strategic benefits such as expanding the reach of the brand, addressing new categories of patients, expanding patient touch points, helping to seed the market prior to launch of a hospital facility and easing the pressure on the OPD ward of the main hospital.

To enhance patient safety and medical quality, we have created our own quality control and certification programme for primary care clinics – Q4E. This is similar to NABH for hospitals. All our clinics do self-audits monthly, and external audits twice a year. We have also expanded our services by offering home collection, launched family physician services and vaccination for children and adults.

We also have medical centres in Kuwait and Qatar. We are launching a medical Centre in Tanzania through a JV. We remain open to explore opportunities internationally, but our primary focus will be domestic customers.

Apollo Sugar Clinics are one-stop shop for diabetics and offer packages to better manage diabetes through a combination of prescriptions, dietary, exercise regimens and other lifestyle changes apart from management of diabetes related complications.

We established Apollo Sugar Clinics a few years ago, to treat diabetic patients in a holistic manner. Towards this, we were looking for a global partner with best practices in patient management and a strong clinical research programme in diabetes. During the year we formalized our partnership with Sanofi, a global leader in diabetes management. Sanofi acquired a 20% stake in Apollo Sugar Clinics business. The objective is to grow the Sugar Clinic’s footprint to offer services at many more clinics across India, and provide millions of diabetic customers’ access to world class care at their doorstep.

From 26 Apollo Sugar Clinics as of 31st March 2015, we plan to gradually expand our network to reach a number of 250 clinics in India and overseas in the next 5 years.

Apollo Day Surgery Centers focus on planned surgeries done in a day/short stay basis. The company has 12 centres as on 31st March 2015.

During the year, AHLL acquired 11 Day & Short stay surgery centers from Nova Specialty Hospitals with a footprint in 8 cities across India. Given the immense potential and the need for quality healthcare delivery closer to the home, this acquisition will enable AHLL to significantly expand its footprint. We believe the format has strong potential and Apollo plans to leverage its brand equity combined with its deep hospital expertise to significantly grow this business in the next few years. This acquisition will also mark the entry of Apollo in new markets such as Mumbai, Jaipur and Kanpur. Going forward, these centres will be re-launched with new branding, an expanded portfolio of services and quality systems built on Apollo’s deep expertise in the hospitals space.

Apollo Cradle denotes lifestyle birthing centres. We launched the first Apollo Cradle in Delhi nearly a decade ago and currently have three centres in the network, and plan to add five more centres - two in Hyderabad, two in Delhi and one in Bengaluru.

Medical Insurance – Apollo Munich Health Insurance

We entered the health insurance market through a joint venture with Munich, one of the leading insurance companies in the world. We believe there are significant synergies between our core healthcare services business, standalone pharmacies and the health insurance business.

The health insurance industry continues to report healthy growth rates and is expected to grow with gross premiums scaling up at a CAGR of over 30% during the period 2010-11 to 2014-15.

Apollo Munich was able to grow its gross written premium from ₹ 6,926 million in FY14 to ₹ 8,611 million in FY15. We have been able to grow ahead of industry growth rates and our insurance products are rated very highly by market participants. Further, we enjoy one of the best claims ratios in the industry and customer loyalty and retention is high as the introduction of health insurance portability has not resulted in net migration of customers. We have 83 branches across the country and assets under management stood at ₹ 6,784 million as on March 31, 2015.

Discussion on Consolidated Financial Performance and Results of Operations

The following table present summaries of results of operations for the years ended March 31, 2014 and 2015:

(₹ in million)

	31.03.2015		31.03.2014	
Operating Revenues	51,785		43,842	
Add: Other Income	368		215	
Total Income	52,152	100.00	44,057	100.00
Operative expenses	25,812	49.49	21,501	48.80
Salaries and benefits	8,600	16.49	7,275	16.51
Administration & other expenses	10,026	19.22	8,342	18.93
Financial expenses	1,179	2.26	1,194	2.71
Depreciation and amortization	2,117	4.06	1,678	3.81
Profit before Income Tax , Exceptional and Extraordinary items	4,419	8.47	4,067	9.23
Exceptional items	147	0.28		
Extraordinary item	282	0.54		
Profit before Tax	4,554	8.73	4,067	9.23
Provision for taxation	1,300	2.49	1,018	2.31
Profit after tax	3,254	6.24	3,049	6.92
Less: Minority interest	(51)	(0.10)	(14)	(0.03)
Profit after minority interest	3,305	6.34	3,063	6.95
Add: Share in associates	94	0.18	104	0.24
Profit after share in associates	3,399	6.52	3,167	7.19

Revenues

The total operating revenue grew 18% from ₹ 43,842 million in FY14 to ₹ 51,785 million in FY15 with healthcare revenues growing by 13% from ₹ 29,594 million to ₹ 33,331 million as a result of 10% growth in volumes and 3% growth in case mix and inflation.

The standalone pharmacy business witnessed 30% revenue growth from ₹ 13,616 million to ₹ 17,689 million in FY15. The number of stores within the network of Standalone Pharmacies was 1,822 as at March 31, 2015 as compared to 1,632 stores as at March 31, 2014.

In the others segment the proportionate share of revenues from Apollo Munich Health insurance where we hold a 10.23% stake, grew by 21%.

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

Year Ended March 31, 2015

	31.03.2015 (₹ in million)	31.03.2014 (₹ in million)	Increase (Decrease)	% Increase (Decrease)
Discharges	353,547	331,678	21,869	7
Revenues per in patient (₹)	92,273	88,710	3,563	4
Average length of stay (days)	4.43	4.54	(0.11)	(2)
Out-patients	3,203,279	2,943,610	259,669	9
Revenue per bed day (₹)	25,381	23,684	1,696	7

Expenses

Salaries And Benefits

Our salaries and benefits expense of ₹ 6,918 million during 2014 increased by 19.2% to ₹ 8,246 million in 2015. This increase was primarily due to the recruitments of 2,250 employees in the new hospitals commissioned, 1,266 employee additions in the standalone pharmacies and also the compensation increases for our employees during the year.

Year Ended March 31, 2015

	31.03.2015 (₹ in million)	% of Revenue	31.03.2014 (₹ in million)	% of Revenue	₹Increase (Decrease)	% Increase (Decrease)
Salaries, wages and benefits (excluding managerial remuneration)	8,246	15.8	6,918	15.7	1,328	19.20
No. of employees	40,065		35,883			

Operative Expenses

During 2015, our operating cost of ₹ 25,812 million increased 20%, as compared to ₹ 21,501 million in 2014. The increase in material cost was in line with the growth in operating revenues. The percentage of material costs to operating revenue marginally increased from 49.0% in FY14 to 49.8% in FY15 mainly due to increased composition of standalone pharmacy revenue in the Operating revenue.

Administrative Expenses

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

Year Ended March 31, 2015

	31.03.2015 (₹ in million)	% of Revenue	31.03.2014 (₹ in million)	% of Revenue	%Increase (Decrease)	% Increase (Decrease)
Repairs and maintenance	1,427	2.76	1,157	2.63	270	23.3
Rents and leases	1,744	3.37	1,309	2.97	435	33.2
Outsourcing expenses	975	1.88	822	1.87	153	18.6
Marketing and advertising	1,555	3.00	1,152	2.61	403	35.0
Legal and professional fees	465	0.90	412	0.94	53	12.9
Rates & taxes	122	0.24	279	0.63	(157)	(56.3)
Provision for doubtful debts & bad debts written off	268	0.52	204	0.46	64	31.4
Other administrative expenses	3470	6.70	3,007	6.82	463	15.4
Total	10,026	19.36	8,342	18.9	1,684	20.2

The increase of 20% in the administrative expenses includes the running costs of hospitals commissioned during the year, costs of new subsidiary hospital at Indore and expenses of standalone pharmacies opened during the year.

Rents & leases expenses increased by 33% due to the escalation in costs, new hospitals & clinics facilities commissioned on leased premises and the net addition of 190 Standalone pharmacies opened during the year.

Marketing and advertisement expenses increased by 35% mainly on account of loyalty discounts given by the standalone pharmacy business which went up from ₹ 271 million to ₹ 494 million in FY15.

Although the increase in bad and doubtful debts increased by 31% it has remained stable at 4.3% of the total receivables.

The increase in other administrative expenses by 15% includes CSR spends of ₹ 77 million and additional costs incurred on account of new hospitals & standalone pharmacies commissioned during the year.

Depreciation and Amortization

Our depreciation and amortization expense increased to ₹ 2,117 million during 2015, as compared to ₹ 1,678 million during 2014. This includes an increase of ₹ 104 million due to the adoption of higher depreciation rates in accordance with the requirements of the new Companies Act, 2013. The balance of the increase is due to new projects commissioned during the year and normal replacement cost of facilities and equipment.

Financial Expenses

Our financial expenses were at ₹ 1,179 million during 2015, compared to ₹ 1,194 million during 2014. This is due to the repayment of high cost loans, fresh borrowings at lower rates and the capitalisation of interest on loans borrowed for hospital projects that are yet to commence operations.

Provision For Income Taxes

The provision for taxes during the year ended March 31, 2015 is ₹ 1,300 million compared to ₹ 1,018 million in the previous year ended March 31, 2014.

Liquidity

Our primary sources of liquidity are cash flows generated from our operations as well as long-term borrowings. We believe that our internally generated cash flows, amounts invested in liquid funds and our approved and proposed debt will be adequate to service existing debt, finance internal growth and deploy funds for capital expenditure.

Capital Expenditure

Due to addition of bed capacity at existing hospitals and planned roll-out of new hospitals, our capital expenditure continues to be significant. We have made significant, targeted investments at our hospitals to add new technologies, modernize facilities and expand our services. These investments should assist in our efforts to attract and retain physicians and to make our hospitals more desirable to our employees and potential patients.

Summary of Cash flow statement is given below:

(₹ in million)

	2014 – 2015	2013 - 2014
Cash and cash equivalents at beginning of the year	2,741.47	3,200.64
Net cash from operating activities	4,699.46	3,733.89
Net cash used in Investing activities	(7,590.70)	(3,558.28)
Net cash from financing activities	3,923.10	(634.77)
Net increase in cash and cash equivalents	1,031.86	(459.17)
Cash and cash equivalents at the end of the year	3,773.33	2,741.47

Cash Flow from Operating Activities

(₹ in million)

	2014 – 2015	2013 - 2014
Operating profit before working capital changes	7,302.45	6,966.90
Effect of working capital changes	(1,608.28)	(2,140.45)
Foreign Exchange loss	8.10	11.21
Taxes paid	(1,002.81)	(1,103.77)
Net cash provided by operating activities	4,699.46	3,733.89

Net cash of ₹ 4,699 million was generated from operating activities by the Company in FY15 compared to ₹ 3,734 million in FY14. This is due to increase in operating profits of the existing hospitals and the group hospitals at Ahmedabad, Bengaluru, Kolkata and better cash generation in the Insurance company.

Cash Flow from Investing Activities

(₹ in million)

	2014 – 2015	2013 - 2014
Purchase of fixed assets	(8,654.73)	(5,958.42)
Sale / (Purchase) of investments	669.54	2,302.18
Interest and Dividend received	112.66	97.96
Extraordinary Item	281.83	-
Net cash used in investing activities	(7,590.70)	(3,558.28)

The group commissioned 3 hospitals in FY15 at Nellore, Nashik and Chennai. Besides funds were invested in ongoing projects at Vizag, Navi Mumbai & Malleswaram due for commencement of operations in FY16

Cash Flow from Financing Activities

(₹ in million)

	2014 – 2015	2013 - 2014
Issues from share capital	417.49	72.45
Proceeds from Borrowings	6,653.48	2,321.79
Repayment of finance/lease liabilities	(1,172.19)	(1,060.03)
Interest and Dividend paid	(1,975.69)	(1,968.99)
Net cash from financing activities	3,923.10	(634.77)

Cash provided by financing activities totalled ₹ 3,923 million in FY15 as compared to (₹ 635) million in FY14. Cash provided by financing activities in FY15 resulted primarily from debentures placed with Institutions and loans borrowed for projects. We used part of the proceeds from financing activities to repay loans of ₹ 1,172 million in FY15. We paid interest and dividend of ₹ 1,976 million in FY15.

Risk Management & Internal Controls

As we expand the scale of operations to include a large number of healthcare facilities, pharmacies and retail healthcare touch points and widen our network to reach out to patients from all corners of the globe, the inherent risks have increased manifold. We follow several stringent risk mitigation measures and are working in close co-ordination with global consultants to elevate our practices and procedures into a comprehensive risk management system in line with international best practices.

Since it is the primary responsibility of the Board of Directors to ensure that Internal Financial Controls are in place it has constituted a Risk Management Committee, headed by the Managing Director, which will identify, assess, prioritize, manage, monitor and communicate suitable measures to manage such risks.

Risks can be segregated into various categories such as strategic, operational, financial, legal, etc. Strategic risks are overseen by the Senior Management team which reports to the Board of Directors periodically on the assessment and minimization of such risks. Operational risks are managed through close monitoring of various units on the basis of specific metrics such as patient volumes, patient occupancy levels, ARPOB or average Revenue per Occupied Bed , ALOS or Average Length of Stay, key consultant attrition levels and asset utilisation levels.

The financial risks are managed through stringent internal financial controls and documentation of all processes. During the year the company engaged the services of a leading consultancy firm to further strengthen the internal financial controls and processes. The enhanced regulatory framework has led to higher statutory and compliance requirements. These are managed through a central framework and supported by legal updates from all units which are monitored closely.

In addition to the internal risk management procedures which have been developed by Your Company over the years, the accreditation by JCI and NABH have helped to broaden the scope of the risk management practices. The JCI procedures envisage implementation and documentation of 166 standards. Compliance with JCI standards is a highly intensive procedure and most risks are elaborately covered.

Further, as the organization transitions towards greater digitization of procedures and operations the overall risk management practice will be elevated and internal controls will be reinforced. This will result in an era of enhanced risk management as better controls and protocols are in-built into the technology and access control framework.

Internal Controls

The Company and its subsidiaries have established a wide-ranging system of Internal Controls to ensure that all assets are safeguarded and protected. Further, it has processes in place to ensure that all transactions are evaluated, authorized, recorded and reported accurately.

The Company has also put in place an extensive budgetary control review mechanism whereby the management regularly reviews actual performance in comparisons to forecasts. Any significant deviation from forecasts is reviewed and assessed rapidly to identify any market trends or shortcomings in service offerings.

The system is designed to adequately ensure that financial and other records are maintained in an optimum manner, are accurate and are reliable for preparing financial information and other data and for maintaining accountability of assets. The internal control procedures are augmented by an extensive programme of internal and external audits apart from periodic review by the management.

Human Resources

Human Capital is an integral element of the Apollo success story. The Apollo Network comprises a total employee strength of 40,065 including employees of our subsidiaries, joint ventures and associates.

People are the industry's most important asset as human interaction and connect are integral functions of the Healthcare Services business. There are multiple touch points for patients in the entire process from preventive to diagnostic to curative services. Thus, it goes without saying that the quality, sincerity and dedication of our personnel has a significant impact on the quality of our services. This has given birth to a holistic approach adopted by Apollo to nurture its Human Capital.

As your Company is increasingly treating patients from all over India, providing more services to international patients and veering towards medical tourism, Apollo has been subscribing to global best practices in HRM. Your Company understands the value and effectiveness of diversity in culture, gender, language, religious beliefs, age and experience and has been a key advocate of the same. To enhance diversity at Apollo Hospital your Company recruits people from across the country with a special focus to encourage and empower female candidates.

Cognizant of the enormity and the complexity of identifying skilled resources, Apollo has strengthened its initiatives of skilling & up-skilling in the domain of Health. The Group has been involved in reversing the brain drain of talented Indian doctors and has built quality education infrastructure which includes Nursing colleges, Courses for Allied Health professionals, Hospital Management programs and ongoing CMEs and CNEs for doctors and nurses respectively. In keeping with the need for professionals to drive its expansion, Your Company has carved out industry leading practices which include 'Chairman's Club' a unique Succession Planning and Leadership Development Program; 'You-r-HR module' one of the most forward looking initiatives where Apollo partnered with EY to standardize the HR Processes across the network; 'Employee Assistance Program' with Compsych, the World Leader in EAP to help individuals address personal life issues.

A structured and transparent compensation programme is followed across the organization. Comprehensive evaluations are conducted and employees are made aware of their performance ratings on Key Result Areas and Competencies. Your Company also tracks levels of satisfaction among employees as it believes that satisfied individuals contribute more. Apollo has put in place several processes to improve the level of satisfaction, increase innovation and build morale to perform better. Your Company has also put in place procedures to identify and reward achievers to increase the efficiency and drive within the organization. These robust processes ensure that both existing and incremental manpower can appropriately develop to support the organization's patient care delivery process and fuel its growth objectives.

Your Company strives to sustain a high standard of values in each of its employees and truly believes that each and every one associated with the network has the potential to be an ambassador to drive the collective vision and mission of the Group which is to transform the healthcare sector in India.

Cautionary Statement

Some of the statements in this Management Discussion & Analysis, describing the Company's objectives, projections, estimates, expectations and predictions may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied. Important developments that could alter your Company's performance include increase in material costs, technology developments and significant changes in political and economic environment, tax laws and labour relations.

Clinical Governance

The Apollo Standards of Clinical Care (TASCC)

Apollo Hospitals aims at establishing standards of clinical care that ensure that all its hospitals deliver safe and quality clinical care to all its patients, irrespective of the location and size of the hospital. The Apollo Standards of Clinical Care (TASCC) embody sets of process requirements and sets of outcome measures that underlie the Apollo Hospitals approach to clinical care.

ACE @ 25, RACE, Apollo Quality Program (AQP), Apollo Incident Reporting System (AIRS), Apollo Mortality Review (AMR) and Apollo Critical Policies Plans and Procedures (ACPPP) together form TASCC. TASCC was implemented in January 2012.

ACE and RACE are clinical balanced scorecards incorporating 25 clinical quality parameters each involving complication rates, mortality rates, one year survival rates and average length of stay after major procedures with international benchmarks.

AQP is a program for the standardization of processes for clinical handovers, medication safety, surgical safety, patient identification, verbal orders, hand washing compliance and falls prevention across Apollo Hospitals. Compliance is measured through a monitoring dashboard of 20 parameters.

AIRS provides a mechanism of tracking of all incidents that pose a safety risk to patients.

ACPPP are 25 policies covering clinical care, nursing care, managerial processes and infrastructural requirements like restraints, consents, critical test results, disaster policy, that are implemented by all hospitals.

ACE @ 25 is a clinical balanced scorecard incorporating 25 clinical quality parameters involving complication rates, mortality rates, one year survival rates and average length of stay after major procedures like liver and renal transplant, CABG, TKR,THR, TURP, PTCA, endoscopy, large bowel resection and MRM covering all major specialities. Also included are hospital acquired infection rates, pain satisfaction and medication errors. Parameters have been benchmarked against the published bench marks of the world's best hospitals including Cleveland Clinic, Mayo Clinic, National Healthcare Safety Network, Massachusetts General Hospital, AHRQ US, Columbia University Medical Center and US Census Bureau. There are weighted scores for outcomes colour coded green, orange and red. The cumulative score achievable is capped at 100.The numerators, denominators and inclusions and exclusions are defined lucidly and methodology of data collection is standardized. Data is uploaded online every month through a unique login ID and password. Action taken reports for parameters falling in red are submitted quarterly by all hospitals and reviewed by the board. A quarterly, half yearly and annual analysis of the trends is done. The collective data for all locations can be viewed by the Group leadership at any point in time. Scores are linked to the appraisal of the medical head and CEO and there is an "ACE @ 25" Champion Award for the highest scorer.

The 4th International Congress on Patient Safety

In its endeavour to build awareness and consciousness, the Apollo Hospitals Group, in association with ISQua, JCI, NABH and many other healthcare and allied institutions, hosted the 4th International Congress on Patient Safety at Kolkata.

The International Congress on Patient Safety served as a unique platform where global healthcare leaders shared their experiences and exchanged knowledge and expertise on patient safety. The conference was attended by more than 650 healthcare professionals from 24 countries and covered varied topics like "Patient Safety versus Patient Satisfaction", "Patient Safety issues by 2020", "Role of Technology in Patient Safety", "Economics of Patient Safety", "The Global Perspective on Patient Safety" and "Innovations in Patient Safety" amongst others.

This year also saw the introduction of the Asian Patient Safety Awards 2014 which aimed to recognise the best healthcare practices within Asia. The categories included Innovation in Safe Communication, Medication Safety, Anaesthesia and Surgical Safety, Infection Prevention and Practice, Innovation in Staff Education on Patient Safety and Innovation in Patient and Family Education on Safety. The grand awards ceremony felicitated 13 winners in 6 categories from 7 countries for their outstanding entries.

5th Transforming Healthcare with Information Technology Conference

The 5th Transforming Health Care with Information Technology Conference 2014 at the same venue saw the convergence of various top organizations working towards harnessing the power of IT for the betterment of healthcare in India. A confluence of minds from the fields of healthcare and IT disseminated the latest developments in the sector. This conference had brought together 500 delegates from 18 countries. Thirty topics were discussed by an esteemed panel of 35 international and national faculties. Prominent government officials from the Department of Telecommunications, the National Heath Portal, senior representatives from reputed IT companies such as Microsoft, Oracle, Dell and TCS served as esteemed faculty. Besides these, 44 start-up organizations also participated in the conference.

The conference aimed at redefining the processes and performance of the existing healthcare systems using IT for furthering the betterment of healthcare operations and services rendered to the patients in the safest possible environments.

Independent Auditors' Report

to the members of Apollo Hospitals Enterprise Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Apollo Hospitals Enterprise Limited (the company), which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on 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 there under.

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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of the such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;

b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2015 ("The Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Companies Act, 2013, we report that:

   a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   e) On the basis of written representations received from the directors as on March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164(2) of the Companies Act 2013;

   f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

      (i) The company has disclosed the impact of pending litigations on its financial position in its financial statements-Refer note 28 to the financial statements;

   (ii) The company is fully hedged for all long term derivative contracts and there are no material foreseeable losses on long term contracts for which any provision is required

   (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

New No. 17, Bishop Wallers Avenue (West),
Mylapore, Chennai – 600 004

For **M/s S Viswanathan**
Chartered Accountants
FRN : 004770S

V C Krishnan
Partner
Membership No: 022167

Place: Chennai
Date :28th May 2015

Annexure to Independent Auditors' Report

The Annexure referred to in paragraph 1 of Our Report of even date to the members of Apollo Hospitals Enterprise Limited, on the accounts of the company for the year ended March 31, 2015.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company is maintaining proper records showing full particulars including quantitative details and situation of its fixed assets.

   (b) The company has a program of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were observed by the Management on such verification.

2. (a) Stock of medicines, stores, spares, consumables, chemicals, lab materials and surgical instruments have been physically verified at reasonable intervals by the Management.

   (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of stock of medicines, stores, spares, consumables, chemicals, lab materials and surgical instruments followed by the Management are reasonable and adequate in relation to the size of the company and the nature of its business.

   (c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the Management as compared to book records.

3. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses 3 (a) and 3(b) are not applicable.

4. In our opinion and according to the information and explanations given to us, and having regard to the explanation that some of the items purchased are of special nature and suitable alternative sources do not exist for obtaining comparable quotations, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of stores, medicines and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in the internal control system.

5. In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and Companies (Acceptance of Deposits) amended Rules, 2015 with regard to deposits accepted from the public including unclaimed deposits matured in earlier years that are outstanding during the year. To the best of our knowledge and according to the information and explanations given to us, no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any other Court or any other Tribunal on the Company in respect of the aforesaid deposits.

6. We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub-section 1 of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

7. (a) According to the information and explanations given to us, the Company is regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service tax, Customs Duty, Cess, Wealth Tax and other statutory dues applicable to it. To the best of our knowledge and according to the information and explanations given to us, there are no arrears of outstanding statutory dues as at March 31, 2015 for a period of more than six months from the date they became payable. To the best of our knowledge and belief and according to the information and explanations given to us, excise duty is not applicable to this Company.

(b) According to the information and explanations given to us and the records of the company examined by us, there are no dues disputed with respect to Cess, Wealth Tax. The particulars of Sales tax, Customs duty service tax and Income tax which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (₹ in million) 31.03.2015	Period to which the amount relates	Forum where dispute is pending
Customs Act, 1962	Customs duty	99.70	1996,1997	Assistant Collector of Customs (Chennai, Hyderabad & Customs duty)
Service Tax	Service tax	18.99	2013-14	CESTAT, Delhi
Value Added Tax Act, 2004	Value Added Tax	2.27	2008-09, 2009-10, 2010-11	Deputy Commissioner of Commercial Tax (Enforcement), Chennai
Income Tax Act, 1961	Income Tax	66.72	Assessment Year 2008-2009 2009-2010	Department has gone on appeal to ITAT
		49.12	Assessment Year 1996-1997, 1997-1998, 1998-1999, 1999-2000, 2000-2001 2001-2002	Department has filed appeal before Madras High Court
		142.66	Assessment Year 2010-2011 2011-2012, 2012-2013	CIT (Appeals)
		136.76	Assessment Year 2000-2001	Honourable Supreme Court
TOTAL		**516.22**		

Refer Clause (i) (c) Note 28- Notes forming part of Accounts

(c) According to the information and explanations given to us the amounts which were required to be transferred to the Investor Education and Protection fund in accordance with the relevant provisions has been transferred to such fund within time.

8. In our opinion and according to the information and explanations given to us, the Company has no accumulated losses as at March 31, 2015. The Company has not incurred cash losses during the year and in the immediately preceding financial year.

9. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of any dues to financial institutions, banks and debenture holders.

10. In our opinion and according to the information and explanations given to us, the Company has given guarantees for loans taken by Joint Venture Companies, subsidiaries, from banks and financial institutions, the terms and conditions whereof are not prejudicial to the interest of the Company.

11. In our opinion and according to the information and explanations given to us, the Company has availed term loans and the said term loans have been used for the purpose for which the term loans have been obtained

12. According to the information and explanations given to us, by the Company, no fraud on or by the Company has been noticed or reported, during the year.

New No. 17, Bishop Wallers Avenue (West),
Mylapore, Chennai – 600 004

For **M/s S Viswanathan**
Chartered Accountants
FRN : 004770S

V C Krishnan
Partner
Membership No: 022167

Place: Chennai
Date :28th May 2015

Balance Sheet

As at 31st March 2015

(₹ in million)

Particulars	Note	31.03.2015	31.03.2014
I. EQUITY AND LIABILITIES			
1 **Shareholders' Funds**			
(a) Share Capital	2	695.63	695.63
(b) Reserves and Surplus	3	30,915.08	28,951.62
2 **Non-Current Liabilities**			
(a) Long-term Borrowings	4	14,608.02	10,052.40
(b) Deferred Tax Liabilities (Net)	5	4,019.46	3,288.58
(c) Other Long term Liabilities	6	1.47	27.58
3 **Current Liabilities**			
(a) Short-term Borrowings	7	557.81	159.30
(b) Trade Payables	8	3,201.00	2,487.23
(c) Other Current Liabilities*	9	2,896.75	1,587.21
(d) Short-term Provisions	10	1,304.37	1,316.35
TOTAL		**58,199.59**	**48,565.90**
II. ASSETS			
1 **Non-Current Assets**			
(a) Fixed Assets			
(I) Tangible Assets	11	24,138.60	19,759.12
(Ii) Intangible Assets	12	136.85	127.88
(Iii) Capital Work-in-Progress	13	5,121.59	4,635.73
(Iv) Intangible Assets under Development		-	173.85
(b) Non-Current Investments	14	5,988.59	5,417.61
(c) Long-Term Loans and Advances	15	5,850.63	4,876.08
2 **Current Assets**			
(a) Current Investments	16	1,141.62	1,482.67
(b) Inventories	17	3,325.04	2,649.74
(c) Trade Receivables	18	5,495.45	4,684.51
(d) Cash and Cash Equivalents	19	2,492.28	2,088.98
(e) Short-Term Loans and Advances	20	4,199.15	2,489.34
(f) Other Current Assets	21	309.79	180.39
TOTAL		**58,199.59**	**48,565.90**
III. NOTES FORMING PART OF ACCOUNTS	1-42		

* includes a portion of Long term borrowings of ₹ 1,644.56 (₹ 582.91) million payable within the next 12 months.

As per our Report annexed

For and on behalf of the Board of Directors

For M/s. S. Viswanathan
Chartered Accountants
Firm Registration No. 004770S

Krishnan Akhileswaran
Chief Financial Officer

Dr. Prathap C Reddy
Executive Chairman

V C Krishnan
Partner
(Membership No. 022167)
17, Bishop Wallers Avenue West
Mylapore, Chennai - 600 004

S M Krishnan
Sr. General Manager - Finance
& Company Secretary

Preetha Reddy
Executive Vice Chairperson

Suneeta Reddy
Managing Director

Place : Chennai
Date : 28th May 2015

Statement of Profit & Loss

for the year ended 31st March 2015

(₹ in million)

	Particulars	Note	31.03.2015	31.03.2014
I.	REVENUE FROM OPERATIONS	22	45,927.94	38,616.31
II.	OTHER INCOME#	23	452.68	224.57
	TOTAL		**46,380.62**	**38,840.88**
III.	EXPENSES			
	(a) Cost of Materials consumed during the year	24	10,690.78	9,516.01
	(b) Purchase of Stock-in-Trade		14,041.45	10,962.79
	(c) Changes in Inventories of Stock-in-Trade		(492.68)	(459.87)
	(d) Employee Benefits Expense	25	7,209.58	6,102.23
	(e) Finance Costs	26	832.88	870.68
	(f) Depreciation and Amortization Expense		1,580.41	1,290.78
	(g) Other Expenses	27	7,698.03	6,356.58
	TOTAL		**41,560.45**	**34,639.20**
IV.	PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX		4,820.17	4,201.68
V.	EXCEPTIONAL ITEMS *		(146.88)	-
VI.	PROFIT BEFORE TAX		**4,673.29**	**4,201.68**
VII.	TAX EXPENSE			
	(a) Current Tax (Mat)		922.20	833.27
	(b) Less: Mat Credit Entitlement		(445.74)	(833.27)
	(c) Net Current Tax		476.46	-
	(d) Deferred Tax	5	730.88	894.48
VIII.	PROFIT / (LOSS) FOR THE PERIOD		**3,465.95**	**3,307.20**
IX.	EARNINGS PER EQUITY SHARE OF FACE VALUE OF ₹ 5 EACH			
	Before Extraordinary Item			
	Basic (in ₹)		24.91	23.77
	Diluted (in ₹)		24.91	23.77
	After Extraordinary Item			
	Basic (in ₹)		24.91	23.77
	Diluted (in ₹)		24.91	23.77
X.	NOTES FORMING PART OF ACCOUNTS	1-42		

\# Includes ₹184.10 million income from the divestiture of the out-patient diabetics clinics related business to Apollo Sugar Clinics Ltd. a Subsidiary of AHLL.
* Represents loss on sale of the company's equity investment in Quintiles Phase One Clinical Trials India Private Ltd.

As per our Report annexed

For and on behalf of the Board of Directors

For M/s. S. Viswanathan
Chartered Accountants
Firm Registration No. 004770S

Krishnan Akhileswaran
Chief Financial Officer

Dr. Prathap C Reddy
Executive Chairman

V C Krishnan
Partner
(Membership No. 022167)
17, Bishop Wallers Avenue West
Mylapore, Chennai - 600 004

S M Krishnan
Sr. General Manager - Finance
& Company Secretary

Preetha Reddy
Executive Vice Chairperson

Suneeta Reddy
Managing Director

Place : Chennai
Date : 28th May 2015

Notes Forming Part of Accounts

1. Significant Accounting Policies

A. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention under accrual method of accounting and as a going concern, in accordance with the Generally Accepted Accounting Principles (GAAP) prevalent in India and the Mandatory Accounting Standards as notified under the Companies (Accounting Standards) Rules, 2006 and according to the provisions of the Companies Act, 2013.

B. Inventories

1. The inventories of all medicines, medicare items traded and dealt with by the Company are valued at cost. In the absence of any further estimated costs of completion and estimated costs necessary to make the sale, the Net Realisable Value is not applicable. Cost of these inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location after adjusting for VAT wherever applicable, applying the FIFO method.
2. Stock of provisions, stores (including lab materials and other consumables), stationeries and housekeeping items are stated at cost. The net realisable value is not applicable in the absence of any further modification/alteration before being consumed in-house only. Cost of these inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location, after adjusting for VAT wherever applicable applying FIFO method.
3. Surgical instruments, linen, crockery and cutlery are valued at cost and are subject to 1/3 write off wherever applicable applying FIFO method. The net realisable value is not applicable in the absence of any further modification/alteration before being consumed in-house. Cost of these inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location.
4. Imported inventories are accounted for at the applicable exchange rates prevailing on the date of transaction.

C. Prior Period Items and Extraordinary Items

Prior period items and extraordinary items are separately classified, identified and dealt with as required under Accounting Standard 5 on 'Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies' as notified under the Companies (Accounting Standards) Rules, 2006

D. Depreciation and Amortisation:

i. Depreciation has been provided on straight line method at rates specified in Schedule II of the Companies Act, 2013 on single shift basis.

ii. As per Companies Act, 2013, assets which has completed the useful life as on 01.04.2014 has been transferred to Retained Earnings.

iii. Depreciation on new assets acquired during the year is provided at the rates applicable from the date of acquisition to the end of the financial year.

iv. In respect of the assets sold during the year, depreciation is provided from the beginning of the year till the date of its disposal.

v. Amortization:

a. The cost/premium of land and building taken on lease by the Company from Orient Hospital, Madurai will be amortised over a period of 30 years though the lease is for a period of 60 years.

The cost/premium of land and building taken additionally on lease by the Company at Madurai is for a period of 9 years with an option to extend the lease by another 16 years. The depreciation on the leasehold building is charged on a straight line basis with the lease period being considered as 25 years.

The company has taken land in Karaikudi from Apollo Hospitals Educational Trust on lease for a period of 30 years. The cost of the building constructed on the lease land is amortised over a period of 30 years

The cost of land and building taken on lease by the Company from Rigid Hospitals Pvt. Ltd., Chennai will be amortised over a period of 30 years.

The cost of land and building taken on lease by the Company, situated at Old Mahabalipuram Road, Karapakkam, Chennai will be amortised over a period of 30 years.

This is in conformity with the definition of lease term as per Clause 3 of AS 19 'Leases' as notified under the Companies (Accounting Standards) Rules, 2006.

b. Lease rental on operating leases is recognised as an expense in the Statement of Profit and Loss on straight-line basis as per the terms of the agreement in accordance with Accounting Standard 19 'Leases' as notified under the Companies (Accounting Standards) Rules, 2006.

E. Revenue Recognition

a. Income from Healthcare Services is recognised on completed service contract method. The hospital collections of the Company are net of discounts, payments to doctors. Revenue also includes the value of services rendered pending final billing in respect of in-patients undergoing treatment as on 31st March 2015.

b. Pharmacy Sales are recognised when the risk and reward of ownership is passed to the customer and are stated net of returns, discounts and exclusive of VAT wherever applicable.

c. Hospital Project Consultancy income is recognised as and when it becomes due, on percentage completion method, on achievement of milestones.

d. Income from Treasury Operations is recognised on receipt or accrual basis whichever is earlier.

e. Interest income is recognised on a time proportion basis taking into account the principal amount outstanding and the rate applicable.

f. Royalty income is recognised on an accrual basis in accordance with the terms of the relevant agreement.

g. Dividend income is recognised as and when the owner's right to receive payment is established.

h. The Principle activities of the Company, includes business of conducting Clinical Trials on behalf of Pharmaceutical Companies on a contractual basis. The income is recognised on percentage completion method, based on the terms and conditions specified to each contract.

F. Fixed Assets

a. All Fixed Assets are stated at their original cost of acquisition less accumulated depreciation and impairment losses are recognised where necessary (Also refer Note 1(O) in the Notes forming part of Accounts). Additional cost relating to the acquisition and installation of fixed assets are capitalised. Wherever VAT is eligible for input availment, Fixed Assets are stated at cost of acquisition after deduction of input VAT.

b. Capital work – in – progress comprises of and amounts expended on development/acquisition of Fixed Assets that are not yet ready for their intended use at the Balance Sheet Date. Expenditure during construction period directly attributable to the projects under implementation is included under Capital work- in –progress, pending allocation to the assets.

c. Assets acquired under Hire Purchase agreements are capitalised to the extent of principal value, while finance charges are charged to revenue on accrual basis.

d. Interest on borrowings, for acquisition of Fixed Assets and exchange fluctuation arising out of foreign borrowings and the related revenue expenditure incurred for the period prior to the commencement of operations for the expansion activities of the Company are capitalised.

G. Transactions in Foreign Currencies

a. Monetary items relating to foreign currency transactions remaining unsettled at the end of the year are translated at the exchange rates prevailing at the date of the Balance Sheet. The difference in translation of monetary items and the realised gains and losses on foreign exchange transactions are recognised in the Statement of Profit and Loss in accordance with Accounting Standard 11 – 'The Effects of Changes in Foreign Exchange Rates (Revised 2003)', as notified under the Companies (Accounting Standards) Rules, 2006 (Also refer Note 23 (a) in the Notes forming part of Accounts).

b. Exchange differences arising on settlement or restatement of foreign currency denominated liabilities borrowed for the acquisition of Fixed Assets, are capitalised based on Para 46A of Accounting Standard 11 – 'The Effects of Changes in Foreign Exchange Rates (Revised 2003)'.

c. The use of foreign currency forward/swap contract is governed by the Company's policies approved by the Board of Directors. These hedging contracts are not meant for speculation.

H. Investments

Investments are classified as current or long term in accordance with Accounting Standard 13 on 'Accounting for Investments'

a. Long-term investments are stated at cost to the Company in accordance with Accounting Standard 13 on 'Accounting for Investments'. The Company provides for diminution in the value of long-term investments other than those temporary in nature.

b. Current investments are valued at lower of cost and fair value. Any reduction to carrying amount and any reversals of such reductions are charged or credited to the Statement of Profit and Loss.

c. On disposal of an investment, the difference between the carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

d. In case of foreign investments,

i. The cost is the rupee value of the foreign currency on the date of investment.

ii. The face value of the foreign investments is shown at the face value reflected in the foreign currency of that country.

I. Employee Benefits

Short-term employee benefits (benefits which are payable within twelve months after the end of the period in which the employees render service) are measured at cost.

Long-term employee benefits (benefits which are payable after the end of twelve months from the end of the period in which employees render service), and post-employment benefits (benefits which are payable after completion of employment), are measured on a discounted basis by the Projected Unit Credit Method, on the basis of annual third party actuarial valuations.

Defined Contribution Plan

The Company makes contributions towards Provident Fund and Employees State Insurance as a defined contribution retirement benefit fund for qualifying employees.

The Provident Fund Plan is operated by the Regional Provident Fund Commissioner. Under the scheme, the Company is required to contribute a specified percentage of payroll cost, as per the statute, to the retirement benefit schemes to fund the benefits. Employees State Insurance dues are remitted to the Employees State Insurance Corporation.

Defined Benefit Plans

For Defined Benefit Plan the cost of providing benefits is determined using the Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. Actuarial Gains or Losses are recognised in full in the Statement of Profit and Loss for the period in which they occur.

a. Gratuity

The Company makes annual contributions to the Employees' Group Gratuity-cum-Life Assurance Scheme of the ICICI and Life Insurance Corporation of India, for funding defined benefit plan for qualifying employees which are recognised as an expense. The Scheme provides for lump sum payments to vested employees at retirement, death while in employment, or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service, or part thereof in excess of six months. Vesting occurs upon completion of five years of service. The Company restricts the payment of gratuity to employees below the rank of General Managers to the limits specified in the payment of Gratuity Act, 1972. However the Company complies with the norms of Accounting Standard 15.

b. Leave Encashment Benefits

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 contribution to the fund managed by HDFC Life.

J. Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such asset. As per Accounting Standard 16 'Borrowing costs', a qualifying asset is one that takes necessarily a substantial period of time to get ready for its intended use. All other borrowing costs are expensed as and when incurred.

K. Segment Reporting

Identification of Segments

The Company has complied with Accounting Standard 17- 'Segment Reporting' with Business as the primary segment.

The Company operates in a single geographical segment, which is India, and the drugs sold in the pharmacies, are regulated under the Drug Control Act, which applies uniformly all over the country. The risk and returns of the enterprise are very similar in different geographical areas within the country and hence there is no reportable secondary segment as defined in Accounting Standard 17.

Segment Policies

The accounting policies adopted for segment reporting are in line with the accounting policies adopted in the consolidated financial statements with the following additional policies for Segment Reporting:

i. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under “unallocable expenses”.

ii. Inter segment revenue and expenses are eliminated.

The Company has disclosed this Segment Reporting in Consolidated Financial Statements as per para (4) of Accounting Standard – 17- ‘Segment Reporting’.

L. Earnings per Share

In determining the earnings per share, the Company considers the net profit after tax before extraordinary item and after extraordinary items and includes post - tax effect of any extraordinary items. The number of shares used in computing the basic earnings per share is the weighted average number of shares outstanding during the period. For computing diluted earnings per share, potential equity shares are added to the above weighted average number of shares.

M. Lease

Operating Lease

Leases where the lessor effectively retains substantially all the risks and the benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight – line basis over the lease term.

N. Taxation

i. Income Tax

Income tax is computed using the tax effect accounting method, where taxes are accrued in the same period as and when the related revenue and expense arise. A provision is made for Income Tax annually based on the tax liability computed after considering tax allowances and exemptions.

ii. Deferred Tax

The differences that result between the profit calculated for income tax purposes and the profit as per the financial statements are identified and thereafter deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and get reversed in another, based on the tax effect of the aggregate amount being considered. Deferred tax assets are not recognized unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The tax effect is calculated on the accumulated timing differences at the beginning of this accounting year based on the prevailing enacted or substantively enacted regulations.

O. Impairment

The carrying amounts of assets are reviewed at each Balance Sheet date to ascertain if there is any indication of impairment based on internal/external factors. An asset is treated as impaired based on the cash generating concept at the year end, when the carrying cost of assets exceeds its recoverable value, in terms of Para 5 to Para 13 of AS-28 ‘Impairment of Assets’ as notified under the Companies (Accounting Standards) Rules, 2006 for the purpose of arriving at impairment loss thereon, if any. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount.

P. Bad Debts Policy

The Board of Directors approves the Bad Debt Policy, on the recommendation of the Audit Committee, after the review of debtors every year. The standard policy for write off of bad debts is as given below subject to management inputs on the collectability of the same,

Period	% of write off
0-1 years	0
1-2 years	25
2-3 years	50
Over 3 years	100

Q. Intangible Assets

Intangible assets are initially recognised at cost and amortised over the best estimates of their useful life. Cost of software including directly attributable cost, if any, acquired for internal use, is allocated / amortised over a period of 36 months to 120 months.

R. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are not provided for unless a reliable estimate of probable outflow to the Company exists as at the Balance Sheet date. Contingent assets are neither recognised nor disclosed in the financial statements.

S. Derivative Financial Instruments

The Company is exposed to foreign currency fluctuations on foreign currency loans and payables. The company limits the effect of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. The company enters into derivative financial instruments where the counterparty is a bank.

All derivatives are effective hedges against an underlying liability and any cash flows are recognised as and when they occur. Attributable transaction costs are recognised in the statement of income as a cost.

Gain/(losses) on settlement of foreign currency derivative instruments relating to borrowings which have not been designated as hedges are recorded as a finance expense.

2. Share Capital

(₹ in million)

Particulars	31.03.2015	31.03.2014
Authorised		
200,000,000(2013-14 : 200,000,000) Equity Shares of ₹ 5/- each	1,000.00	1,000.00
1,000,000 (2013-14 : 1,000,000) Preference Shares of ₹ 100/- each	100.00	100.00
	1,100.00	**1,100.00**
Issued		
139,658,177 (2013-14 : 139,658,177) Equity Shares of ₹ 5/- each	698.29	698.29
Subscribed and Paid up		
139,125,159 (2013-14 :139,125,159) Equity Shares of ₹ 5/- each fully paid up	695.63	695.63

Reconciliation of the number of shares

Particulars	31.03.2015		31.03.2014	
	Equity Shares		Equity Shares	
	Number	Amount ₹ in million	Number	Amount ₹ in million
Shares outstanding at the beginning of the year	139,125,159	695.63	139,125,159	695.63
Shares outstanding at the end of the year	**139,125,159**	**695.63**	**139,125,159**	**695.63**

Rights, Preferences and Restrictions attached to shares

Equity shares: The Company has one class of equity shares having a par value of ₹ 5 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Shareholders holding more than 5% of total paid up capital

Name of the Shareholder	31.03.2015		31.03.2014	
	Equity Shares		Equity Shares	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
PCR Investments Ltd	27,223,124	19.57	27,223,124	19.57
Integrated (Mauritius) Healthcare Holdings Ltd	15,093,860	10.85	15,093,860	10.85
Oppenheimer Developing Markets Fund.	12,086,295	8.69	11,678,894	8.39

a. 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 fungibilty during the year 2005-06. Total GDR's converted into underlying equity shares for the year ended on 31st March 2015 is 22,354 (2013-14 : 147,449) of ₹ 5 each and total equity shares converted back to GDRs for the year ended 31st March 2015 is 400 (2013-14 : 439,944) of ₹ 5 each. Total GDR's converted into equity shares up to 31st March 2015 is 25,101,532 (2013-14: 25,079,178) of ₹ 5 each.

3. Reserves and surplus

(₹ in million)

	Particulars	31.03.2015	31.03.2014
a.	Capital Reserves		
	Opening Balance	18.26	18.26
	Closing Balance	**18.26**	**18.26**
b.	Capital Redemption Reserve		
	Opening Balance	60.02	60.02
	Closing Balance	**60.02**	**60.02**
c.	Securities Premium Account		
	Opening Balance	17,138.52	17,138.52
	Add : Securities premium credited on Share issue	-	
	Closing Balance	**17,138.52**	**17,138.52**
d.	Debenture Redemption Reserve		
	Opening Balance	812.50	800.00
	(+) Current Year Transfer	485.00	12.50
	Closing Balance	**1,297.50**	**812.50**
e.	General Reserve		
	Opening Balance	7,756.85	6,249.03
	(+) Current Year Transfer	1,500.00	1,500.00
	(+) Transfer from Investment allowance	-	7.63
	(+) Transfer from Foreign exchange Fluctuation Reserve	-	0.19
	Closing Balance	**9,256.85**	**7,756.85**
f.	Surplus		
	Opening balance	3,165.47	2,306.69
	(+) Net Profit/(Net Loss) For the current year	3,465.95	3,307.20
	(-) Proposed Dividend on Equity Shares for the year	799.97	799.97
	(-) Dividend Distribution Tax on Proposed dividend on Equity Shares	163.79	135.95
	(-) Transfer to Reserves	1,500.00	1,500.00
	(-) Transfer to Debenture Redemption Reserve	485.00	12.50
	(-) Amount charged off in accordance with transitional provisions of Sch II to the Companies Act, 2013	538.73	-
	Closing Balance	**3,143.93**	**3,165.47**
	Total	**30,915.08**	**28,951.62**

4. Long Term Borrowings

(₹ in million)

Particulars	31.03.2015	31.03.2014
Secured		
(a) Non-convertible Debentures		
1,000 (2013-14: 1,000) 10.30% Debentures of ₹ 1,000,000/- each	1,000.00	1,000.00
940 (2013-14: 940) 10.15% Debentures of ₹ 1,000,000/- each	940.00	940.00
1,250 (2013-14: 1,250) 9.80% Debentures of ₹ 1,000,000/- each	1,250.00	1,250.00
2,000 (2013-14: Nil) 10.20% Debentures of ₹ 1,000,000/- each	2,000.00	-
(b) Term loans		
From Banks		
HDFC Bank Limited	585.00	845.00
Axis Bank	1,000.00	-
Bank of India	1,160.00	-
HSBC	1,000.00	-
From Other parties		
IFC Loan (External Commercial Borrowings)	750.75	965.27
IFC Loan (External Commercial Borrowings)	1,403.08	1,636.80
HSBC (External Commercial Borrowings)	1,084.00	1,246.60
HSBC (Bills Payable)	636.81	504.58
IDFC	250.00	-
Total	**13,059.64**	**8,388.25**
Unsecured		
(i) Deposits		
Fixed Deposits	220.18	335.95
(ii) Other loans		
Bank of Tokyo Mitsubishi UFJ (External Commercial Borrowings)	1,328.20	1,328.20
Total	**1,548.38**	**1,664.15**
Total	**14,608.02**	**10,052.40**

a. 10.30% Non Convertible Debentures

The Company issued to Life Insurance Corporation of India, 500 Nos. 10.30% Non Convertible Redeemable Debentures of ₹ 1 million each on 28th December 2010 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 28th December 2020 and 500 Nos. 10.30% Non-Convertible Redeemable Debentures of ₹ 1 million each on 22nd March 2011 which will be redeemed on 22nd March 2021.

b. 10.15% Non Convertible Debentures

The Company issued 1,000 Nos. 10.15% Non Convertible Redeemable Debentures of ₹ 1 million each on 22nd March 2012 to multiple parties 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 22nd March 2017. The Company had redeemed debentures amounting to ₹ 60 million during the FY 2012-13 as per the terms and conditions of the issue and the residual debentures for a value of ₹ 940 million are outstanding as of 31st March 2015.

c. 9.80% Non Convertible Debentures

The Company issued to First Rand Bank Limited,1,250 Nos. 9.80% Non Convertible Redeemable Debentures of ₹ 1 million each on 11th July 2012 with an option to re-purchase/re-issue some or all of its debentures in the secondary market or otherwise after expiry of a term of 3 years from the date of issue with the specified date of redemption being 11th July 2017.

d. 10.20% Non Convertible Debentures

The Company issued to Kotak Mahindra Bank Limited 1,150 Nos. and to NPS Trust A/C LIC, 850 Nos. 10.20% Non Convertible Redeemable Debentures of ₹ 1 million each on 22nd Aug 2014, 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 22nd August 2028.

The Debentures stated above in point (a),(b),(c) &(d) are secured by way of pari passu first charge on the fixed assets of the Company, present and future along with banks and Institutions; such pari passu first charge ensuring at least a cover of 1.25 times the value of the outstanding principal amount of the loan.

e. HDFC Bank Limited

The Company has availed a Rupee Term Loan of ₹ 1,300 million from HDFC Bank Limited, which is repayable in twenty quarterly instalments commencing from September 2013 with the interest payable being linked to HDFC Bank's Base Rate. During the year four instalments of ₹ 65 million each were repaid. The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the company along with a minimum cover of 1.25 times the value of the outstanding principal amount of the loan.

f. HSBC

The Company has availed a Rupee Term Loan of ₹ 1,000 million from HSBC, which is repayable in sixteen semi annual instalments commencing from 2nd March 2017 with interest payable being linked to HSBC's Base Rate. 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.

g. Axis Bank Limited

The Company has availed a Rupee Term Loan of ₹ 1,000 million from Axis Bank Limited, against the sanctioned amount of ₹ 3,000 million, which is repayable in 40 quarterly instalments (with moratorium of 4 years from the date of 1st disbursement) commencing from 15.12.2018 with interest payable being linked to Axis Bank's Base Rate. 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.

h. Bank of India

The Company has availed Rupee Term Loan of ₹ 1,160 million from Bank of India, against the sanctioned amount of ₹ 3,000 million, which is repayable in 40 quarterly instalments (with moratorium of 4 years from the date of 1st disbursement) commencing from 30th September 2018 with interest payable being linked to Bank of India's Base Rate. The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the company ensuing atleast a cover of 1.25 times the value of the outstanding principal amount of the loan.

i. International Finance Corporation (External Commercial Borrowings)

The Company was sanctioned a sum of US$ 35 million by the International Finance Corporation, Washington by way of External Commercial Borrowings (ECB). The Company had withdrawn the full amount of US$ 35 million as of 31st March 2012 on the above loan. The ECB loan is secured by way of pari passu first ranking charge on the fixed assets owned by the Company, such pari passu charge ensuring atleast a cover of 1.25 times the value of the outstanding principal amount of the loan. The Loan is repayable in 15 equal Semi-annual Instalments starting from 15th September, 2012. During the year two instalments of US$ 2,333,333 each were repaid on 15th September 2014 and 15th March 2015.

The company was granted a further loan of US$ 30 million in the year 2012-13.The ECB loan is secured by way of pari passu first ranking charge on the fixed assets of the company ensuring atleast a cover of 1.25 times the value of the outstanding principal amount of the loan. The loan is repayable in 14 semi-annual instalments starting from 15th September 2015.

The Company entered in to a Currency Cum Interest Rate Swap (CCIRS) with HDFC Bank Limited covering LIBOR and foreign currency fluctuation risk. The derivative contract is secured by a second charge on the immovable assets of the Company to the extent of ₹ 1,100 million. The tenure of this derivative contract matches with the tenure of the loan outstanding as of 31st March 2015.

j. HSBC (External Commercial Borrowings)

The company has drawn a loan of US$ 25 million from HSBC in the year 2012-13. The Company entered into a Currency Cum Interest Rate Swap (CCIRS) with HSBC in Indian Rupee for interest rate and foreign currency fluctuation risk. The ECB loan is secured by way of pari passu first ranking charge on the fixed assets of the Company. During the year four instalments of US$ 0.5 million each were repaid.

k. HSBC Buyer's Line of credit

The company has availed a buyer's line of credit of US$ 10.68 million (US$ 8.40 million), for import of medical equipments. The loan is secured by first pari passu ranking charge on entire existing and future movable fixed asset of the company ensuing atleast a cover of 1.25 times the value of the outstanding principal amount of the loan.

l. IDFC

The company has availed rupee term loan of ₹ 250 million from IDFC against the sanctioned amount of ₹ 1,500 million which is repayable in 44 quarterly instalments commencing from 15th October 2016 with the interest payable being linked to IDFC's Base Rate. The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the company ensuing atleast a cover of 1.25 times the value of the outstanding principal amount of the loan.

m. Bank of Tokyo – Mitsubishi UFJ (External Commercial Borrowings)

Bank of Tokyo has granted an unsecured loan of US$ 20 million on 11th September 2013. The Company entered into a Currency Cum Interest Rate Swap (CCIRS) with HSBC covering LIBOR and foreign currency fluctuation risk. The loan is repayable in 3 annual instalments starting from the end of the 5th year from the date of advance.

5 Deferred Tax Liabilities

Additional net deferred tax liability of ₹ 730.88 million (₹ 894.48 million) for the period has been recognized in the Statement of Profit and Loss.

(₹ in million)

Particulars	Deferred Tax Liability as at 31.03.2015	Current year charge /(credit)	Deferred Tax Liability as at 31.03.2014
Deferred Tax Liability on account of Depreciation*	984.19	(9.57)	993.76
Deferred Tax Liability on account of Deferred Revenue Expenditure (Also refer note 39 of notes forming part of accounts)	49.16	(1.07)	50.23
Deferred Tax Liability on account of 35 AD	2,986.11	741.52	2,244.59
Total	**4,019.46**	**730.88**	**3,288.58**

*Net of depreciation for the assets claimed as deduction u/s 35AD of The Income Tax Act 1961.

6. Other Long Term Liabilities

(₹ in million)

Particulars	31.03.2015	31.03.2014
Rent Deposits	-	26.70
Other Deposits	1.47	0.88
Total	**1.47**	**27.58**

7. Short Term Borrowings

(₹ in million)

	Particulars	31.03.2015	31.03.2014
	Secured		
(i)	**Loans repayable on demand from banks**		
	Canara Bank	73.73	144.27
	State Bank of Travancore	7.15	-
	Unsecured		
(i)	**Deposits**		
	Fixed Deposits	104.16	15.03
(ii)	**Loans repayable on demand from banks**		
	HSBC	372.77	-
	Total	**557.81**	**159.30**

Note: The cash credit availed from banks is secured by way of stock-in-trade, less unpaid creditors and receivables.

8. Details of Trade payables are based on the information available with the Company. Regarding the status of Suppliers as defined under the 'Micro, Small and Medium Enterprises Development Act, 2006. The amount due to Micro, Small and Medium Enterprises for the financial year ended 31st March 2015 is ₹ 210.92 million (₹ 184.79 million). No interest in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006 or otherwise has either been paid or is payable or accrued and remaining unpaid as at 31st March 2015.

9. Other Current Liabilities

(₹ in million)

	Particulars	31.03.2015	31.03.2014
(a)	Current maturities of long-term debt	1,644.56	582.91
(b)	Interest accrued but not due on borrowings	160.05	94.79
(c)	Unpaid dividends	28.41	25.12
(d)	Unpaid matured deposits and interest accrued thereon	16.57	4.40
(e)	Other payables		
	Sundry Creditors Others	153.72	125.31
	Retention Money on Capital Contracts	0.27	0.46
	Inpatient Deposits	238.54	181.04
	Rent Deposits	25.80	5.76
	Other Deposits	14.91	5.16
	Tax Deducted at Source	146.72	116.01
	Outstanding Expenses	467.20	446.25
	Total	**2,896.75**	**1,587.21**

During the year, the amount transferred to Investors Education and Protection Fund of the Central Government as per the provisions of Section 205 (A) and 205 (C) of the then Companies Act, 1956 is ₹ 2.34 million (₹ 1.97 million) in aggregate which comprises of ₹ 2.34 million (₹1.97 million) as unpaid dividend and Nil (₹ Nil) as unpaid deposit.

10. Short Term Provisions

(₹ in million)

	Particulars	31.03.2015	31.03.2014
(a)	**Provision for employee benefits**		
	Bonus	198.89	195.95
	Gratuity & Earned Leave	141.72	184.48
	Total	**340.61**	**380.43**
(b)	**Others**		
	For Dividend - Equity Shares	799.97	799.97
	For Dividend Distribution Tax - Equity Shares	163.79	135.95
	Total	**963.76**	**935.92**
	Total	**1,304.37**	**1,316.35**

11. Tangible Assets

(₹ in million)

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at April 1, 2014	Additions	Deletions	Balance as at March 31, 2015	Balance as at April 1, 2014	Depreciation charge for the year	On Disposals	Balance as at March 31, 2015	Balance as at March 31, 2015	Balance as at April 1, 2014
Tangible Assets										
Land	1,784.16	773.37	-	2,557.53	-	-	-	-	2,557.53	1,784.16
Buildings	6,205.90	1,268.38	8.14	7,466.14	651.12	79.61	-	730.73	6,735.41	5,554.78
Leasehold Improvements	2,370.62	714.01	36.00	3,048.63	252.07	88.93	43.65	297.35	2,751.28	2,118.55
Plant and Equipment								-		
Medical Equipment & Surgical Instruments	9,092.90	1,747.53	262.31	10,578.12	3,081.00	419.19	237.00	3,263.19	7,314.93	6,011.90
Air Conditioning Plant & Air Conditioners	1,301.22	660.41	61.89	1,899.74	553.26	323.64	25.27	851.63	1,048.11	747.96
Furniture and Fixtures	2,410.70	552.30	300.36	2,662.64	780.35	247.07	40.51	986.91	1,675.73	1,630.35
Vehicles	437.44	87.75	25.57	499.62	169.88	57.52	34.22	193.18	306.44	267.56
Office equipment	1,087.78	216.61	268.31	1,036.08	615.98	167.05	97.08	685.95	350.13	471.80
Others								-		
Electrical Installations & Generators	1,448.25	395.08	202.36	1,640.97	412.30	129.90	98.96	443.24	1,197.73	1,035.95
Fire fighting Equipment	77.76	54.01	0.71	131.06	9.50	1.58	-	11.08	119.98	68.26
Boilers	3.50	-	-	3.50	1.19	-	-	1.19	2.31	2.31
Kitchen Equipment	45.23	16.08	4.49	56.82	11.01	0.77	-	11.78	45.04	34.22
Refrigerators	41.76	6.83	2.02	46.57	10.44	2.45	0.30	12.59	33.98	31.32
Wind Electric Generator	26.85	-	-	26.85	26.85	-	-	26.85	-	-
Total	**26,334.07**	**6,492.36**	**1,172.16**	**31,654.27**	**6,574.95**	**1,517.71**	**576.99**	**7,515.67**	**24,138.60**	**19,759.12**
Previous Year	22,455.17	4,536.05	657.15	26,334.07	5,680.45	1,225.33	330.83	6,574.95	19,759.12	16,774.72

12. Intangible Assets

(₹ in million)

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at April 1, 2014	Additions	Deletions	Balance as at March 31, 2015	Balance as at April 1, 2014	Amortization for the year	Deletions	Balance as at March 31, 2015	Balance as at March 31, 2015	Balance as at April 1, 2014
Computer Software	295.05	122.55	54.02	363.58	167.17	59.56		226.73	136.85	127.88
Total	**295.05**	**122.55**	**54.02**	**363.58**	**167.17**	**59.56**	**0.00**	**226.73**	**136.85**	**127.88**
Previous Year	245.27	49.78	-	295.05	104.86	62.31	-	167.17	127.88	140.41

13 (a) Capital Work-in-Progress of ₹ 5,121.59 million (₹ 4,635.73 million) comprises, amounts spent on assets under construction and directly related pre-operative expenses. The amount of interest included in capital work in progress is ₹ 667.24 million (₹ 529.13 million)*.

* Includes Interest on borrowings capitalised for the year ended 31st March 2015 of ₹ 620.00 million (₹ 341.12 million).

(b) For the year, the depreciation charge is higher by ₹104.14 million on account of revision in useful life in accordance with Schedule II to the Companies Act, 2013. The profit for the year is lower by an equivalent amount.

14. Non Current Investments

(₹ in million)

	Particulars	31.03.2015	31.03.2014
	Trade Investments (Refer Table A below)		
(a)	Investment in Equity instruments	5,357.77	4,485.39
(b)	Investments in preference shares	130.40	291.51
	Total (A)	**5,488.17**	**4,776.90**
	Other Investments (Refer Table B below)		
(a)	Investment in Equity instruments	462.20	437.34
(b)	Investment in Preference Shares	22.00	22.00
(c)	Investments in debentures or bonds	10.00	10.00
(d)	Investments in Government or Trust securities	0.17	0.17
	Total (B)	**494.37**	**469.51**
	Grand Total (A + B)	**5,982.54**	**5,246.41**
	Advance for Investment	6.05	171.20
	Total	**5,988.59**	**5,417.61**

(₹ in million)

Particulars	31.03.2015	31.03.2014
Aggregate amount of quoted investments	403.72	403.72
(Market Value ₹ 1,134.06 million (2013-14: ₹ 794.41 million))		
Aggregate amount of unquoted investments	5,578.82	4,842.69
Advance for Investment	6.05	171.20
Total	**5,988.59**	**5,417.61**

A) Details of Trade Investments

(₹ in million)

Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	Face Value	No. of Shares / Units As at 31st March 2015	No. of Shares / Units As at 31 March 2014	Quoted / Unquoted	Partly Paid / Fully paid	Amount ₹ in million As at 31st March 2015	Amount ₹ in million As at 31 March 2014	Whether stated at Cost Yes/No
(1)	(2)	(3)	(4)		(5)	(6)	(8)	(9)	(10)
Investement in Equity Instruments									
Apollo Home Healthcare (I) Limited (formerly known as Unique Home Healthcare Limited)	Subsidiary	10	29,823,012	29,823,012	Unquoted	Fully Paid	297.40	297.40	Yes
AB Medical Centres Limited	Subsidiary	1000	16,800	16,800	Unquoted	Fully Paid	21.80	21.80	Yes
Samudra Health Care Enterprises Limited	Subsidiary	10	12,500,000	1,2,500,000	Unquoted	Fully Paid	250.60	250.60	Yes
Imperial Hospitals & Research Centre Limited	Subsidiary	10	26,950,496	25,681,000	Unquoted	Fully Paid	1,272.62	1,155.38	Yes
Apollo Hospitals (UK) Limited	Subsidiary	1£	5,000	5,000	Unquoted	Fully Paid	0.39	0.39	Yes
Apollo Health & Lifestyle Limited	Subsidiary	10	41,969,726	25,303,060	Unquoted	Fully Paid	1,272.52	772.52	Yes
Apollo Nellore Hospital Limited	Subsidiary	10	1,109,842	1,109,842	Unquoted	Fully Paid	53.96	53.96	Yes
Alliance Medicorp (India) Limited	Subsidiary	10	6,783,000	6,783,000	Unquoted	Fully Paid	67.83	67.83	Yes
Alliance Dental Care Ltd	Subsidiary	100	10,364,743	670,650	Unquoted	Fully Paid	103.65	67.07	Yes
Sapien Biosciences Pvt Ltd	Subsidiary	10	10,000	10,000	Unquoted	Fully Paid	0.40	0.40	Yes
Apollo Hospitals International Limited	Joint Venture	10	17,840,629	17,590,266	Unquoted	Fully Paid	355.42	352.92	Yes
Apollo Gleneagles Hospitals Limited	Joint Venture	10	54,675,697	54,675,697	Unquoted	Fully Paid	393.12	393.12	Yes
Apollo Gleneagles Hospitals PET CT Private Limited	Joint Venture	10	85,00,000	8,500,000	Unquoted	Fully Paid	85.00	85.00	Yes
Western Hospitals Corporation Private Limited	Subsidiary	10	18,000,000	18,000,000	Unquoted	Fully Paid	153.66	153.66	Yes
Quintiles Phase One Clinical Trials India Private Limited	Joint Venture	1,000	-	146,285	Unquoted	Fully Paid		152.00	Yes
Apollo Lavasa Health Corporation Limited	Joint Venture	10	479,701	479,701	Unquoted	Fully Paid	150.00	150.00	Yes
Indraprastha Medical Corporation Limited	Associate	10	20,190,740	20,190,740	Quoted	Fully Paid	393.72	393.72	Yes
Stemcyte India Therapautics Private Limited	Associate	1	240,196	240,196	Unquoted	Fully Paid	80.00	80.00	Yes
Apollo Rajshree Hospitals Private Limited	Subsidiary	10	11,351,574	1,175,982	Unquoted	Fully Paid	346.45	35.89	Yes
Kurnool Hospitals Enterprises Limited	Others	10	157,500	157,500	Unquoted	Fully Paid	1.73	1.73	Yes
Apokos Rehab Private Limited	Joint Venture	10	5,750,000	-	Unquoted	Fully Paid	57.50		Yes
Investments in Preference Shares									
Apollo Hospitals International Limited	Joint Venture	100	1,104,000	1104,000	Unquoted	Fully Paid	110.40	110.40	Yes
Sapien Biosciences Pvt Ltd	Subsidiary	100	2,000,000	1,000,000	Unquoted	Fully Paid	20.00	10.00	Yes
Apollo Rajshree Hospitals Private Limited	Others	10	-	5,606,458	Unquoted	Fully Paid	-	171.11	Yes
Total							**5,488.17**	**4,776.90**	

B) Details of Other Investments

(₹ in million)

Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	Face Value	No. of Shares / Units As at 31st March 2015	No. of Shares / Units As at 31 March 2014	Quoted / Unquoted	Partly Paid / Fully paid	Amount ₹ in million As at 31st March 2015	Amount ₹ in million As at 31 March 2014	Whether stated at Cost Yes / No
(1)	(2)	(3)	(4)		(5)	(6)	(8)	(9)	(10)
Investement in Equity Instruments									
Apollo Munich Health Insurance Company Limited	Joint Venture	10	35,709,000	33,860,000	Unquoted	Fully Paid	357.09	338.60	Yes
Family Health Plan Limited	Associate	10	490,000	490,000	Unquoted	Fully Paid	4.90	4.90	Yes
Future Parking Private Limited	Joint Venture	10	2,401,000	2,401,000	Unquoted	Fully Paid	24.01	24.01	Yes
Health Super Hiway Private Limited (₹ 2,000)	Others	10	200	200	Unquoted	Fully Paid	0.002	0.00 2	Yes
AMG Health care Destination Pvt Ltd	Others	10	1,232,500	1,232,500	Unquoted	Fully Paid	12.33	12.33	Yes
Clover Energy Pvt Ltd	Others	10	1,659,250	10571,250	Unquoted	Fully Paid	16.59	15.71	Yes
Indo Wind Power Pvt Ltd	Others	10	35,500	75,000	Unquoted	Fully Paid	0.51	0.75	Yes
Tirunelveli Vayu Energy Generation PVT LTD	Others	1,000	36	36	Unquoted	Fully Paid	13.61	13.61	Yes
Cureus .Inc (Stanford - US)	Others		935,000	935,000	Unquoted	Fully Paid	27.43	27.43	Yes
Total Health	Subsidiary	10	500,000	-	Unquoted	Fully paid	5.00		
Iris Ecopower Venture Pvt Ltd	Others	10	70,000	-	Unquoted	Fully paid	0.70	-	Yes
Apollo Dialysis Pvt Limited	Others	10	5,100		Unquoted	Fully paid	0.05	-	
Investments in Preference Shares									
Health Super Hiway Private Limited	Others	54.10	406,514	406,514	Unquoted	Fully Paid	22.00	22.00	Yes
Investments in Debentures or Bonds									
Optionally Redeemable Convertible Debentures									
ECL Finance NCD	Others	1,000	10,000	10,000	Quoted	Fully Paid	10.00	10.00	Yes
Investments in Government or Trust securities									
National Savings Certificate	Others				Unquoted	Fully Paid	0.17	0.17	Yes
Total							**494.37**	**469.51**	

a. National Saving Certificates shown under investments are pledged with the Chief Ration Officer, Government of Andhra Pradesh.

15. Long Term Loans and Advances

(₹ in million)

	Particulars	31.03.2015		31.03.2014	
a.	Capital Advances				
	Unsecured, considered good		644.03		597.34
b.	Security Deposits				
	Unsecured, considered good		1,482.68		1,356.15
c.	Loans and advances to related parties				
	Unsecured, considered good		870.15		351.15
d.	Other Loans and Advances				
	MAT Credit Entitlement	1,995.45		1,549.71	
	Other Advances	432.63		475.75	
	Advance Income Tax	365.42	2,793.50	487.09	2,512.55
	Interest Receivable		60.27		58.89
	Total		**5,850.63**		**4,876.08**

16. Current Investments

(₹ in million)

	Particulars	31.03.2015	31.03.2014
(a)	Investments in Equity Instruments	67.94	135.88
(b)	Investments in Debentures	10.00	10.00
(c)	Investments in Mutual funds	1,063.68	1,336.79
	Total	**1,141.62**	**1,482.67**

(₹ in million)

Particulars	31.03.2015	31.03.2014
Aggregate amount of quoted investments	1,073.68	1,346.79
(Market Value ₹ 1,158.43 (2013-14 : ₹ 1,443.57 million))		
Aggregate amount of unquoted investments	67.94	135.88
Total	**1,141.62**	**1,482.67**

Details of Current Investment

(₹ in million)

Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	Face value	No. of Shares / Units	No. of Shares / Units	Quoted / Unquoted	Partly Paid / Fully paid	Amount (₹ in million)	Amount (₹ in million)	Basis of Valuation
			31.03.2015	31.03.2014			31.03.2015	31.03.2014	
(1)	(2)	(3)	(4)		(5)	(6)	(7)	(8)	(9)
Investments in Equity Instruments									
British American Hospitals Enterprises Limited	Others	100MUR	464,333	928,720	Unquoted	Fully Paid	67.94	135.88	Cost
Investments in Debentures									
IFCI Venture Capital Funds Limited	Others	1,000,000	10	10	Unquoted	Fully paid	10.00	10.00	Cost
Investments in Mutual Funds									
ICICI Prudential Short Term regular Plan Growth Option	Others	10	2,139,907	2,139,907	Quoted	Fully paid	50.00	50.00	Cost
Canara Robeco Short Term Fund - regular Growth	Others	10	192,148	192,148	Quoted	Fully paid	2.50	2.50	Cost
Reliance Short Term fund - Growth Plan (ST- GP)	Others	10	4,681,714	4,681,714	Quoted	Fully paid	100.00	100.00	Cost
Canara Robeco Short Term Fund - regular Growth	Others	10	188,206	188,206	Quoted	Fully paid	2.50	2.50	Cost
Kotak Bond Scheme Plan A Growth	Others	10	-	9,136,630	Quoted	Fully paid	-	200.00	Cost
DWS Premier Bond Fund - Regular Plan - Growth	Others	10	-	10,330,899	Quoted	Fully paid	-	200.00	Cost
Reliance Short Term Fund - Growth Plan	Others	10	6,903,598	6,903,598	Quoted	Fully paid	150.00	150.00	Cost
SBI Term Debt Fund - Regular Plan - Growth	Others	10	-	14,922,589	Quoted	Fully paid	-	200.00	Cost
DWS Short Maturity Fund - Regular Plan - Growth	Others	10	4,785,788	4,785,788	Quoted	Fully paid	100.00	100.00	Cost
IDFC SSIF Investment Plan Growth - (Regular Plan)	Others	10	-	1,994,716	Quoted	Fully paid	-	56.79	Cost
ICICI Predential Short Term -Regular Plan - Growth Plan	Others	10	1,375,946	4,198,646	Quoted	Fully paid	32.77	100.00	Cost

(₹ in million)

Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	Face value	No. of Shares / Units	No. of Shares / Units	Quoted / Unquoted	Partly Paid / Fully paid	Amount (₹ in million)	Amount (₹ in million)	Basis of Valuation
			31.03.2015	31.03.2014			31.03.2015	31.03.2014	
(1)	(2)	(3)	(4)		(5)	(6)	(7)	(8)	(9)
Canara Robeco short term Fund - regular Growth	Others	10	182,151	182,151	Quoted	Fully paid	2.50	2.50	Cost
L028G SBI Magnum Income Fund - Regular plan - Growth	Others	10	-	1,715,101	Quoted	Fully paid	-	50.00	Cost
Canara Robeco short term Fund - regular Growth	Others	10	1,83,284	183,284	Quoted	Fully paid	2.50	2.50	Cost
L148IG SBI Term Debt Fund - Regular Plan - Growth	Others	10	-	2,095,616	Quoted	Fully paid	-	30.00	Cost
Reliance Short Term Fund - Growth Plan Growth Option	Others	1,000	-	1,292,802	Quoted	Fully paid	-	30.00	Cost
DWS Short Maturity - Regular Plan - Growth	Others	10	-	1,784,296	Quoted	Fully paid	-	40.00	Cost
HDFC DEBT FUND	Others	10	2,000,000	2,000,000	Quoted	Fully paid	20.00	20.00	Cost
SBI Magnum Insta Cash Fund	Others	10	17,546	-	Quoted	Fully paid	29.39	-	Cost
Reliance Liquid Fund	Others	1,000	338,742	-	Quoted	Fully paid	517.85	-	Cost
HDFC Liquid Fund	Others	10	2,321,138	-	Quoted	Fully paid	23.67	-	Cost
Canara Robeco Mutual Fund	Others	10	1,400,477	-	Quoted	Fully paid	30.00	-	Cost
Total Mutual Funds							**1,063.68**	**1,336.79**	

17. Inventories

(₹ in million)

	Particulars	31.03.2015	31.03.2014
	Inventories		
a.	Medicines (Valued at Cost)	2,725.25	2,156.18
b.	Stores and spares (Valued at Cost)	175.34	149.46
c.	Lab Materials (Valued at Cost)	7.32	7.42
d.	Surgical Instruments (Valued at Cost)	286.84	235.55
e.	Other Consumables (Valued at Cost)	130.29	101.13
	Total	**3,325.04**	**2,649.74**

18. Trade Receivables

(₹ in million)

Particulars	31.03.2015	31.03.2014
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	4,641.84	3,205.05
	4,641.84	**3,205.05**
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	853.61	1,479.46
	853.61	1,479.46
Total	**5,495.45**	**4,684.51**

i. Accrued patient collections constitute ₹ 590.24 million (₹ 313.28 million) of Trade receivables.

ii. Confirmations of balances from Debtors, Creditors are yet to be received in a few cases though the group has sent letters of confirmation to them. The balances adopted are as appearing in the books of accounts of the group.

iii. Sundry Debtors represent the debt outstanding on sale of pharmaceutical products, hospital services and project consultancy fees and is considered good. The group holds no other securities other than the personal security of the debtors.

19. Cash and Cash Equivalents

(₹ in million)

	Particulars	31.03.2015		31.03.2014	
a.	Balances with banks				
	Current Accounts	1,856.14		1,617.01	
	Deposit Accounts	316.70		96.77	
	Unpaid Dividend Accounts	28.41		25.12	
	Margin money Deposits	24.28		2.75	
	Guarantees	154.36	2,379.89	184.75	1,926.40
c.	Cash on hand		112.39		162.58
	Total		**2,492.28**		**2,088.98**

* represents Fixed Deposit receipts amounting to ₹ 154.36 million (₹ 184.75 million) which are under lien with the bankers for obtaining Bank Guarantees and Letters of credit.

20. Short Term Loans and Advances

(₹ in million)

	Particulars	31.03.2015		31.03.2014	
	Short-term loans and advances				
a.	Loans and advances to related parties				
	Unsecured, considered good		-		185.62
	Other Loans and Advances				
	Advance to Suppliers	431.06		147.80	
	Other Advances	3,669.55		2,082.15	
	Loans and advances to employees	98.54	4,199.15	73.77	2,303.72
	Total		**4,199.15**		**2,489.34**

21. Other Current Assets

(₹ in million)

	Particulars	31.03.2015	31.03.2014
	Other Current Assets		
	Prepaid Expenses	153.45	119.56
	Rent Receivables	2.76	3.95
	Interest Receivables	139.76	47.34
	Franchise Fees Receivable	13.82	9.54
	Total	**309.79**	**180.39**

22. Revenue from Operations

(₹ in million)

	Particulars	31.03.2015	31.03.2014
a.	Revenue from Healthcare services	28,202.45	24,967.87
b.	Revenue from Pharmacy	17,725.49	13,648.44
	Total	**45,927.94**	**38,616.31**

23. Other Income

(₹ in million)

	Particulars	31.03.2015	31.03.2014
(a)	Interest Income	100.82	44.02
(b)	Dividend Income		
	From Current Investment	26.96	2.07
	From Long Term Investment	37.10	34.88
(c)	Net gain/(loss) on sale of investments		
	Long term investment	103.72	136.72
	Other non-operating income		
(d)	Profit on divestiture of out patient diabetics clinic business to Apollo Sugar Clinics Limited (a stepdown subsidiary of the Company)	184.08	-
	Net gain on foreign currency transactions and translation	-	6.88
	Total	**452.68**	**224.57**

24. Cost of Materials Consumed

(₹ in million)

Particulars	31.03.2015		31.03.2014	
	Value (₹)	%	Value (₹)	%
Total Consumption of Materials	10,690.78	100.00	9,516.01	100.00
Indigenous Materials	10,636.05	99.49	9,453.27	99.34
Imported Materials	54.73	0.51	62.74	0.66

(Consumption relates to items used for healthcare services only.)

25. Employee Benefits Expense

(₹ in million)

	Particulars	31.03.2015	31.03.2014
a.	Salaries and wages	6,104.39	5,100.17
b.	Contribution to provident and other funds	432.21	410.62
c.	Employee State Insurance	104.04	77.11
d.	Staff welfare expenses	357.79	312.39
e.	Staff Education & Training	12.26	9.18
f.	Bonus	198.89	192.76
	Total	**7,209.58**	**6,102.23**

a. As per the requirements of Accounting Standard 15 'Employee Benefits' (Revised 2005) as notified under the Companies (Accounting Standards) Rules, 2006, contribution to gratuity is determined using the projected unit credit method with actuarial valuation being carried out at each Balance Sheet date. Only the additional provision as required is charged to the Statement of Profit and Loss for the relevant year ₹ 167.07 million (₹ 184.48 million). (Also refer Note 1(l) of Notes forming part of Accounts.)

(₹ in million)

Particulars	As at 31st March 2015		As at 31st March 2014	
	Gratuity	Earned Leave	Gratuity	Earned Leave
Assumptions				
Discount Rate	8.00%	8.00%	8.00%	8.00%
Rate of Increase in Salaries	6.00%	8.00%	6.00%	8.00%
Mortality pre- retirement	Indian Assured Lives Mortality (2006-08) Ultimate			
Disability	Nil	Nil	Nil	Nil
Attrition	23.00%	23.00%	23.00%	23.00%
Estimated rate of return on plan assets	8.00%	8.00%	8.00%	8.00%
Retirement	58yrs	58yrs	58yrs	58yrs
Investment details on plan assets	100% of the plan assets are invested on debt instruments			

(₹ in million)

Particulars	As at 31st March 2015			As at 31st March 2014		
	Gratuity	Earned Leave	Total	Gratuity	Earned Leave	Total
Present Value of Obligation as at the beginning of the year	336.08	163.57	499.65	282.00	138.55	420.55
Interest Cost	25.55	11.16	36.71	21.44	9.52	30.96
Current Service Cost	36.46	16.35	52.81	30.87	15.48	46.35
Benefit Paid	(33.39)	(48.06)	(81.45)	(27.92)	(39.17)	(67.09)
Actuarial (gain) / Loss on obligation	45.32	35.45	80.77	29.69	39.19	68.88
Present Value of Obligation end of the year	410.02	178.47	588.49	336.08	163.57	499.65
Defined benefit obligation liability as at the balance sheet is wholly funded by the company						
Change in plan assets						
Fair Value of Plan Assets beginning of the period	256.68	58.49	315.17	246.56	79.67	326.23
Expected return on plan assets	23.74	6.75	30.49	20.13	5.53	25.66
Contributions	105.08	105.08	210.16	35.44	58.88	94.32
Benefits paid	(33.39)	(48.06)	(81.45)	(27.92)	(39.17)	(67.09)
Actuarial gain / (loss)	(15.18)	(12.09)	(27.27)	(17.53)	(46.42)	(63.95)
Fair Value of Plan Assets as on 31st March, 2015	336.93	110.17	447.10	256.68	58.49	315.17
Reconciliation of present value of the obligation and the fair value of the plan assets						
Present Value of Obligation	410.02	178.47	588.49	336.08	163.57	499.65
Fair value of plan assets at the end of the year	336.93	(110.17)	226.76	256.68	58.49	315.17
Liability / (assets)	73.09	68.30	141.39	79.40	105.08	184.48
Unrecognised past service cost	-	-	-	-	-	-
Liability / (assets) recognised in the balance sheet	73.09	68.30	141.39	79.40	105.08	184.48
Gratuity & Leave Encashment cost for the period						
Service Cost	36.46	16.35	52.81	30.87	15.48	46.35
Interest Cost	25.55	11.16	36.71	21.44	9.52	30.96
Expected return on plan assets	(23.74)	(6.75)	(30.49)	(20.13)	(5.53)	(25.66)
Actuarial (gain) / loss	60.50	47.53	108.04	47.22	85.61	132.83
Past Service Cost	-	-	-	-	-	-
Net gratuity cost	98.77	68.30	167.07	79.40	105.08	184.48
Investment details of plan assets						
100% of the plan assets are invested in debt instruments						
Actual return on plan assets	8.56	(5.34)	3.22	2.60	(40.89)	(38.29)

i. Expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations. The Gratuity scheme is invested in the Gratuity Pay plan offered by ICICI.

ii. The estimate of future salary increase, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market.

26. Finance Costs

(₹ in million)

Particulars	31.03.2015	31.03.2014
Interest expense	705.85	766.12
Other borrowing costs		
Bank Charges	126.70	103.29
Brokerage & Commission	0.33	1.27
Total	**832.88**	**870.68**

27. Other Expenses

(₹ in million)

Particulars	31.03.2015	31.03.2014
Other Expenses		
Power and fuel	725.10	673.84
House Keeping Expenses	163.38	126.91
Water Charges	89.34	69.10
Rent	1,487.16	1,252.87
Repairs to Buildings	173.79	134.73
Repairs to Machinery	430.05	398.97
Repairs to Vehicles	47.81	44.70
Office Maintenance & Others	389.31	304.22
Insurance	53.04	56.45
Rates and Taxes, excluding taxes on income	88.37	78.32
Printing & Stationery	255.35	208.37
Postage & Telegram	20.92	16.73
Director Sitting Fees	4.04	1.06
Advertisement, Publicity & Marketing	892.17	757.65
Pharmacy Loyalty Discount	494.73	271.10
Travelling & Conveyance	363.24	378.42
Subscriptions	6.32	6.33
Security Charges	118.98	101.91
Legal & Professional Fees	319.13	246.44
Continuing Medical Education & Hospitality Expenses	32.94	37.65
Hiring Charges	66.28	61.83
Seminar Expenses	1.76	4.84
Telephone Expenses	127.05	109.08
Books & Periodicals	10.99	10.13
Donations	103.07	16.91
Bad Debts Written off	215.42	160.91
Royalty paid	1.30	1.35
Outsourcing Expenses	897.71	726.60
Miscellaneous expenses	81.29	71.05
Loss on Sale of Asset	27.68	28.11
Net loss on foreign currency transactions and translation	10.31	-
Total	**7,698.03**	**6,356.58**

During the year the Foreign Exchange loss (the difference between the spot rates on the date of the transactions, and the actual rates at which the transactions are settled) is ₹ 10.31 million (2013-14: Foreign Exchange Gain is ₹ 6.88 million).

a. Payment to auditors as statutory auditors

(₹ in million)

Particulars	31.03.2015	31.03.2014
Audit Fees*	4.05	3.71
Taxation Matters*	0.84	0.84
Tax Audit Fees*	0.84	0.84
Certification Fees*	0.37	0.33
Total	**6.10**	**5.73**

*Inclusive of Service Tax @12.36%

b. Directors travelling included in travelling and conveyance amounts to ₹ 50.39 million (₹ 39.48 million).

28. Contingent Liabilities

(₹ in million)

	Particulars	31.03.2015	31.03.2014
	Contingent liabilities and commitments (to the extent not provided for)		
(i)	**Contingent Liabilities**		
	(a) Claims against the company not acknowledged as debt	592.27	438.35
	(b) Guarantees	-	-
	Bank Guarantees	262.27	262.97
	Corporate Guarantees	1,505.00	475.00
	(c) Other matters for which the company is contingently liable		
	Sales Tax	-	0.52
	Customs Duty	99.70	99.70
	Income Tax	395.26	336.73
	Service Tax	18.99	27.76
	Letter of Credits	-	-
	EPCG	922.10	1,524.68
	Value Added Tax	2.27	2.27
		3,797.86	**3,167.98**
(ii)	**Commitments**		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	10,450.00	9,871.76
		10,450.00	**9,871.76**
	Total	**14,247.86**	**13,039.74**

29. Utilisation of Amounts from Securities Issued

(₹ in million)

	Particulars	31.03.2015
a	Funds Received through issue of Debentures	
	Amount received from issue of Debenture	2,000.00
b	Capital Expenditure and Working Capital	2,000.00

30. Earnings Per Equity Share

Particulars	31.03.2015	31.03.2014
Profit before extraordinary items attributable to equity shareholders (Amount ₹) (A1)	3,465.95	3,307.20
Weighted Averaged Equity Shares outstanding during the year (Nos) - (B1)	139,125,159	139,25,159
Basic Earnings Per Share before extra-ordinary item - (A1/B1)	24.91	23.77
Diluted Earningsbefore extraordinary items attributable to equity shareholders (Amount ₹) (A2)	3,465.95	3,307.20
Foreign Currency Convertible Bond issued (C1)	-	-
Promoters Share warrants (D1)	-	-
Weighted Averaged Equity Shares outstanding for Diluted Earnings Per Share. (Nos) - (E1)	139,125,159	139,125,159
Diluted Earnings Per Share before extra-ordinary item - (A2/E1)	24.91	23.77
Profit after extraordinary items attributable to equity shareholders (Amount ₹) (A)	3,465.95	3,307.20
Weighted Averaged Equity Shares outstanding during the year (Nos) - (B)	139,125,159	139,125,159
Basic Earnings Per Share after extra-ordinary item - (A/B)	24.91	23.77
Diluted Earnings after extraordinary items attributable to equity shareholders (Amount ₹) (A3)	3,465.95	3,307.20
Foreign Currency Convertible Bond issued (C)	-	-
Promoters Share warrants (D)	-	-
Weighted Averaged Equity Shares outstanding for Diluted Earnings Per Share. (Nos) - (E)	139,125,159	139,125,159
Diluted Earnings Per Share after extra-ordinary item - (A3/E)	24.91	23.77

31. Expenditure in Foreign Currency

(₹ in million)

	Particulars	31.03.2015	31.03.2014
a.	**CIF Value of Imports**		
	Machinery and Equipment	1,099.68	1,041.76
	Stores and Spares	50.66	51.49
	Other Consumables	4.08	11.26
b.	**Expenditure**		
	Travelling Expenses	72.32	25.10
	Professional Charges	10.12	12.27
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.	4.92	4.79
	Non-Residents shareholders to whom remittance was made (Nos.)	193	200
	Shares held by non-resident share-holders on which dividend was paid.	0.86	0.87

32. Earnings In Foreign Currency

(₹ in million)

Particulars	31.03.2015	31.03.2014
Hospital Fees	900.70	506.66
Project Consultancy Services	26.32	17.12
Reimbursement Expenses	-	0.76
Pharmacy Sales*	0.60	9.73

* Pharmacy Sales are made within India to inpatients who have paid in foreign currency

33. Related Party Disclosures

A. List of Related Parties where control exists and other related parties with whom the Company had transactions and their relationships:

Sl.No	Name of the Related Parties	Nature of Relationship
1	Apollo Home Healthcare (I) Limited	Subsidiaries
2	AB Medical Centres Limited	
3	Apollo Health and Lifestyle Limited	
4	Samudra Healthcare Enterprise Limited	
5	Imperial Hospital & Research Centre Limited	
6	Apollo Hospital (UK) Limited	
7	Apollo Nellore Hospitals Limited	
8	Apollo Rajshree Hospitals Private Limited	
9	Alliance Medicorp (India) Limited	
10	Western Hospitals Corporation Private Limited	
11	Sapien Biosciences Private Limited	
12	Total Health	
13	Apollo Bangalore Cradle Limited	Step down subsidiaries
14	Apollo Cosmetic Surgical Centre Private Limited	
15	Akeso Healthcare Private Limited	
16	Apollo Sugar Clinics Limited	
17	Nova Speciality Hospitals Pvt Limited	

18	Apollo Gleneagles Hospitals Limited	Joint Ventures
19	Apollo Gleneagles PET – CT Private Limited	
20	Apollo Hospitals International Limited	
21	Future Parking Private Limited	
22	Apollo Munich Health Insurance Company Limited	
23	Apollo Lavasa Health Corporation Limited	
24	ApoKos Rehab Private Limited	
25	Quintiles Phase One Clinical Trials India Private Limited	
26	Indraprastha Medical Corporation Limited	Associate Companies
27	Family Health Plan (TPA) Limited	
28	Stemcyte India Therapautics Private Limited	
29	Smt. Suneeta Reddy	Key Managerial Personnel
30	Shri. Krishnan Akhileswaran	
31	Shri. S.M. Krishnan	
32	Dr. Prathap C Reddy	Relatives of Key Managerial Personnel (Relative of Smt. Suneeta Reddy)
33	Smt. Preetha Reddy	
34	Smt. Shobana Kamineni	
35	Smt. Sangita Reddy	
36	Alliance Dental Care Limited	Enterprises over which Key Managerial Personnel and their relatives are able to exercise significant influence
37	Apollo Sindoori Hotels Limited	
38	Faber Sindoori Management Services Private Limited	
39	Lifetime Wellness Rx International Limited	
40	P Obul Reddy & Sons	
41	Keimed Private Limited	
42	Medvarsity Online Limited	
43	Apollo Mumbai Hospital Limited	
44	Kurnool Hospitals Enterprise Limited	
45	AMG Health Care Destination Private Limited	
46	Palepu Pharma Private Limited	
47	Medihauxe International Private Limited	
48	Vardhman Pharma Distributors Private Limited	
49	Focus Medisales Private Limited	
50	Srinivasa Medisales Private Limited	
51	Meher Distributors Pvt Ltd - Mumbai	
52	Lucky Pharmaceuticals Pvt Ltd - New Delhi	
53	Neelkanth Drugs Pvt Ltd	
54	Dhruvi Pharma Pvt Ltd	

Related Party Transaction

Sl No	Name of Related Parties	Nature of Transaction	**31.03.2015 ₹ in million**	31.03.2014 ₹ in million
1	Apollo Home Healthcare (I) Ltd (formerly known as Unique Home Health Care Limited)	Investment in Equity	**297.40**	297.40
		Transaction during the year	**13.55**	4.37
		Payables as at year end	**2.56**	1.46
		Cumulative Deposits Outstanding	**11.67**	10.77
		Interest payable	**0.91**	0.91
2	AB Medical Centers Limited	Investment in Equity	**21.80**	21.80
		Payables as at year end	**23.25**	16.55
		lease Rentals Paid	**7.20**	7.20
3	Samudra Healthcare Enterprises Limited	Investment in Equity	**250.60**	250.60
		Receivables as at year end	**74.06**	64.27
		Transaction during the year	**70.84**	76.65
		Commission on turnover	**1.87**	1.72
4	Apollo Hospital (UK) Limited	Investment in Equity	**0.39**	0.39
		Receivables as at year end	**2.99**	2.40
5	Apollo Health and Lifestyle Limited	Investment in Equity	**1,272.52**	772.52
		Transaction during the year	**185.45**	436.01
		Payables as at year end	**75.52**	27.96
		Receivable as at year end	**156.84**	13.22
		Loan given	**829.00**	335.00
		Interest Income for the year	**83.31**	15.24
6	Imperial Hospital and Research Centre Limited	Investment in Equity	**1,272.62**	1,155.38
		Loan given	**-**	16.15
		Pharmacy Income	**18.53**	15.12
		Receivable as at year end	**407.41**	347.08
		Transaction during the year	**70.60**	15.12
		Interest Income for the year	**2.85**	1.53
7	Apollo Nellore Hospitals Limited	Investment in Equity	**53.96**	53.96
		Transaction during the year	**7.42**	–
		Payable as at year end	**4.83**	-
		Receivable as at year end	**–**	17.90
8	Alliance Medicorp (India) Limited	Investment in Equity	**67.83**	67.83
		Transaction during the year	**7.87**	(0.13)
		Payables as at year end	**0.37**	0.29
9	Alliance Dental Care Limited	Investment in Equity	**103.65**	67.07
		Receivables as at year end	**2.56**	2.91
		Corporate Guarantees executed	**475.00**	475.00
		Transaction during the year	**47.85**	0.87
10	Apollo Rajshree Hospitals Private Limited	Investment in Equity	**346.45**	–
		Transaction during the year	**16.50**	–
		Interest Income for the year	**0.72**	–
		Receivable as at year end	**21.17**	–

Sl No	Name of Related Parties	Nature of Transaction	31.03.2015 ₹ in million	31.03.2014 ₹ in million
11	Apollo Sugar Clinics Limited	Transactions during the year	**15.59**	–
		Payables during the year	**1.23**	–
12	Apollo Hospitals International Limited	Investment in Equity	**355.42**	352.92
		Investment in Preference Shares	**110.40**	110.40
		Receivable as at year end	**52.95**	49.42
		Transaction during the year	**11.65**	0.52
13	Apollo Gleneagles Hospitals Limited	Investment in Equity	**393.12**	393.12
		Transaction during the year	**61.42**	58.26
		Pharmacy Income	**61.62**	58.23
		Fees	**115.78**	101.16
		Receivable as at year end	**419.27**	383.09
14	Apollo Gleneagles PET-CT Private Limited	Investment in Equity	**85.00**	85.00
		Rent received	**1.88**	0.19
		Payables as at year end	**6.53**	1.51
		Deposits refundable	**20.84**	21.93
		Transaction during the year	**4.07**	3.27
15	Western Hospitals Corporation Private Limited	Investment in Equity	**153.66**	153.66
		Receivable as at year end	**0.91**	–
16	Apollo Munich Health Insurance Company Limited	Investment in Equity	**357.09**	338.60
		Advance for Investment	**–**	18.49
		Transaction during the year	**77.21**	67.61
		Claim Payments	**157.72**	–
		Receivables as at year end	**–**	1.70
17	Apollo Lavasa Health Corporation Limited	Investment in Equity	**150.00**	150.00
		Receivables as at year end	**4.56**	4.51
18	Quintiles Phase One Clinical Trials India Private Limited	Investment in Equity	**–**	152.00
		Rent received	**–**	7.80
19	Family Health Plan (TPA) Limited	Investment in Equity	**4.90**	4.90
		Transaction during the year	**67.85**	7.07
		Receivables as at year end	**29.98**	17.30
20	Indraprastha Medical Corporation Limited	Investment in Equity	**393.72**	393.72
		Receivables as at year end	**400.39**	314.53
		Pharmacy Income	**150.46**	136.43
		Dividend received	**36.43**	32.31
		Transaction during the year	**150.46**	136.47
21	Stemcyte India Therapautics Private Limited	Investment in Equity	**80.00**	80.00
22	Dr. Prathap C Reddy	Remuneration Paid	**152.82**	150.50
23	Smt. Preetha Reddy	Remuneration Paid	**49.25**	51.11
24	Smt. Suneeta Reddy	Remuneration Paid	**50.70**	51.84
25	Smt. Sangita Reddy	Remuneration Paid	**49.25**	51.03
26	Smt. Shobana Kamineni	Remuneration Paid	**49.97**	51.11

Sl No	Name of Related Parties	Nature of Transaction	31.03.2015 ₹ in million	31.03.2014 ₹ in million
27	Apollo Sindoori Hotels Limited	Transaction during the year	**392.31**	191.14
		Payables as at year end	**23.50**	2.67
28	Faber Sindoori Management Services Private Limited	Transaction during the year	**474.83**	296.40
		Payables as at year end	**98.60**	(23.45)
29	Lifetime Wellness Rx International Limited	Transaction during the year	**2.19**	3.96
		Receivable as at year end	**6.58**	5.43
30	P Obul Reddy & Sons	Receivable as at year end	**15.83**	1.26
		Transactions during the year	**54.20**	37.04
31	Keimed Private Limited	Advance given	**3.12**	58.76
		Payables at the year end	**61.57**	–
		Transactions during the year	**4,822.80**	3,698.56
32	Medvarsity Online Limited	Transactions during the year	**0.65**	0.15
		Receivable as at year end	**2.60**	0.24
		Rent received	**2.10**	–
33	Apollo Mumbai Hospital Limited	Receivables as at year end	**2.69**	7.30
		Transactions during the year	**6.80**	16.24
34	Kurnool Hospitals Enterprise Limited	Investment in Equity	**1.73**	1.73
35	AMG Health Care Destination Private Limited	Investment in Equity	**12.33**	12.33
36	Future Parking Private Limited	Investment in Equity	**24.01**	24.01
		Transaction during the year	**0.02**	
37	Sapien Biosciences Pvt Ltd	Investment in Equity	**0.40**	0.40
		Investments in Preference Shares	**20.00**	10.00
38	Palepu Pharma Private Ltd	Payable as at year end	**48.78**	-
		Purchases	**423.94**	-
39	Medihauxe International Private Limited	Payable as at year end	**42.60**	-
		Purchases	**69.56**	-
40	Vardhman Pharma Distributors Private Limited	Payable as at year end	**27.74**	-
		Purchases	**121.13**	-
41	Focus Medisales Private Limited	Payable as at year end	**15.41**	-
		Purchases	**59.68**	-
42	Srinivasa Medisales Private Limited	Payable as at year end	**21.26**	-
		Purchases	**86.84**	-
43	Meher Distributors Pvt Ltd - Mumbai	Payable at year end	**11.77**	-
		Purchase	**32.10**	-
44	Lucky Pharmaceuticals Pvt Ltd - New Delhi	Payable at year end	**41.35**	-
		Purchase	**27.19**	-
45	Neelkanth Drugs Pvt Ltd	Payable at year end	**47.18**	-
		Purchase	**163.49**	-
46	Dhruvi Pharma Pvt Ltd	Payable at year end	**18.96**	-
		Purchase	**8.40**	-

34. Leases

In respect of Non-cancellable Operating Leases

Lease payments recognized in the Statement of Profit and Loss is ₹ 1,487.16 million (₹ 1,252.87 million)

(₹ in million)

Minimum Lease Payments	31.03.2015	31.03.2014
Not later than one year	542.63	1,035.50
Later than one year and not later than five years	3,634.78	3,159.56
Later than five years	15,882.25	6,618.72

Lease agreements are renewable for further period or periods on terms and conditions mutually agreed between the lessor and AHEL.

Variation/Escalation clauses in lease rentals are made as per mutually agreed terms and conditions by the lessor and AHEL.

35. (a) The jointly Controlled Entities considered in the Consolidated Financial Statements are:

Name of the Company	Country of Incorporation	Proportion of ownership Interest (%) 31.03.2015	Proportion of ownership Interest (%) 31.03.2014
Apollo Hospitals International Limited	India	50.00*	50.00*
Apollo Gleneagles Hospital Limited	India	50.00	50.00
Apollo Gleneagles PET CT Private Limited	India	50.00	50.00
Apollo Munich Health Insurance Company Limited	India	10.23	10.23
Future Parking Private Limited	India	49.00	49.00
Apollo Lavasa Health Corporation Limited	India	37.50	37.50
Apokos Rehab Private Limited	India	50.00	-
Quintiles Phase one Clinical Trials India Pvt Ltd	India	-	40.00

*Inclusive of 27% (27%) shares held by Apollo Home Health Care (India) Limited, a 100% Subsidiary of Apollo Hospitals Enterprise Limited.

(b) The groups interests in the joint ventures accounted for using proportionate consolidation in the Consolidated Financial Statements are:

(₹ in million)

	Particulars	As at 31st March, 2015	As at 31st March, 2014
I	**ASSETS**		
Non-current assets			
(a)	Fixed assets		
	(i) Tangible assets	2,202.73	2,244.71
	(ii) Intangible assets	19.22	18.43
	(iii) Capital work-in-progress	187.51	87.55
(b)	Non-current investments	516.79	489.31
(c)	Deferred tax assets (net)	108.73	108.73
(d)	Long-term loans and advances	319.49	234.75
Current assets			
(a)	Current investments	4.11	9.04
(b)	Inventories	49.24	44.18
(c)	Trade receivables	347.07	288.90
(d)	Cash and cash equivalents	525.24	404.99
(e)	Short-term loans and advances	28.32	42.06
(f)	Other current assets	102.86	112.60
II	**LIABILITIES**		
Non-current liabilities			
(a)	Long-term borrowings	601.23	665.39
(b)	Deferred tax liabilities (Net)	146.47	151.06
(c)	Other Long term liabilities	49.28	20.91
(d)	Long-term provisions	6.50	6.98
Current liabilities			
(a)	Short-term borrowings	156.99	195.66
(b)	Trade payables	548.17	446.81
(c)	Other current liabilities	852.38	790.50
(d)	Short-term provisions	2.31	1.75
III	**INCOME**		
(a)	Revenue from operations	2,991.49	2,663.00
(b)	Other income	13.96	17.73
IV	**EXPENSES**		
(a)	Material consumption, purchase of stock in trade and changes in inventories	682.32	647.24
(b)	Employee benefits expense	540.25	476.64
(c)	Finance costs	108.27	115.06
(d)	Depreciation and amortization expense	201.96	168.45
(e)	Other expenses	1,267.12	1,154.73
	Profit before tax	205.53	118.61
(a)	Provision for Taxation (Including Deferred Tax Liability)	81.67	64.88
(b)	Add: Deferred tax asset	6.15	0.38
	Net Profit	130.02	54.11
V	**OTHER MATTERS**		
(a)	Contingent Liabilities	321.27	270.66
(b)	Capital Commitments	71.83	202.39

36. During the year 2002-03, on a review of fixed assets, certain selected medical equipments were identified and impaired. For the current year, on a review as required by Accounting Standard 28 ‘ Impairment of Assets’, the management is of the opinion that no impairment loss or reversal of impairment loss is required, as conditions of impairment do not exist.

37. Pursuant to Section 129 and rule 5 of the Companies (Accounts) Rules 2014, the financial statements for seventeen of the Company's subsidiaries including fellow subsidiaries, seven Joint Ventures and three Associates are furnished in Form AOC-1.

38. On review of the operations of setting up the Hospital in Noida, the Company has re-assigned the lease agreement between itself and the lessor to its associate, Indraprastha Medical Corporation Limited by extinguishing its rights and privileges in the original lease deed dated 27th October 2001.

39. Unrealised amounts on project development and pre-operative project expenses incurred at Bilaspur Hospital amounting to ₹ 56.62 million are included in advances and deposits account. The above expenses incurred on project will be amortised over the balance lease period of 6 years. The balance yet to be amortised as on 31.03.2015 is ₹ 15.73 million (₹ 18.88 million).

40. Figures of the current year and previous year have been shown in million.

41. Figures in brackets relate to the figures for the previous year.

42. Previous year figures have been regrouped and reclassified wherever necessary to confirm with current years classification.

As per our Report annexed
For **M/s. S. Viswanathan**
Chartered Accountants
Firm Registration No. 004770S

V C Krishnan
Partner
(Membership No. 022167)
17, Bishop Wallers Avenue West
Mylapore, Chennai - 600 004

Place : Chennai
Date : 28th May 2015

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
Sr. General Manager - Finance
& Company Secretary

For and on behalf of the Board of Directors

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Executive Vice Chairperson

Suneeta Reddy
Managing Director

Cash Flow Statement

for the year ended 31st March 2015

(₹ in million)

		31.03.2015		31.03.2014	
A	**Cash Flow from operating activities**				
	Net profit before tax and extraordinary items		4,673.29		**4,201.67**
	Adjustment for:				
	Depreciation & Amortization	1,580.41		1,290.78	
	Profit on sale of Investment	(103.72)		(136.72)	
	Loss on sale of asset	27.68		28.11	
	Interest paid	832.88		870.68	
	Foreign Exchange (gain)/loss	10.31		(6.88)	
	Interest received	(100.82)		(44.01)	
	Dividend received	(64.06)		(36.95)	
	Provision for Wealth tax			2.23	
	Bad debts written off	215.42		160.91	
			2,398.10		2,128.15
	Operating profit before working capital changes		7,071.39		6,329.82
	Adjustment for:				
	Trade or other receivables	(1,026.36)		(579.33)	
	Inventories	(675.31)		(595.85)	
	Trade payables	713.77		723.81	
	Others	(1,246.07)	(2,233.97)	(1,794.14)	(2,245.51)
	Cash generated from operations		4,837.42		4,084.31
	Foreign Exchange gain/(loss)		(10.31)		6.88
	Taxes paid		(936.48)		(1,060.36)
	Cash flow before extraordinary items		3,890.63		3,030.83
	Net cash from operating activities		3,890.63		3,030.83
B	**Cash flow from Investing activities**				
	Purchase of fixed assets	(6,847.28)		(5,373.05)	
	Sale of fixed assets	-		-	
	Purchase of investments	(960.87)		(225.00)	
	Investment in Subsidiaries, Joint ventures & Associates	(211.28)		(166.59)	
	Sale of investments	1,045.93		2,588.40	
	Interest received	100.82		44.01	
	Dividend received	64.06		36.95	
	Cash flow before extraordinary item		(6,808.62)		(3,095.28)
	Net cash used in Investing activities		(6,808.62)		(3,095.28)
C	**Cash flow from financing activities**				
	Proceeds from long term borrowings	5,410.00		1,847.52	
	Proceeds from short term borrowings	379.92		144.27	

(₹ in million)

	Repayment of finance/lease liabilities	(835.78)		(757.15)	
	Interest paid	(832.88)		(870.68)	
	Dividend paid	(799.97)		(765.19)	
	Net cash from financing activities		**3,321.29**		**(401.23)**
	Net increase in cash and cash equivalents (A+B+C)		403.30		(465.68)
	Cash and cash equivalents (Opening Balance)		2,088.98		2,554.66
	Cash and cash equivalents (Closing Balance)*		2,492.28		2,088.98
	Component of Cash and cash equivalents				
	Cash on Hand		112.39		162.58
	Balance with Banks				
1)	Available with the company for day to day operations		2,351.48		1,901.28
2)	Amount available in unclaimed dividend and unclaimed deposit payment accounts.		28.41		25.12

*Includes Deposit Repayment Reserve - ₹ 43.27 million.

Notes:

1. Previous year figures have been regrouped wherever necessary.

As per our Report annexed
For **M/s. S. Viswanathan**
Chartered Accountants
Firm Registration No. 004770S

V C Krishnan
Partner
(Membership No. 022167)
17, Bishop Wallers Avenue West
Mylapore, Chennai - 600 004

Place : Chennai
Date : 28th May 2015

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
Sr. General Manager - Finance
& Company Secretary

For and on behalf of the Board of Directors

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Executive Vice Chairperson

Suneeta Reddy
Managing Director

AUDITORS' CERTIFICATE

We have examined the attached Cash Flow Statement of Apollo Hospitals Enterprise Limited for the year ended 31st March 2015. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of the listing agreement with the Stock Exchanges and is based on and in agreement with the corresponding Statement of Profit and Loss and the Balance sheet of the Company covered by our report of 28th May 2015 to the members of the Company.

Place : Chennai
Date : 28th May 2015

For **M/s. S. Viswanathan**
Chartered Accountants
Firm Registration No. 004770S

V C Krishnan
Partner
Membership No. 022167

TEN YEARS STANDALONE FINANCIAL PERFORMANCE AT A GLANCE

(₹ in million)

Financial Highlights for the year ended	31st Mar 2015	31st Mar 14	31st Mar 13	31st Mar 12	31st Mar 11	31st Mar 10	31st Mar 09	31st Mar 08	31st Mar 07	31st Mar 06
Balance Sheet										
Sources										
Share Capital	695.63	695.63	695.63	672.33	623.55	617.85	602.35	586.85	516.38	505.99
Preferential issue of equity share warrants		-	-	387.05	685.07	-	-	-	-	-
Reserves and Surplus	30,915.08	28,951.61	26,580.34	22,463.28	16,413.02	14,799.93	13,106.20	11,793.51	7,016.90	6,038.83
Networth	31,610.71	29,647.24	27,275.97	23,522.66	17,721.64	15,417.78	13,708.55	12,380.36	7,533.28	6,544.82
Loans (including long term liabilities and provisions)	14,609.49	10,079.98	8,825.42	6,921.47	7,689.40	6,899.86	4,494.82	3,056.35	1,441.80	827.71
Deferred Tax Liability	4,019.46	3,288.58	2,394.11	1,700.85	1,071.06	751.45	626.56	589.70	570.64	550.19
Applications										
Gross Block	37,139.45	31,438.71	26,427.74	21,196.95	17,968.91	15,289.23	11,779.31	8,300.10	6,435.85	5,213.00
Accumulated Depreciation	7,742.41	6,742.13	5,785.31	4,827.51	3,987.44	3,314.74	2,779.92	2,348.32	1,982.88	1,682.52
Net Block	29,397.04	24,696.58	20,642.43	16,369.44	13,984.47	11,974.49	8,999.39	5,951.78	4,452.97	3,530.48
Investments	7,130.21	6,900.27	8,960.35	7,641.18	6,241.12	4,897.88	6,292.80	7,060.10	3,229.60	2,729.95
Long Term Loans and Advances	5,850.63	4,876.08	3,227.58	5,103.33	4,521.44	1,859.70	1,426.06	1,077.59	591.40	511.62
Current Assets, Loans & Advances										
Inventory	3,325.04	2,649.74	2,053.88	1,827.09	1,505.21	1,343.43	1,088.42	790.89	551.95	457.18
Debtors	5,495.45	4,684.51	4,266.09	3,537.70	2,696.43	2,055.34	1,607.35	1,261.59	978.92	890.36
Cash & Bank Balances	2,492.28	2,088.98	2,554.66	1,869.55	1,414.40	2,855.58	646.16	1,045.57	644.03	364.39
Loans & Advances	4,508.94	2,669.73	1,838.90	1,234.94	1,193.53	1,260.19	797.36	664.53	483.65	706.53

(₹ in million)

TEN YEARS STANDALONE FINANCIAL PERFORMANCE AT A GLANCE

Financial Highlights for the year ended	31st Mar 2015	31st Mar 14	31st Mar 13	31st Mar 12	31st Mar 11	31st Mar 10	31st Mar 09	31st Mar 08	31st Mar 07	31st Mar 06
(A)	15,821.71	12,092.96	10,713.53	8,469.28	6,809.37	7,514.54	4,139.29	3,762.58	2,658.55	2,418.46
Current Liabilities & Provisions										
Creditors	3,201.00	2,487.23	1,763.42	1,709.36	1,794.01	1,781.07	750.05	725.74	557.64	608.25
Other Liabilities	3,454.56	1,746.51	2,130.62	2,955.67	2,593.45	839.95	776.96	677.20	696.94	401.62
Provisions	1304.37	1,316.35	1,154.35	773.22	684.04	556.50	500.60	422.70	132.22	257.92
(B)	7,959.93	5,550.09	5,048.39	5,438.25	5,071.50	3,177.52	2,027.61	1,825.64	1,386.80	1,267.79
Net Current Assets (A - B)	7,861.78	6,542.87	5,665.14	3,031.03	1,738.07	4,337.021	2,111.68	1,936.94	1,271.75	1,150.67
Miscellaneous Expenditure		-	-	-	-	0.12	0.45	3.07	7.80	17.74
Key Indicators										
O P M %	15.60	16.38	17.46	17.41	16.93	16.90	16.38	17.54	16.71	18.83
N P M %	7.47	8.51	9.23	8.17	7.72	8.18	7.98	8.85	11.12	8.37
Collection Growth %	17.31	15.98	18.42	20.36	26.61	25.56	28.72	27.85	25.10	20.73
OP Growth (%)	13.67	8.85	18.76	24.60	30.16	29.72	20.27	14.15	21.82	18.17
Earnings Per Share (₹) (Basic)	24.91	23.77	22.43	17.72	14.66	12.31	19.80	18.61	19.63	12.53
Capital Employed	48,421.10	40,442.90	36,954.47	29,693.24	25,131.74	22,317.52	18,202.93	15,433.65	8,967.28	7,354.79
Book value per Share	227.24	220.00	196.00	172.05	136.61	249.54	226.30	208.48	144.56	129.35
ROI (PBIT/AV.CE) %	12.39	13.10	14.42	14.63	13.83	12.83	11.33	13.52	14.95	16.72
RONW %	11.32	11.62	12.17	11.20	10.97	10.43	9.09	10.22	9.84	12.32
Employee Cost to Collections %	15.54	15.80	15.66	15.15	15.18	15.40	14.93	14.65	14.21	13.69
Debt/Equity Ratio	0.52	0.35	0.35	0.29	0.43	0.44	0.33	0.25	0.19	0.13

TEN YEARS STANDALONE FINANCIAL PERFORMANCE AT A GLANCE

(₹ in million)

Profit & Loss Account	31st March 2015		31st March 2014		31st March 2013		31st March 2012		31st March 2011		31st March 2010		31st March 2009		31st March 2008		31st March 2007		31st March 2006	
		(%)		(%)		(%)		(%)		(%)		(%)		(%)		(%)		(%)		(%)
Income	46,380.62		38,840.00		33,488.18		28,279.20		23,495.65		18,587.45		14,803.50		11,500.66		8,995.15		7,190.54	
Operative Expenses	24,239.55	52.26	20,018.93	51.54	17,198.23	51.36	14,554.76	61.95	12,275.73	52.25	9,944.64	53.50	8,096.51	54.69	6,207.33	53.97	4,901.83	54.49	3,905.90	54.32
Salaries and Wages	7,209.58	15.54	6,102.23	15.71	5,243.99	15.66	4,285.07	18.24	3,572.00	15.20	2,863.80	15.41	2,210.51	14.93	1,684.82	14.65	1,278.70	14.21	984.16	13.69
Administrative Expenses	7,698.03	16.60	6,356.58	16.37	5,200.16	15.53	4,516.91	19.22	3,697.38	15.74	2,633.37	14.17	2,065.74	13.95	1,582.37	13.76	1,297.76	14.43	927.68	12.90
Other Expenses					-						3.43	0.02	5.81	0.04	8.72	0.08	13.68	0.15	19.04	0.26
Operating Profit	7,233.46	15.60	6,363.14	16.38	5,845.80	17.46	4,922.46	20.95	3,950.54	16.81	3,145.63	16.92	2,424.94	16.38	2,017.41	17.54	1,503.48	16.71	1,353.76	18.83
Financial Expenses	832.88	1.80	870.68	2.24	726.25	2.17	636.03	2.71	551.45	2.35	377.47	2.03	223.16	1.51	198.98	1.73	164.24	1.83	117.50	1.63
Depreciation	1,580.41	3.41	1,290.78	3.32	1,085.20	3.24	911.28	3.88	705.85	3.00	543.06	2.92	439.20	2.97	367.46	3.19	308.01	3.42	261.33	3.63
Extraordinary Items	146.88	0.32	-	-	45.45	-	-	-	-	-	-	-	40.19	0.27	-	-	325.07	3.61	92.00	1.28
PBT	4,673.29	10.08	4,201.68	10.82	4,079.80	12.18	3,375.15	14.36	2,693.24	11.46	2,221.65	11.95	1,722.39	11.63	1,450.98	12.62	1,356.30	15.08	882.93	12.28
Tax - Current	476.46	1.03	0.00		295.45	0.88	435.46	1.85	556.45	2.37	577.12	3.10	479.79	3.24	381.12	3.31	288.16	3.20	252.92	3.52
Previous	-		-	-		-	-	-	-	-	-	-	-	-	13.27	0.12	33.48	0.37		
Deferred	730.88	1.58	894.48	2.30	693.26	2.07	629.79	2.68	319.61	1.36	124.89	0.67	36.86	0.25	19.06	0.17	20.44	0.23	14.54	0.20
Fringe Benefit Tax	-		-										25.04	0.17	20.07	0.17	13.52	0.15	13.01	0.10
PAT	3,465.95	7.47	3,307.20	8.51	3,091.09	9.23	2,309.90	9.83	1,817.18	7.73	1,519.63	8.18	1,180.69	7.97	1,017.45	8.85	1,000.70	11.12	602.16	8.37
Dividend	799.97		799.97		765.19		537.87		467.67		432.49		401.60		352.11		258.18		227.18	

Form AOC-1

Statement containing salient features of the financial statements of Subsidiaries/Associate Companies/Joint Ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

₹ in million

Sl No	Name of the subsidiary	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities (Excluding Capital and Reserves)	Investments	Turnover	Profit before taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of share holding
	1	2	3	4	5	6	7	8	9	10	11	12	13
1	Apollo Home Health Care (I) Ltd	INR	298.23	40.74	349.22	10.25	291.13	31.18	6.12	(1.84)	4.28	-	100.00
2	AB Medical Centers Ltd	INR	16.80	31.77	49.62	1.05	-	6.40	6.27	1.49	4.78	-	100.00
3	Apollo Health and Lifestyle Ltd	INR	419.70	27.42	3,660.74	3,213.62	253.11	1,664.35	(281.89)	10.27	(271.61)	-	100.00
4	Alliance Medicorp (I) Ltd	INR	133.00	(28.46)	121.11	16.57	74.11	43.13	(6.33)	-	(6.33)	-	51.00
5	Apollo Nellore Hospital Ltd	INR	13.97	(14.51)	8.12	8.66	-	7.42	(6.11)	(1.67)	(7.78)	-	79.44
6	Apollo Hospital (UK) Ltd	INR	0.46	(4.87)	(4.41)	-		0.00048	(0.59)	-	(0.59)	-	100%
		GBP@	0.005	(0.053)	(0.047528)	-	-	0.000005	(0.006)	-	(0.006)	-	
7	Imperial Hospital & Research Centre Ltd	INR	299.45	169.41	2,481.02	2,012.16	-	1,671.90	72.09	25.36	46.73	-	90.00
8	Apollo Rajshree Hospitals Pvt Ltd	INR	196.87	20.96	467.46	249.63	-	139.98	(88.39)	7.55	(96.44)	-	57.66
9	Samudra Healthcare Enterprise Ltd	INR	125.00	102.62	362.99	135.37	-	282.92	(8.24)	(13.53)	5.29	-	100.00
10	Sapien Bio-Sciences Pvt Ltd	INR	20.14	(19.61)	30.99	30.46	-	2.20	(13.24)	(0.01)	(13.26)	-	70.00
11	Western Hospitals Corporation Pvt Ltd	INR	180.00	(16.67)	166.08	2.75	-	12.39	11.96	3.03	8.93	-	100.00
12	Total Health*	INR	5.00	25.91	31.41	0.50	-	-	-	-	-	-	100.00
13	Apollo Bangalore Cradle Ltd**	INR	24.19	109.40	282.25	148.66	-	226.29	(34.90)	-	(34.90)	-	81.17
14	Apollo Sugar Clinics Ltd**	INR	36.68	654.17	724.27	33.42	-	44.44	(50.76)	-	(50.76)	-	80.00
15	Apollo Cosmetic Surgical Centre Private Ltd**	INR	40.98	(10.70)	36.65	6.37	-	42.56	(1.35)	0.32	(1.67)	-	69.40
16	AKESO Health Care Pvt Ltd**	INR	13.70	11.16	47.55	22.69	-	75.51	9.58	2.92	6.66	-	100.00
17	Nova Speciality Hospitals Pvt Ltd**	INR	0.50	(109.05)	1,268.92	1,377.48	-	205.35	(108.87)	-	(108.87)	-	100..00

* Not Considered for Consolidation, as it is a not-for-profit organisation carrying out CSR activities of the Company.

** Subsidiaries of Apollo Health and Lifestyle Ltd

@ Exchange rate of GBP – ₹92.399

Reporting period for the subsidiary concerned, if different from the holding company's reporting period
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.

Notes : The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations - Nil.
2. Names of subsidiaries which have been liquidated or sold during the year - Nil.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sl. No.	Name of Associates/ Joint Ventures	Latest Audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company as on the year end: Number of shares	Amount of Investment in Associates /Joint Venture (₹ in million)	Extent of Holding %	Description of how there is significant influence	reason why the associate/joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet (₹ in million)	Profit / Loss for the year (₹ in million)	i. Considered in Consolidation (₹ in million)	ii. Not Considered in Consolidation
	Associates										
1	Family Health Plan (TPA) Ltd	31st Mar, 2015	490,000	4.90	49.00	Ref Note.1	-	126.87	53.26	26.10	-
2	Indraprastha Medical Corporation Ltd	31st Mar, 2015	20,190,740	393.72	22.03	Ref Note.1	-	472.18	324.91	71.58	-
3	Stemcyte Therapautics India Pvt Ltd	31st Mar, 2015	240,196	86.00	24.50	Ref Note.1	-	12.06	(16.94)	(4.15)	-
	Joint Ventures										
4	Apollo Gleneagles Hospitals Ltd	31st Mar, 2015	54,675,697	393.12	50.00	Ref Note.1	-	848.41	274.72	137.36	-
5	Apollo Gleneagles PET-CT Pvt Ltd	31st Mar, 2015	8,500,000	85.00	50.00	Ref Note.1	-	64.36	(14.17)	(7.09)	-
6	Apollo Hospitals International Ltd	31st Mar, 2015	37,801,534	632.23	50.00	Ref Note.1	-	335.23	86.42	43.21	-
7	Future Parking Pvt Ltd	31st Mar, 2015	2,401,000	24.01	49.00	Ref Note.1	-	25.40	0.52	0.25	-
8	Apollo Munich Health Insurance Company Ltd	31st Mar, 2015	35,709,000	357.09	10.23	Ref Note.1	-	259.92	6.65	0.68	-
9	Apollo Lavasa Health Corporation Ltd	31st Mar, 2015	479,701	150.00	37.50	Ref Note.1	-	237.72	(37.10)	(13.91)	-
10	Apokos Rehab Pvt Ltd	31st Mar, 2015	5,750,000	57.50	50.00	Ref Note.1	-	53.51	(3.68)	1.84	-

Note:

1. There is a significant influence due to control over the board and % of shareholding.
2. The above statement also indicates performance and financial position of each JV/Associate.
3. Names of Associates or Joint Ventures which are yet to commence operations - Nil.
4. Names of Associates or Joint Ventures which have been liquidated or sold during the year - During the year the company sold its equity stake in Quintiles Phase One Clinical Trials India Private Ltd., a Joint venture company.

As per our Report annexed

For **M/s. S. Viswanathan**
Chartered Accountants
Firm Registration No. 004770S

V C Krishnan
Partner
(Membership No. 022167)
17, Bishop Wallers Avenue West
Mylapore, Chennai - 600 004
Place : Chennai
Date : 28th May 2015

For and on behalf of the Board of Directors

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
Sr. General Manager - Finance & Company Secretary

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Executive Vice Chairperson

Suneeta Reddy
Managing Director

Consolidated Financial Statement

Independent Auditors' Report

to the members of Apollo Hospitals Enterprise Limited

Report on the Consolidated Financial Statements.

1. We have audited the accompanying Consolidated financial statements of APOLLO HOSPITALS ENTERPRISE LIMITED (''the Company'') and its subsidiaries (The Holding Company and its subsidiaries together referred to as the "Group"), its jointly controlled entities and associate companies which comprise the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "the consolidated financial statements")

Management's Responsibility for the Consolidated Financial Statements

2. The Holding 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 and consolidated cash flows of the Group including its Associates and Jointly Controlled entities in accordance with accounting principles generally accepted in India, including the Accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules,2014. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements 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 and 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 Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 there under.

4. 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.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, 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 Holding 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 but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of the group's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

6. We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in the Other Matters paragraph 9, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, 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 accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matters

8. We draw attention to note 35 to the consolidated financial statements. Our opinion is not modified in respect of these matters.

Other Matters

9. Financial statements of two subsidiaries Note (2A) and one jointly controlled entity Note (2C) which reflect total assets of ₹ 816.98 million as at 31st March 2015, total revenue of ₹ 905.79 million as 31st March 2015 and net cash flows amounting to ₹ 57.09 million for the year ended on that date, have been audited by us.

10. We did not audit the financial statements of nine subsidiaries Note (2A), and six jointly controlled entities Note (2C), whose financial statements reflect total assets of ₹ 3021.84 million as at 31st March, 2015, total revenues of ₹ 5,217.28 million and net cash flows amounting to ₹ 571.47 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 ₹ 93.53 million for the year ended 31st March, 2015, as considered in the consolidated financial statements, in respect of three associates Note (2B), 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, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

11. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies, associate companies and jointly controlled companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

12. As required by Section 143(3) of the Act, 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 and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group's companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

13. 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, 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 jointly controlled entities in accordance with the generally accepted accounting practice– Refer Note 29 to the consolidated financial statements.

(ii) The Group, its associates and jointly controlled entities did not have any material foreseeable losses 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 Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

17, Bishop Wallers Avenue (West),
Mylapore, Chennai - 600 004

For **M/s S Viswanathan**
Chartered Accountants
FRN: 004770S

V C Krishnan
Partner
Membership No: 022167

Place: Chennai
Date: 28th May 2015

Annexure to Independent Auditors' Report

The Annexure referred to in paragraph 1 of Our Report of even date to the members of Apollo Hospitals Enterprise Limited, on the consolidated accounts of the group for the year ended 31st March 2015.

Our reporting on the Order includes two subsidiaries and one jointly controlled entity audited by us, seven subsidiaries, six jointly controlled entities and three associate companies incorporated in India, to which the Order is applicable, which have been audited by other auditors and our report in respect of these entities is based solely on the reports of the other auditors, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements.

1. In respect of the fixed assets of the Holding Company, its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

(a) The respective entities is maintaining proper records showing full particulars including quantitative details and situation of its fixed assets.

(b) The fixed assets were physically verified during the year by the management of the respective entities in accordance with a phased programme of verification, which, in our opinion and the opinion of the other auditors, provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the respective entities, nature and value of its assets. According to the information and explanation given to us and the other auditors,no material discrepancies were noticed on such verification.

2. In respect of the inventories of the Holding Company, its subsidiaries, associate companies and jointly controlled companies incorporated in India, wherever applicable.

(a) Stock of medicines, stores, spares, consumables, chemicals, lab materials and surgical instruments have been physically verified at reasonable intervals by the Management of the respective entities.

(b) In our opinion and the opinion of other auditors and according to the information and explanations given to us and the other auditors, the procedures of physical verification of stock of medicines, stores, spares, consumables, chemicals, lab materials and surgical instruments followed by the Management are reasonable and adequate in relation to the size of the respective entities and the nature of their business.

(c) In our opinion and the opinion of other auditors and according to the information and explanations given to us and on the basis of our examination of the records, the respective entities are generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks as compared to book records.

3. According to the information and explanations given to us and on the basis of our examination of the books of account, the Holding Company, its subsidiaries, associates and other jointly controlled entities incorporated in India have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013, except in the case of a subsidiary where the principal amount and interest have been received at regular intervals.

4. In our opinion and the opinion of other auditors and according to the information and explanations given to us and other auditors, there is generally an adequate internal control system in the holding company, its subsidiary companies, associate companies and jointly controlled entities incorporated in India, commensurate with the size of the respective entities and the nature of their business, for the purchase of stores, medicines and fixed assets and for the sale of goods and services.

5. In our opinion and according to the information and explanations given to us, the respective entities of the Group which have accepted deposits, have complied with the directives issued by the Reserve Bank of India and provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and Companies (Acceptance of Deposits) amended Rules, 2015 with regard to deposits accepted from the public including unclaimed deposits matured in earlier years that are outstanding during the year. To the best of our knowledge and according to the information and explanations given to us, no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank Of India or any other Court or any other Tribunal on the Group or any of its respective entities in respect of the aforesaid deposits

6. We and the other auditors have broadly reviewed the cost records, wherever applicable, maintained by the respective entities of the Group, jointly controlled entities and associates incorporated in India, pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub-section 1 of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

7. According to the information and explanations given to us and to other auditors and the books of accounts examined by us and the other auditors , in respect of statutory dues of the Holding company, its subsidiaries, associates and jointly controlled entities incorporated in India:

(a) The respective entities are regular in depositing with appropriate authorities, undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service tax, Customs Duty, Cess, Wealth Tax and other statutory dues applicable to it. To the best of our knowledge and according to the information and explanations given to us, there are no arrears of outstanding statutory dues as at 31st March, 2015 for a period of more than six months from the date they became payable. To the best of our knowledge and belief and according to the information and explanations given to us, excise duty is not applicable to these entities.

(b) According to the information and explanations given to us and the records of the respective entities examined by us and the other auditors, there are no dues disputed with respect to Cess and wealth tax. The particulars of Sales tax, Service tax, Customs duty and Income tax which have not been deposited on account of any dispute are as follows :

Name of the Company	Relationship	Name of the statute	Nature of the dues	Amount (₹ in million) 31.03.2015	Period to which the amount relates	Forum where dispute is pending
Apollo Hospitals Enterprise Limited	Holding Company	Customs Act, 1962	Customs duty	99.70	1996,1997	Assistant Collector of Customs (Chennai, Hyderabad & Customs duty)
Apollo Hospitals Enterprise Limited	Holding Company	Service Tax	Service tax	18.99	2013-14	CESTAT, Delhi
Apollo Hospitals Enterprise Limited	Holding Company	Value Added Tax Act, 2004	Value Added Tax	2.27	2008-09, 2009-10, 2010-11	Deputy Commissioner of Commercial Tax (Enforcement), Chennai
Apollo Hospitals Enterprise Limited	Holding Company	Income Tax Act, 1961	Income Tax	66.72	Assessment Year 2008-2009, 2009-2010	Department has gone on appeal to ITAT
Apollo Hospitals Enterprise Limited	Holding Company	Income Tax Act, 1961	Income Tax	49.12	Assessment Year 1996-1997, 1997-1998, 1998-1999, 1999-2000, 2000-2001 2001-2002	Department has filed appeal before Madras High Court
Apollo Hospitals Enterprise Limited	Holding Company	Income Tax Act, 1961	Income Tax	142.66	Assessment Year 2010-2011 2011-2012, 2012-2013	CIT (Appeals)
Apollo Hospitals Enterprise Limited	Holding Company	Income Tax Act, 1961	Income Tax	136.76	Assessment Year 2000-2001	Honourable Supreme Court
Apollo Gleneagles hospitals	Joint Venture	Finance Act, 1994	Service tax	46.68	FY 2007-08 to 2011-12	Appeal pending at CESTAT
Apollo Hospital International Limted	Joint Venture	Finance Act, 1994	Service tax	6.78	2014-15	
		Finance Act, 1994	Service tax	0.49	2014-15	
		Finance Act, 1994	Service tax	8.81	2014-15	
		Finance Act, 1994	Service tax	0.01	2014-15	
		Finance Act, 1994	Service tax	1.53	2014-15	
Indraprastha Medical Corporation Limited	Associate	Finance Act, 1994	Service tax	27.61	AY 2006-07 to 2010-11	Customs Excise & Service Tax appeallate tribunal
Stemcyte India Therapautics Private Limited	Associate	Income Tax Act, 1961	Income Tax	0.19	AY 2010-11	CIT (Appeals)
		TOTAL		608.32		

Refer note 29 notes forming part of accounts.

c) According to the information and explanations given to us the amounts which were required to be transferred to the Investor Education and Protection fund in accordance with the relevant provisions of the Companies Act,1956 (1 of 1956)and rules made there under has been transferred to such fund within time.

8. In our opinion and according to the information and explanations given to us, the Group, its associates and jointly controlled entities on consolidated basis do not have accumulated losses as at March 31, 2015 and the Group, its associates and jointly controlled entities have not incurred cash losses during the year and in the immediately preceding financial year.

9. In our opinion and the opinion of other auditors and according to the information and explanations given to us and the other auditors, the Group, associates and jointly controlled companies have not defaulted in repayment of any dues to financial institutions, banks and debenture holders.

10. In our opinion and the opinion of other auditors and according to the information and explanations given to us and the other auditors, the Holding Company, its subsidiaries, associates and jointly controlled entities have not given guarantees for loans taken by others outside of the Group, associates and jointly controlled companies incorporated in India from banks and financial institutions and therefore the provisions of this clause are not applicable.

11. In our opinion and the opinion of other auditors and according to the information and explanations given to us and the other auditors, the term loans availed by the Holding Company, its subsidiaries, associate companies and jointly controlled companies incorporated in India during the year have been used for the purpose for which the term loans have been obtained.

12. To the best of our knowledge and belief and according to the information and explanations given to us and the other auditors, no fraud on the Holding Company, its subsidiary companies, associates and jointly controlled companies incorporated in India have been noticed or reported during the year.

17, Bishop Wallers Avenue (West),
Mylapore, Chennai - 600 004

For M/s S Viswanathan
Chartered Accountants
FRN: 004770S

V C Krishnan
Partner
Membership No: 022167

Place: Chennai
Date: 28th May 2015

Consolidated Balance Sheet

As at 31st March 2015 (₹ in million)

	Particulars	Note	31.03.2015	31.03.2014
I.	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	4	695.63	695.63
	(b) Reserves and surplus	5	31,006.31	29,071.17
2	**Minority Interest**		730.14	187.83
	Share application money pending allotment		11.38	-
3	**Non-current liabilities**			
	(a) Long-term borrowings	6	17,280.58	12,223.80
	(b) Deferred tax liabilities (Net)	7	4,222.32	3,519.10
	(c) Other Long term liabilities	8	50.33	37.52
	(d) Long-term provisions	9	34.48	22.00
4	**Current Liabilities**			
	(a) Short-term borrowings	10	857.37	625.01
	(b) Trade payables		3,643.24	2,803.65
	Add : share in joint ventures		548.17	446.81
	(c) Other current liabilities *	11	4,399.09	2,763.04
	(d) Short-term provisions	12	1,315.38	1,329.23
	TOTAL		**64,794.42**	**53,724.79**
II.	**ASSETS**			
	Non-Current Assets			
1	**Goodwill on Consolidation**		1,652.45	1,499.44
2	**Non Current Assets**			
	(a) Fixed assets			
	(i) Tangible assets	13	30,328.15	25,135.52
	(ii) Intangible assets	14	460.58	177.95
	(iii) Capital work-in-progress	15	5,326.40	4,739.21
	(iv) Intangible assets under development		-	173.85
	(b) Non-current investments	16	1,650.79	1,660.66
	(c) Deferred tax assets (net)	7	202.77	228.17
	(d) Long-term loans and advances	17	5,784.51	5,101.05
2	**Current Assets**			
	(a) Current investments	18	1,455.70	1,555.01
	(b) Inventories	19	3,502.63	2,785.51
	(c) Trade receivables	20	6,092.74	5,197.66
	(d) Cash and cash equivalents	21	3,773.33	2,741.47
	(e) Short-term loans and advances	22	4,199.94	2,407.22
	(f) Other current assets	23	364.43	322.07
	TOTAL		**64,794.42**	**53,724.79**
III	**Consolidated Notes Forming Part of Accounts 1-41**			

* includes a portion of Long term borrowings of ₹1,784.63 million payable within the next 12 months.

As per our Report annexed

For and on behalf of the Board of Directors

For M/s. S. Viswanathan
Chartered Accountants
Firm Registration No. 004770S

V C Krishnan
Partner
(Membership No. 022167)
17, Bishop Wallers Avenue (West)
Mylapore, Chennai - 600 004
Place : Chennai
Date : 28th May 2015

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
Sr. General Manager - Finance
& Company Secretary

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Executive Vice Chairperson

Suneeta Reddy
Managing Director

Consolidated statement of Profit & Loss

for the year ended 31st March 2015 (₹ in million)

	Particulars	Note	31.03.2015	31.03.2014
I.	REVENUE FROM OPERATIONS	24	51,784.53	43,842.21
II.	OTHER INCOME##	25	367.52	214.65
	TOTAL REVENUE		**52,152.05**	**44,056.86**
III.	EXPENSES			
	(a) Cost of materials consumed during the year		11,580.89	10,353.24
	(b) Purchase of Stock-in-Trade		14,041.45	10,962.79
	(c) Changes in inventories of stock-in-trade		(492.68)	(461.98)
	Add: Share in Joint Ventures		682.32	647.24
	(d) Employee benefits expense	26	8,600.25	7,274.49
	(e) Finance costs	27	1,178.54	1,193.77
	(f) Depreciation and amortization expense#		2,116.51	1,677.91
	(g) Other expenses	28	10,025.59	8,342.32
	TOTAL EXPENSES		**47,732.87**	**39,989.78**
IV.	PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX		4,419.18	4,067.08
V.	EXCEPTIONAL ITEMS #		(146.88)	-
VI.	PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX		**4,272.30**	**-**
VII.	EXTRAORDINARY ITEMS *		281.83	-
VIII.	PROFIT BEFORE TAX		**4,554.13**	**4,067.08**
IX	TAX EXPENSE			
	(a) Current tax (MAT)		1,005.67	882.82
	(b) MAT Credit Entitlement		(445.74)	(860.51)
	(c) Net Current Tax		559.92	22.31
	(d) Deferred tax	7	772.05	995.74
	(e) Deferred tax Asset		31.96	0.42
X	PROFIT / (LOSS) FOR THE PERIOD		3,254.12	3,049.46
	Less : Minority Interest		(51.39)	(13.65)
XI	PROFIT AFTER MINORITY INTEREST		3,305.51	3,063.11
	Add: Share in Associates		93.52	104.34
XII	PROFIT AFTER SHARE IN ASSOCIATES		3,399.03	3,167.45
XIII	EARNINGS PER EQUITY SHARE OF FACE VALUE OF ₹ 5 EACH			
	Before Extraordinary Item			
	Basic (in ₹)		22.41	22.77
	Diluted (in ₹)		22.41	22.77
	After Extraordinary Item			
	Basic (in ₹)		24.43	22.77
	Diluted (in ₹)		24.43	22.77
XIV	Consolidated Notes Forming Part of Accounts 1-41			

includes ₹184.10 million income from the divestiture of the Out-Patient diabetes clinics related business to Apollo Sugar Clinics Ltd, a subsidiary of AHLL
Represents loss on sale of the company's equity investment in Quintiles phase one Clinical Trials India Pvt. Ltd., a Joint Venture company of AHEL.
* Represents short term capital gain arising to Apollo Health and Lifestyle Limited on sale of a minority stake in its subsidiary, Apollo Sugar Clinics Ltd.

As per our Report annexed

For and on behalf of the Board of Directors

For M/s. S. Viswanathan
Chartered Accountants
Firm Registration No. 004770S

V C Krishnan
Partner
(Membership No. 022167)
17, Bishop Wallers Avenue West
Mylapore, Chennai - 600 004
Place : Chennai
Date : 28th May 2015

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
Sr. General Manager - Finance
& Company Secretary

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Executive Vice Chairperson

Suneeta Reddy
Managing Director

Notes Forming Part of Accounts

Accounting Policies & Notes forming part of Consolidated Accounts of the Apollo Hospitals Enterprise Limited, its Subsidiaries, Associates and Joint Ventures.

1. Basis of Accounting

The financial statements are prepared under the historical cost convention under accrual method of accounting and as a going concern, in accordance with the Generally Accepted Accounting Principles (GAAP) prevalent in India and the Mandatory Accounting Standards as notified under the Companies (Accounting Standards) Rules, 2006 and according to the provisions of the Companies Act, 2013.

Apollo Hospital (UK) Limited

The financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Suitable accounting policies are selected and applied consistently and judgments and estimates made are reasonable and prudent. The financial statements have been prepared on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

Apollo Munich Health Insurance Company Limited

The financial statements have been prepared in accordance with generally accepted accounting principles and practices followed in India and conform to the statutory requirements of the Insurance Act, 1938, The Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002, orders and directions issued by IRDA in this regard, The Companies Act, 2013 to the extent applicable and the accounting standards issued by the Institute of Chartered Accountants of India(ICAI) to the extent applicable. The financial statements have been prepared on a historical cost convention and on accrual basis as a going concern.

2. Basis of Consolidation

The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21-'Consolidated Financial Statements', Accounting Standard 23-'Accounting for Investment in Associates in Consolidated Financial Statements' and Accounting Standard 27-'Financial Reporting of Interests in Joint Ventures', as notified under the Companies (Accounting Standards) Rules, 2006.

A. Investment in Subsidiaries

1. The Subsidiary Companies considered for the purpose of consolidation are:

Name of the Subsidiary	Country of Incorporation	% of holding as on 31st March 2015	% of holding as on 31st March 2014
Apollo Home Healthcare (India) Ltd	India	100.00	100.00
AB Medical Centres Limited	India	100.00	100.00
Apollo Health and Lifestyle Limited	India	100.00	100.00
Samudra Healthcare Enterprise Limited	India	100.00	100.00
Imperial Hospital & Research Centre Limited	India	90.00	85.76
Apollo Hospital (UK) Limited	United Kingdom	100.00	100.00
Apollo Nellore Hospital Limited	India	79.44	79.44
Apollo Rajshree Hospitals Private Limited	India	57.66	15.29
Alliance Medicorp (India) Limited	India	51.00	51.00
Western Hospitals Corporation Private Limited	India	100.00	100.00
Sapien Biosciences Private Limited	India	70.00	70.00
Apollo Bangalore Cradle Limited	India	@@	@@
Apollo Cosmetic Surgical Centre Private Limited	India	###	###
Akeso Healthcare Private Limited	India	##	##
Apollo Sugar Clinics Limited**	India	**	**
Nova Speciality Hospitals Pvt Limited***	India	***	-

@@ 81.37% subsidiary of Apollo Health and Lifestyle Limited (2013-14 : 81%)

69.40% subsidiary of Apollo Health and Lifestyle Limited (2013-14 : 69.40%

100% Subsidiaries of Apollo Health and Lifestyle Limited (2013-14 : Nil)

**80% subsidiary of Apollo Health and Lifestyle Limited and formerly known as Apollo Clinics Gujarat Limited (2013-14 : 100%)

***100% subsidiary of Apollo Health and Lifestyle Limited (2013-14 : Nil)

2. Financial Statements of all the subsidiaries have been drawn upto 31st March 2015.

3. Minority Interest consists of the share in the net assets of the subsidiaries, as on the date of Balance Sheet.

B. Investment in Associates

1. The Associate Companies considered in the Consolidated Financial Statements are:

Name of the Associate Company	Country of Incorporation	Proportion of ownership interest (%) as on 31st March 2015	Proportion of ownership interest (%) as on 31st March 2014
Indraprastha Medical Corporation Limited	India	22.03	22.03
Family Health Plan (TPA) Limited	India	49.00	49.00
Stemcyte India Therapautics Private Limited	India	24.50	24.50

2. The financial statements of all associates are drawn upto 31st March 2015.

C. Investments in Joint Ventures

1. The following are jointly controlled entities.

Name of the Company	Country of Incorporation	Proportion of ownership interest (%) as on 31st March 2015	Proportion of ownership interest (%) as on 31st March 2014
Apollo Gleneagles Hospitals Limited	India	50.00	50.00
Apollo Gleneagles PET – CT Private Limited	India	50.00	50.00
Apollo Hospitals International Limited**	India	50.00**	50.00**
Future Parking Private Limited	India	49.00	49.00
Apollo Munich Health Insurance Company Limited	India	10.23	10.23
Apollo Lavasa Health Corporation Limited ***	India	37.50	37.50
ApoKos Rehab Private Limited	India	50.00	-
Quintiles Phase One Clinical Trials India Private Limited	India	-	40.00

** Apollo Hospitals Enterprise Limited directly holds 23% (23%) in Apollo Hospitals International Limited and a further 27% (27%) through its wholly owned subsidiary Apollo Home Healthcare (India) Ltd.

*** Apollo Lavasa Health Corporation Limited has been considered as a joint venture based on the substance of the agreement between Apollo Lavasa Health Corporation Limited and Apollo Hospitals Enterprise Limited.

2. The Financial statements of all the Joint Ventures are drawn upto 31st March 2015.

3. During the year the investments made in Quintiles Phase One Clinical Trials India Private Limited has been sold

4. The Group's interests in the Joint Ventures accounted for using proportionate consolidation in the Consolidated Financial Statements are:

(₹ in million)

	Particulars	As at 31st March,2015	As at 31st March,2014
I	**ASSETS**		
Non-current assets			
(a)	Fixed assets		
	(i) Tangible assets	2,202.73	2,244.71
	(ii) Intangible assets	19.22	18.43
	(iii) Capital work-in-progress	187.51	87.55
(b)	Non-current investments	516.79	489.31
(c)	Deferred tax assets (net)	108.73	108.73
(d)	Long-term loans and advances	319.49	234.75
Current Assets			
(a)	Current investments	4.11	9.04
(b)	Inventories	49.24	44.18
(c)	Trade receivables	347.07	288.90
(d)	Cash and cash equivalents	525.24	404.99
(e)	Short-term loans and advances	28.32	42.06
(f)	Other current assets	102.86	112.60
II	**LIABILITIES**		
Non-current Liabilities			
(a)	Long-term borrowings	601.23	665.39
(b)	Deferred tax liabilities (Net)	146.47	151.06
(c)	Other Long term liabilities	49.28	20.91
(d)	Long-term provisions	6.50	6.98
Current Liabilities			
(a)	Short-term borrowings	156.99	195.66
(b)	Trade payables	548.17	446.81
(c)	Other current liabilities	852.38	790.50
(d)	Short-term provisions	2.31	1.75
III	**INCOME**		
	Revenue from operations	2,991.49	2,663.00
	Other income	13.96	17.73
IV	**EXPENSES**		
(a)	Material consumption, purchase of stock in trade and changes in inventories	682.32	647.24
(b)	Employee benefits expense	540.25	476.64
(c)	Finance costs	108.27	115.06
(d)	Depreciation and amortization expense	201.96	168.45
(e)	Other expenses	1,267.12	1,154.73
	Profit before tax	205.53	118.61
(a)	Provision for Taxation(Including Deferred Tax Liability)	81.67	64.88
(b)	Add: Deferred tax asset	6.15	0.38
	Net Profit	130.02	54.10
V	**OTHER MATTERS**		
(a)	Contingent Liabilities	321.27	270.66
(b)	Capital Commitments	71.83	202.39

D. As far as possible the Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances, and are presented in the same manner as the Company's separate financial statements.

E. The effects arising out of variant accounting policies among the group Companies have not been calculated and dealt with in the Consolidated Financial Statements since it is impracticable to do so. Accordingly, the variant accounting policies adopted by the Subsidiaries, Associates and Joint Ventures have been disclosed in the financial statements.

F. Pursuant to section 129 and rule 5 of the Companies (Accounts) Rules 2014, the Companys financial statements for seventeen of its subsidiaries including fellow subsidiaries, seven Joint Ventures and three Associates are furnished in Form AOC – 1.

G. The foreign operations of the Company are considered as non – integral foreign operations. Hence, the assets and liabilities have been translated at the exchange rate prevailing on the date of the Balance Sheet, Income and Expenditure has been translated at average exchange rates prevailing during the reporting period. Resultant currency exchange gain or loss is transferred to Foreign Currency Translation Reserve.

3. Significant Accounting Policies

A. Use of Estimates

The preparation of financial statements are in conformity with generally accepted accounting principles and requires the management to make estimates and assumptions that affect the reported values of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from the estimates.

B. Inventories

1. The inventories of all medicines, medicare items traded and dealt with by the Company are valued at cost. In the absence of any further estimated costs of completion and estimated costs necessary to make the sale, the Net Realisable Value is not applicable. Cost of these inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location after adjusting for VAT wherever applicable, applying the FIFO method.

2. Stock of provisions, stores (including lab materials and other consumables), stationeries and housekeeping items are stated at cost. The net realisable value is not applicable in the absence of any further modification/ alteration before being consumed in-house only. Cost of these inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location, after adjusting for VAT wherever applicable applying the FIFO method.

3. Surgical instruments, linen, crockery and cutlery are valued at cost and are subject to 1/3 write off wherever applicable applying FIFO method. The net realisable value is not applicable in the absence of any further modification/alteration before being consumed in-house. Cost of these inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location.

4. Imported inventories are accounted for at the applicable exchange rates prevailing on the date of transaction.

Alliance Medicorp (India) Limited

Inventories are stated at lower of cost or net realizable value. Cost of Inventory comprises cost of purchase of inventories. Net Realizable value represent the estimated selling price less all estimated cost necessary to complete the sale.

Apollo Health and Lifestyle Limited

Consumables are valued at lower of cost or net realisable value. Cost is determined on First in First out basis. Net Realizable value is the estimated selling price in the ordinary course of business, less estimated cost necessary to make sale.

Apollo Gleneagles Hospitals Limited

The inventory of laboratory and other medical consumables are stated at cost on FIFO method.

Future Parking Private Limited

Inventories are valued at cost (On FIFO Basis) after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges.

Indraprastha Medical Corporation Limited

i) Inventories are valued at lower of cost and net realizable value.

ii) The cost in respect of the items constituting the inventories has been computed on FIFO basis.

C. Prior Period Items and Extraordinary Items

Prior period items and extraordinary items are separately classified, identified and dealt with as required under Accounting Standard 5 on 'Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies' as notified under the Companies (Accounting Standards) Rules, 2006.

D. Depreciation and Amortisation

i. Depreciation has been provided on straight line method at rates specified in Schedule II of the Companies Act, 2013 on single shift basis.

ii. As per Schedule II to the Companies Act 2013, the carrying cost of the assets which have completed the useful life as on 31.03.2014 have been transferred to Retained Earnings.

iii. Depreciation on new assets acquired during the year is provided at the rates specified in Schedule II to the Companies Act 2013 from the date of acquisition to the end of the financial year.

iv. In respect of the assets sold during the year, depreciation is provided from the beginning of the year till the date of its disposal.

Apollo Hospitals Enterprise Limited

a. The cost/premium of land and building taken on lease by the Company from Orient Hospital, Madurai will be amortised over a period of 30 years though the lease is for a period of 60 years.

   The cost/premium of land and building taken additionally on lease by the Company at Madurai is for a period of 9 years with an option to extend the lease by another 16 years. The depreciation on the leasehold building is charged on a straight line basis with the lease period being considered as 25 years.

   The Company has taken land in Karaikudi from Apollo Hospitals Educational Trust on lease for a period of 30 years. The cost of the building constructed on the lease land is amortised over a period of 30 years.

   The cost of land and building taken on lease by the Company from Rigid Hospitals Private Limited, Chennai will be amortised over a period of 30 years.

   The cost of land and building taken on lease by the Company situated at Old Mahabalipuram Road, Karapakkam, Chennai will be amortised over a period of 30 years.

   This is in conformity with the definition of lease term as per Clause 3 of AS 19 'Leases' as notified under the Companies (Accounting Standards) Rules, 2006.

b. Lease rental on operating leases is recognised as an expense in the Statement of Profit and Loss on straight-line basis as per the terms of the agreement in accordance with Accounting Standard 19 'Leases' as notified under the Companies (Accounting Standards) Rules, 2006.

A.B. Medical Centres Limited

Depreciation on Fixed Asset are at the new rates prescribed in Schedule II of the Companies Act. Assets which are fully depreciated are recognized at residual value.

Apollo Health and Lifestyle Limited

i) Depreciation is provided using the straight-line method, pro rata for the period of use of the assets, at annual depreciation rates stipulated in Schedule II to the Companies Act, 2013, or based on the estimated useful lives of the assets, whichever is higher.

ii) Lease hold improvements are depreciated over the primary period of lease or useful lives of the assets, whichever is shorter.

iii) Fixed assets not exceeding ₹.5,000/- are charged off in the year of purchase.

Sapien Bio-sciences Private Limited

Depreciation on fixed assets is charged at the rates and in the manner specified in Schedule II of the Companies Act, 2013.

The useful life of the Assets are as under:

S No.	Nature of the Asset	Useful Life
1.	Computers	
	a. Servers & Networks	6 years
	b. End user Devices, such as, desktops, laptops,etc.	3 years
2.	Lab Equipments	10 years
3.	Furniture & Fixtures	10 years

Apollo Gleneagles Hospitals Limited

Depreciation is provided using the useful life method at the various useful life's of the assets stipulated in Schedule II to the Companies Act, 2013 . Depreciation is charged on Pro-rata basis for assets acquired during the year.Individual assets acquired for ₹5,000/- or less are fully depreciated in the year of acquisition.

Apollo Lavasa Health Corporation Limited

During the period ended December 31st, 2014, the Management based on internal evaluation reassessed the useful life of existing assets primarily consisting of building and accordingly the Company has recognized an additional depreciation charge of ₹ 28.04 lakhs

Had the Company continued to use the earlier method of depreciation, the loss after tax for the current period would have been lower by ₹19.38 Lakhs.

Apollo Munich Health Insurance Company Limited

Fixed assets are stated at cost less accumulated depreciation. Cost includes incidental expenses relating to acquisition and installation of assets.

Depreciation/Amortization on Fixed Assets/Intangible Assets is provided on straight line method (SLM) basis the useful life estimate of assets as mentioned in Part C of Schedule II of Companies Act, 2013. The depreciation rates used are given below:

Asset Class	Rate of Depreciation
Computer Server	16.67%
Other Information Technology Equipment	33.33%
Computer Software	20%
Office equipments	20%
Furniture & Fixtures	25% or on the basis of lease term of premises, whichever is higher
Vehicles	20%
Media Films	33%

Depreciation on assets purchased / disposed off during the year is provided on pro- rata basis with reference to the date of addition / deletion.

Family Health Plan (TPA) Limited

The Company has provided for depreciation using useful life method as specified in Schedule II to the Companies Act, 2013 Intangible assets (computer software) are amortized on the basis of estimated useful life as applied to the Computers.

Indraprastha Medical Corporation Limited

a. Depreciation is charged on straight line method based on the useful life prescribed under Schedule II to the Companies Act, 2013. Where the life of asset is different from the useful life specified in the schedule, the depreciation is charged as per useful life of the asset determined by the company.

b. When impairment loss / reversal is recognized, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any) on a systematic basis over its remaining useful life.

Amortisation of Intangible Assets

i. Intangible assets are amortised on straight line method over the estimated useful life of the asset.

ii. The useful life of the intangible assets for the purpose of amortisation is estimated to be three years.

E. Revenue Recognition

a. Income from Healthcare Services is recognised on completed service contract method. The hospital collections of the Company are net of discounts and payments to doctors Revenue also includes the value of services rendered pending final billing in respect of in-patients undergoing treatment as on 31st March 2015.

b. Pharmacy Sales are recognised when the risk and reward of ownership is passed to the customer and are stated net of returns, discounts and exclusive of VAT wherever applicable.

c. Hospital Project Consultancy income is recognised as and when it becomes due, on percentage completion method, on achievement of milestones.

d. Income from Treasury Operations is recognised on receipt or accrual basis whichever is earlier.

e. Interest income is recognised on a time proportion basis taking into account the principal amount outstanding and the rate applicable.

f. Royalty income is recognised on an accrual basis in accordance with the terms of the relevant agreement.

g. Dividend income is recognised as and when the owner's right to receive payment is established.

h. The activities of the company, includes business of conducting Clinical Trials on behalf of Pharmaceutical Companies on a contractual basis. The income is recognised on completion of the service, based on the terms and conditions specified to each contract.

Alliance Medicorp (India) Limited

Dialysis income is recognized as and when the related services are performed.

Other income is accounted on accrual basis except where receipt of income is uncertain.

Apollo Health and Lifestyle Limited

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue from services is recognized as per the standard terms with the customer when the related services are performed, with reference to Cradle the One Time License fee is recognized based on percentage of Completion method.

The Company has recognized revenue as follows.

One Time License Fees:

- With reference to Clinics the 100% of one time License fee is recognized on signing the MOU.
- With Reference to Cradle the one time License fee is recognized based on percentage of Completion method.

Operating License Fee:

- Operating License Fee is recognized as a percentage of the gross sales.

Owned clinics operational income:

- Owned clinics recognise the revenues on the basis of the services rendered on cash or on accrual basis whichever is earlier.

Corporate services Fee:

- Corporate services fee is recognized on basis of the services rendered and as per the terms of the agreement.

Other Incomes:

- All other incomes are recognized on a pro-rata basis, based on the completion of work and as per the terms of the agreement.

Interest:

- Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable Interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

All the above incomes are recognized net of Service tax or VAT wherever applicable.

Sapien Bioscience Private Limted

Revenue from operations is recognized based on services provided and billed as per the terms of specific contract.

Apollo Home Health Care (India) Limited

Income from medical services is recognized net of payment to Medical Staff.

Income from Hostel Receipts is recognized net of payment made towards Hostel Rent and Mess Expenses and is accounted on accrual basis.

Apollo Munich Health Insurance Company Limited

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 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 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 holding / maturity period.

Family Health Plan (TPA) Limited

All the TPA streams of revenue are being recognized on accrual basis. Income from TPA operations is recognized exclusive of applicable service tax.

Indraprastha Medical Corporation Limited

a. Revenue is recognized on accrual basis. Hospital Revenue comprises of income from services rendered to the out-patients and in-patients. Revenue also includes value of services rendered pending billing in respect of in-patients undergoing treatment as at the end of the year.

b. Under the "Served from India Scheme" introduced by 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.

F. Fixed Assets

a. All Fixed Assets are stated at their original cost of acquisition less accumulated depreciation and impairment losses are recognised where necessary (Also refer Note 3(O) in the Notes forming part of Accounts). Additional cost relating to the acquisition and installation of fixed assets are capitalised. Wherever VAT is eligible for input availment, Fixed Assets are stated at cost of acquisition after deduction of input VAT.

b. Capital work – in – progress comprises of and amounts expended on development/acquisition of Fixed Assets that are not yet ready for their intended use at the Balance Sheet Date. Expenditure during construction period directly attributable to the projects under implementation is included under Capital work - in – progress, pending allocation to the assets.

c. Assets acquired under hire purchase agreements are capitalised to the extent of principal value, while finance charges are charged to revenue on accrual basis.

d. Interest on borrowings, for acquisition of fixed assets and exchange fluctuation arising out of foreign borrowings and the related revenue expenditure incurred for the period prior to the commencement of operations for the expansion activities of the Company are capitalised.

G. Transactions in Foreign Currencies

a. Monetary items relating to foreign currency transactions remaining unsettled at the end of the year are translated at the exchange rates prevailing at the date of the Balance Sheet. The difference in translation of monetary items and the realised gains and losses on foreign exchange transactions are recognised in the Statement of Profit and Loss in accordance with Accounting Standard 11 – 'The Effects of Changes in Foreign Exchange Rates (Revised 2003)', as notified under the Companies (Accounting Standards) Rules, 2006 (Also refer Note 25 (a) in the Notes forming part of Accounts).

b. Exchange differences arising on settlement or restatement of foreign currency denominated liabilities borrowed for the acquisition of Fixed Assets, hither to recognized in the Statement of Profit and Loss are now capitalised based on Para 46A of Accounting Standard 11 – 'The Effects of Changes in Foreign Exchange Rates (Revised 2003)'.

c. The use of foreign currency forward contract is governed by the Company's policies approved by the Board of Directors. These hedging contracts are not for speculation.

H. Investments

Investments are classified as current or long term in accordance with Accounting Standard 13 on 'Accounting for Investments'

a. Long-term investments are stated at cost to the Company in accordance with Accounting Standard 13 on 'Accounting for Investments'. The Company provides for diminution in the value of Long-term investments other than those temporary in nature.

b. Current investments are valued at lower of cost and fair value. Any reduction to carrying amount and any reversals of such reductions are charged or credited to the Statement of Profit and Loss.

c. On disposal of an investment, the difference between the carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

d. In case of foreign investments,

   i. The cost is the rupee value of the foreign currency on the date of investment.

   ii. The face value of the foreign investments is shown at the face value reflected in the foreign currency of that country.

Apollo Munich Health Insurance Company Limited

Investments are made in accordance with the Insurance Act, 1938 and Insurance Regulatory & Development Authority (Investment) Regulations, 2000, as amended from time to time. Investments are recorded at cost including acquisition charges (such as brokerage, transfer stamps) if any, and exclude interest paid on purchase. Debt securities, including Government securities are considered as held to maturity and are stated at historical cost adjusted for amortization of premium and/or accretion of discount over the maturity period of securities on straight line basis.

Listed and actively traded securities are measured at fair value as at the Balance Sheet date. For the purpose of calculation of fair value, the lowest value of the last quoted closing price of the stock exchanges is considered wherever the securities are listed. Unrealized gains/losses due to change in fair value of listed securities is credited / debited to 'Fair Value Change Account', Investments in Units of Mutual funds are stated at fair value being the closing Net Asset Value (NAV) at Balance Sheet date. Unrealized gains/losses are credited /debited to the 'Fair Value Change Account'

Future Parking Private Limited

Long-term investments are carried at cost. Diminution in the value of the investments, other than temporary, is provided for unquoted current investments comprising of units of mutual funds are stated at cost or Net Asset Value (NAV), whichever is lower.

I. Accounting For Amalgamation

As per Accounting standard – 14, the amalgamation is in the nature of merger and accordingly the method of accounting adopted is that of "Pooling of Interest".

Employee Benefits

Short-term employee benefits (benefits which are payable within twelve months after the end of the period in which the employees render service) are measured at cost.

Long-term employee benefits (benefits which are payable after the end of twelve months from the end of the period in which employees render service), and post employment benefits (benefits which are payable after completion of employment), are measured on a discounted basis by the Projected Unit Credit Method, on the basis of annual third party actuarial valuations.

Defined Contribution Plan

The Company makes contribution towards Provident Fund and Employees State Insurance as a defined contribution retirement benefit fund for qualifying employees.

The Provident Fund Plan is operated by the Regional Provident Fund Commissioner. Under the scheme, the Company is required to contribute a specified percentage of payroll cost, as per the statute, to the retirement benefit schemes to fund the benefits. Employees State Insurance dues are remitted to Employees State Insurance Corporation.

Defined Benefit Plans

For Defined Benefit Plan the cost of providing benefits is determined using the Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. Actuarial Gains or Losses are recognised in full in the Statement of Profit and Loss for the period in which they occur.

a. Gratuity

The Company makes annual contribution to the Employees' Group Gratuity-cum-Life Assurance Scheme of the ICICI and Life Insurance Corporation of India, for funding defined benefit plan for qualifying employees and recognised as an expense. The Scheme provides for lump sum payment to vested employees at retirement, death while in employment, or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service, or part thereof in excess of six months. Vesting occurs upon completion of five years of service. The Company restricts the payment of gratuity to the employees below the rank of General Managers and to the limits specified in the payment of Gratuity Act, 1972. However the Company complies with the norms of Accounting Standard 15.

b. Leave Encashment Benefits

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 Contribution to the fund managed by HDFC Life.

Imperial Hospital & Research Centre Limited

a. Gratuity

The Company has made contribution towards a recognized gratuity fund. The provisions made are on the basis of actuarial valuation. The following are recognized in the financial statement –

₹ in million

PV of past services benefit	9.76
Current Service Cost	3.33
Closing balance of the Planned Asset	0.84
Interest on Planned Asset	0.07

b. Leave encashment benefits

As per the company policy, every employee who has worked for a period of not less than 240 days during a calendar year shall be eligible for not less than 15 days privilege leave computed at the rate of one day for every 20 days of actual service. The provisions made in the books of account are on the basis of actuarial valuation. Actuarial gains/losses are recognised in the statement of profit and loss as they occur.

Apollo Home Healthcare (India) Limited

a. The company is not covered by The Payment of Gratuity Act, 1972 since the number of employees is below the statutory minimum as prescribed by the Act.

b. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 is also not applicable to the company as the number of employees is below the statutory minimum.

c. The Employees State Insurance Act, 1948 is also not applicable to the company as the number of employees is below the statutory minimum.

d. The company does not have any leave encashment scheme or sick leave policy.

J. Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such asset. As per Accounting Standard 16 'Borrowing costs', a qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are expensed as and when incurred.

K. Segment Reporting

Identification of Segments

The Company has complied with Accounting Standard 17- 'Segment Reporting' with Business as the primary segment.

The Company operates in a single geographical segment, which is India, and the drugs sold in the pharmacies, are regulated under the Drug Control Act, which applies uniformly all over the Country. The risk and returns of the enterprise are very similar in different geographical areas within the Country and hence there is no reportable secondary segment as defined in Accounting Standard 17.

Segment Policies

The accounting policies adopted for segment reporting are in line with the accounting policies adopted in consolidated financial statements with the following additional policies for Segment Reporting:

a. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under "unallocable expenses".

b. Inter segment revenue and expenses are eliminated.

The Company has disclosed this Segment Reporting in Consolidated Financial Statements as per para (4) of Accounting Standard – 17- 'Segment Reporting'.

L. Lease

Operating Lease

Leases where the lessor effectively retains substantially all the risks and the benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight – line basis over the lease term.

M. Earnings per Share

In determining the earnings per share, the Company considers the net profit after tax before extraordinary item and after extraordinary items and includes post - tax effect of any extraordinary items. The number of shares used in computing the basic earnings per share is the weighted average number of shares outstanding during the period. For computing diluted earnings per share, potential equity shares are added to the above weighted average number of shares.

N. Taxation

a. Income Tax

Income tax is computed using the tax effect accounting method, where taxes are accrued in the same period as and when the related revenue and expense arise. A provision is made for Income Tax annually based on the tax liability computed after considering tax allowances and exemptions.

b. Deferred Tax

The differences that result between the profit calculated for income tax purposes and the profit as per the financial statements are identified and thereafter deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and get reversed in another, based on the tax effect of the aggregate amount being considered. Deferred tax asset are not recognized unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. The tax effect is calculated on the accumulated timing differences at the beginning of this accounting year based on the prevailing enacted or substantively enacted regulations.

Imperial Hospital & Research Centre Limited

The differences that result between the losses calculated for income tax purposes and the losses as per the financial statements are identified and thereafter deferred tax asset or deferred tax liability is recorded for timing differences. Net Deferred Tax is recognized as per Accounting Standard (AS) -22.

O. Impairment

The carrying amounts of assets are reviewed at each Balance Sheet date to ascertain if there is any indication of impairment based on internal/external factors. An asset is treated as impaired based on the cash generating concept at the year end, when the carrying cost of assets exceeds its recoverable value, in terms of Para 5 to Para 13 of AS-28 'Impairment of Assets' as notified under the Companies (Accounting Standards) Rules, 2006 for the purpose of arriving at impairment loss thereon, if any. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount.

P. Bad Debts Policy

The Board of Directors approves the Bad Debt Policy, on the recommendation of the Audit Committee, after the review of debtors every year. The standard policy for write off of bad debts is as given below subject to management inputs on the collectability of the same,

Period	% of write off
0-1 years	0
1-2 years	25
2-3 years	50
Over 3 years	100

Q. Intangible Assets

Intangible assets are initially recognised at cost and amortised over the best estimate of their useful life. Cost of software including directly attributable cost, if any, acquired for internal use, is allocated / amortised over a period of 36 months to 120 months.

Apollo Health and Lifestyle Limited

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The company uses a rebuttable presumption that the useful life of an intangible asset will not exceed five years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the company amortizes the intangible asset over the best estimate of its useful life.

Imperial Hospital & Research Centre Limited

Cost of software including directly attributable cost, if any, acquired for internal use, is allocated /amortized over a period of 5 years.

Stemcyte India Therapeutics Private Limited

Intangible Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives.The amortisation rates used are:

Asset	Rates (%)
Computer Software	3

Indraprastha Medical Corporation Limited

- Intangible assets are amortised on straight line method over the estimated useful life of the asset.
- The useful life of the intangible assets for the purpose of amortisation is estimated to be three years.

R. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are not provided for unless a reliable estimate of probable outflow to the Company exists as at the Balance Sheet date. Contingent assets are neither recognised nor disclosed in the financial statements.

S. Derivative Financial Instruments

The Company is exposed to foreign currency fluctuations on foreign currency loans and payables. The company limits the effect of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. The company enters into derivative financial instruments where the counterparty is a bank.

All derivatives are effective hedges against an underlying liability and any cash flows are recognised as and when they occur. Attributable transaction costs are recognised in statement of income as cost.

Gain/(losses) on settlement of foreign currency derivative instruments relating to borrowings which have not been designated as hedges are recorded in finance expense.

T. Insurance – related Policies

Apollo Munich Health Insurance Company Limited

i. Reinsurance Premium

Reinsurance Premium on ceding of risk is accounted in the year in which risk commences and over the period of risk in accordance with the treaty arrangements with the reinsurers. Unearned premium on reinsurance ceded is carried forward to the period of risk and is set off against related unearned premium. Premium on excess of loss reinsurance cover is accounted as per the reinsurance arrangements.

ii. Acquisition Cost of Insurance Contracts

Costs relating to acquisition of new and renewal of insurance contracts viz commission, etc., are expensed in the year in which they are incurred.

iii. Premium Received in Advance

Premium received in advance represents premium received in respect of those policies issued during the year where the risk commences subsequent to the Balance Sheet date.

iv. Claims Incurred

Estimated liability in respect of claims is provided for the intimations received upto the year end based on, assessment made by Third Party Administrator (TPA). Information provided by the insured and judgment based on the past experience. Claims are recorded in the revenue account, net of claims recoverable from reinsurers / coinsurers to the extent there is a reasonable certainty of realization. These estimates are progressively re-valued on availability of further information.

v. Claims incurred but not reported (IBNR) and claims incurred but not enough reported (IBNER)

IBNR represents that amount of claims that may have been incurred prior to the end of the current accounting period but have not been reported or claimed. The IBNR provision also includes provisions, if any, required for claims incurred but not enough reported. IBNR and IBNER liabilities are provided based on actuarial principles and certified by the Appointed Actuary. The methodology and assumptions on the basis of which the liability has been determined has also been certified by the Actuary to be appropriate, in accordance with guidelines and norms issued by the Institute of Actuaries of India and in concurrence with the IRDA.

vi. Allocation of Investment Income

Investment income is apportioned to Statement of Profit & Loss and Revenue Account in the ratio of average of shareholder's funds and policy holders' funds at the end of each month.

vii. Fair Value Change Account

'Fair Value Change Account' represents unrealized gains or losses due to change in fair value of traded securities and mutual fund units outstanding at the close of the year. The balance in the account is considered as a component of shareholder's funds and not available for distribution as dividend.

viii. Profit / Loss on Sale / Redemption of Investments

Profit or loss on sale / redemption of investments, being the difference between sale consideration / redemption value and carrying value of investments is credited or charged to Statement of Profit and Loss. The profit / loss on sale of investments include accumulated changes in the fair value previously recognized in 'Fair Value Change Account' in respect of a particular security.

ix. Long Term / Short Term Investments

Investments maturing within twelve months from the Balance Sheet date and investments made with specific intention to dispose off within twelve months from the date of acquisition are classified as short term investments. Other investments are classified as long term Investments.

4. Share Capital

(₹ in million)

Particulars	31.03.2015	31.03.2014
Authorised		
200,000,000(2013-14 : 200,000,000) Equity Shares of ₹ 5/- each	1,000.00	1,000.00
1,000,000 (2013-14 : 1,000,000) Preference Shares of ₹ 100/- each	100.00	100.00
	1,100.00	**1,100.00**
Issued		
139,658,177 (2013-14 : 139,658,177) Equity Shares of ₹ 5/- each	698.29	698.29
Subscribed and Paid up		
139,125,159 (2013-14 :139,125,159) Equity Shares of ₹ 5/- each fully paid up	695.63	695.63

Reconciliation of the number of shares

Particulars	31.03.2015		31.03.2014	
	Equity Shares		Equity Shares	
	Number	Amount ₹ in million	Number	Amount ₹ in million
Shares outstanding at the beginning of the year	139,125,159	695.63	139,125,159	695.63
Shares outstanding at the end of the year	**139,125,159**	**695.63**	139,125,159	695.63

Rights, Preferences and Restrictions attached to shares

Equity shares: The Company has one class of equity shares having a par value of ₹ 5 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Shareholders holding more than 5% of total paid up capital

Name of the Shareholder	31.03.2015		31.03.2014	
	Equity Shares		Equity Shares	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
PCR Investments Ltd	27,223,124	19.57	27,223,124	19.57
Integrated (Mauritius) Healthcare Holdings Ltd	15,093,860	10.85	15,093,860	10.85
Oppenheimer Developing Markets Fund.	12,086,295	8.69	11,678,894	8.39

a. The Parent Company had issued 9,000,000 Global Depository Receipts of ₹ 10 (now 18,000,000 Global Depository Receipts of ₹ 5) each with two way fungibilty during the year 2005-06. Total GDR's converted into underlying equity shares for the year ended on 31st March 2015 is 22,354 (2013-14 : 147,449) of ₹ 5 each and total equity shares converted back to GDRs for the year ended 31st March 2015 is 400 (2013-14 : 439,944) of ₹ 5 each. Total GDR's converted into equity shares up to 31st March 2015 is 25,101,532 (2013-14: 25,079,178) of ₹ 5 each.

5. Reserves and Surplus

(₹ in million)

	Particulars	31.03.2015	31.03.2014
a.	**Capital Reserves**		
	Opening Balance	18.44	18.44
	Closing Balance	**18.44**	**18.44**
b.	**Capital Reserve on Consolidation**		
	Opening Balance	155.25	155.25
	Closing Balance	**155.25**	**155.25**
c.	**Capital Fund**		
	Opening Balance	3.03	2.62
	Closing Balance	**3.03**	**2.62**
d.	**Capital Redemption Reserve**		
	Opening Balance	60.02	60.02
	Closing Balance	**60.02**	**60.02**
e.	**Securities Premium Account**		
	Opening Balance	17,610.80	17,599.55
	Add : Share premium from Group Companies	10.21	11.25
	Closing Balance	**17,621.01**	**17,610.80**
f.	**Debenture Redemption Reserve**		
	Opening Balance	812.50	800.00
	(+) Current Year Transfer	485.00	12.50
	Closing Balance	**1,297.50**	**812.50**
g.	**General Reserve**		
	Opening Balance	7,756.84	6,249.03
	(+) Current Year Transfer	1,500.00	1,500.00
	(+) Share of Associates	(20.46)	4.52
	(+) Share of Profits /(Loss) Subsidiaries	511.78	217.36
	(+) Transfer from Investment allowance reserve	-	7.63
	(+) Transfer from Foreign exchange fluctuation reserve	-	0.19
	(+) Profit from Joint Ventures	378.76	508.61
	Closing Balance	**10,126.92**	**8,487.34**
h.	**Fair value change account**	0.08	0.11
i.	**Surplus**		
	Opening Balance	1,846.80	1,202.91
	(+) Net Profit/(Net Loss) for the current year	3,399.03	3,169.60
	(-) Proposed Dividend on equity shares for the year	799.97	799.97
	(-) Dividend Distribution Tax on proposed dividend on Equity Shares	163.79	135.95
	(-) Transfer to Reserves	1,500.00	1,500.00
	(-) Transfer to Debenture Redemption Reserve	485.00	12.50
	(-) Amount charged off in accordance with transitional provisions of Sch II to the Companies Act, 2013	573.01	-
	Closing Balance	**1,724.06**	**1,924.09**
	Total	**31,006.31**	**29,071.17**

6. Long Term Borrowings

(₹ in million)

	Particulars	31.03.2015	31.03.2014
	Secured		
(a)	**Non-convertible Debentures**		
	1,000 (2013-14: 1,000) 10.30% Debentures of ₹1,000,000/- each	1,000.00	1,000.00
	940 (2013-14: 940) 10.15% Debentures of ₹1,000,000/- each	940.00	940.00
	1,250 (2013-14: 1,250) 9.80% Debentures of ₹1,000,000/- each	1,250.00	1,250.00
	2,000 (2013-14: 2,000) 10.20% Debentures of ₹1,000,000/- each	2,000.00	-
(b)	**Term loans**		
	From Banks		
	Cash Credit	1.83	-
	HDFC Bank Limited	1,059.00	1,453.24
	Axis Bank Limited	1,136.01	-
	Bank of India	1,160.00	-
	HSBC	1,000.00	-
	Yes Bank	145.29	114.54
	ICICI Bank	1,036.00	400.00
	Indus Ind Bank Ltd	278.19	383.23
	From Other parties		
	IFC Loan (External Commercial Borrowings)	750.75	965.27
	IFC Loan (External Commercial Borrowings)	1,403.08	1,636.80
	HSBC (External Commercial Borrowings)	1,084.00	1,246.60

	HSBC (Bills Payable)	636.82	504.58
	IDFC	250.00	-
	Total	**15,130.97**	**9,894.26**
	Add: Share in joint ventures	501.27	608.26
	Total	**15,632.24**	**10,502.52**
	Unsecured		
	(i) Deposits		
	Fixed Deposits	220.18	335.95
	(ii) Other loans and advances		
	ECB-Bank of Tokyo Mitsubishi UFJ	1,328.20	1,328.20
	Total	**17,180.62**	**12,166.67**
	Add: Share in joint ventures	99.96	57.13
	Total	**17,280.58**	**12,223.80**

Apollo Hospitals Enterprise Limited

a. 10.30% Non Convertible Debentures

The Company issued to Life Insurance Corporation of India, 500 Nos. 10.30% Non Convertible Redeemable Debentures of ₹ 1 million each on 28th December 2010 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 28th December 2020 and 500 Nos. 10.30% Non-Convertible Redeemable Debentures of ₹ 1 million each on 22nd March 2011 which will be redeemed on 22nd March 2021.

b. 10.15% Non Convertible Debentures

The Company issued 1,000 Nos. 10.15% Non Convertible Redeemable Debentures of ₹ 1 million each on 22nd March 2012 to multiple parties 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 22nd March 2017. The Company had redeemed debentures amounting to ₹ 60 million during the FY 2012-13 as per the terms and conditions of the issue and the residual debentures for a value of ₹ 940 million are outstanding as of 31st March 2015.

c. 9.80% Non Convertible Debentures

The Company issued to First Rand Bank Limited,1,250 Nos. 9.80% Non Convertible Redeemable Debentures of ₹ 1 million each on 11th July 2012 with an option to re-purchase/re-issue some or all of its debentures in the secondary market or otherwise after expiry of a term of 3 years from the date of issue with the specified date of redemption being 11th July 2017.

d. 10.20% Non Convertible Debentures

The Company issued to Kotak Mahindra Bank Limited 1,150 Nos. and to NPS Trust A/C LIC, 850 Nos. 10.20% Non Convertible Redeemable Debentures of ₹ 1 million each on 22nd Aug 2014, 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 22nd August 2028.

The Debentures stated above in point (a),(b),(c) &(d) are secured by way of pari passu first charge on the Fixed Assets of the Company, present and future along with banks and Institutions; such pari passu first charge ensuring at least a cover of 1.25 times the value of the outstanding principal amount of the loan.

e. HDFC Bank Limited

The Company has availed a Rupee Term Loan of ₹ 1,300 million from HDFC Bank Limited, which is repayable in twenty quarterly instalments commencing from September 2013 with the interest payable being linked to HDFC Bank's Base Rate. During the year four instalments of ₹ 65 million each were repaid. The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the company along with a minimum cover of 1.25 times the value of the outstanding principal amount of the loan.

f. HSBC

The Company has availed a Rupee Term Loan of ₹ 1,000 million from HSBC, which is repayable in sixteen semi annual instalments commencing from 2nd March 2017 with interest payable being linked to the HSBC's Base Rate. 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.

g. Axis Bank Limited

The Company has availed a Rupee Term Loan of ₹ 1,000 million from Axis Bank Limited, against the sanctioned amount of ₹ 3,000 million, which is repayable in 40 quarterly instalments (with moratorium of 4 years from the date of 1st disbursement) commencing from 15.12.2018 with interest payable being linked to Axis Bank's Base Rate. 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.

h. Bank of India

The Company has availed Rupee Term Loan of ₹ 1,160 million from Bank of India, against the sanctioned amount of ₹ 3,000 million, which is repayable in 40 quarterly instalments (with moratorium of 4 years from the date of 1st disbursement) commencing from 30th September 2018 with interest payable being linked to Bank of India's Base Rate. The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the company ensuing atleast a cover of 1.25 times the value of the outstanding principal amount of the loan.

i. International Finance Corporation (External Commercial Borrowings)

The Company was sanctioned a sum of US$ 35 million by the International Finance Corporation, Washington by way of External Commercial Borrowings (ECB). The Company had withdrawn the full amount of US$ 35 million as of 31st March 2012 on the above loan. The ECB loan is secured by way of pari passu first ranking charge on the fixed assets owned by the Company, such pari passu charge ensuring atleast a cover of 1.25 times the value of the outstanding principal amount of the loan. The Loan is repayable in 15 equal Semi-annual Instalments starting from 15th September, 2012. During the year two instalments of US$ 2,333,333 each were repaid on 15th September 2014 and 15th March 2015.

The company was granted a further loan of US$ 30 million in the year 2012-13.The ECB loan is secured by way of pari passu first ranking charge on the fixed assets of the company ensuring atleast a cover of 1.25 times the value of the outstanding principal amount of the loan. The loan is repayable in 14 semi-annual instalments starting from 15th September 2015.

The Company entered in to a Currency Cum Interest Rate Swap (CCIRS) with HDFC Bank Limited covering LIBOR and foreign currency fluctuation risk. The derivative contract is secured by a second charge on the immovable assets of the Company to the extent of ₹ 1,100 million. The tenure of this derivative contract matches with the tenure of the loan outstanding as of 31st March 2015.

j. HSBC (External Commercial Borrowings)

The company has drawn a loan of US$ 25 million from HSBC in the year 2012-13. The Company entered into a Currency Cum Interest Rate Swap (CCIRS) with HSBC in Indian Rupee for interest rate and foreign currency fluctuation risk. The ECB loan is secured by way of pari passu first ranking charge on the fixed assets of the Company. During the year four instalments of US$ 0.5 million each were repaid.

k. HSBC Buyer's Line of credit

The company has availed a buyer's line of credit of US$ 10.68 million (US$ 8.40 million), for import of medical equipments. The loan is secured by first pari passu ranking charge on entire existing and future movable fixed asset of the company ensuing atleast a cover of 1.25 times the value of the outstanding principal amount of the loan.

l. IDFC

The company has availed rupee term loan of ₹ 250 million from IDFC against the sanctioned amount of ₹ 1,500 million which is repayable in 44 quarterly instalments commencing from 15th October 2016 with the interest payable being linked to IDFC's Benchmark Rate. The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the company ensuing atleast a cover of 1.25 times the value of the outstanding principal amount of the loan.

m. Bank of Tokyo–Mitsubishi UFJ (External Commercial Borrowings)

Bank of Tokyo has granted an unsecured loan of US$ 20 million on 11th September 2013. The Company entered into a Currency Cum Interest Rate Swap (CCIRS) with HSBC covering LIBOR and foreign currency fluctuation risk. The loan is repayable in 3 annual instalments starting from the end of the 5th year from the date of advance.

7. Deferred Tax Liabilties

The deferred tax for the year recognized in the Statement of Profit and Loss of the group comprises:

(₹ in million)

Particulars	31.03.2015	31.03.2014
Deferred Tax Liability recognized in the statement of Profit or Loss	772.05	995.74
Deferred Tax Asset recognized in the statement of Profit or Loss	31.6	0.43

The accumulated deferred tax liability/ (asset) of the group as on 31st March 2015 comprises:

(₹ in million)

	Particulars	31.03.2015	31.03.2014
I	**Deferred Tax Liability**		
	On account of Depreciation	1,187.04	1,256.00
	On account of Deferred Revenue Expenditure (Deferred Tax Assets)	49.17	31.67
	On account of 35AD	2,986.11	2,244.59
	Others	-	(13.16)
	Total	**4,222.32**	**3,519.10**
II	**Deferred Tax Assets**		
	On account of Depreciation	-	93.44
	On account of unabsorbed losses and depreciation	202.77	134.73
	Total	**202.77**	**228.17**

Alliance Medicorp (India) Limited

The Net Deferred Tax Asset, on account of carry forward losses and unabsorbed depreciation is not recognized in the books of accounts, on prudence.

Apollo Munich Health Insurance Company Limited

The Company has carried out its deferred tax computation in accordance with the mandatory Accounting Standard, AS 22 - 'Taxes on Income' issued by the Institute of Chartered Accountants of India. There has been a net deferred tax asset amounting to ₹ 1,199.45 million (Previous Year ₹ 1,200.84 million) on account of accumulated losses, unabsorbed depreciation and other components. The Company has performed re-assessment of the deferred tax assets after considering the current year's taxable income as well as company's ability to generate sufficient taxable income in the future. The deferred tax asset has been created on the company's eligible tax losses to the extent that there is a virtual certainty supported by convincing evidence from the management about the availability of sufficient future taxable income against which such deferred tax can be realized. The amount of deferred tax asset recognized in books of account is NIL (Previous Year ₹ NIL).

8. Other Long Term Liabilities

(₹ in million)

	Particulars	31.03.2015	31.03.2014
(a)	Rent Deposits	-	15.74
(b)	Other Deposits	1.05	0.87
	Total	**1.05**	**16.61**
	Add: share in joint ventures	49.28	20.91
	Total	**50.33**	**37.52**

9. Long Term Provisions

(₹ in million)

	Particulars	31.03.2015	31.03.2014
(a)	**Provision for employee benefits**		
	Gratuity (unfunded)	18.23	9.37
	Leave Encashment (unfunded)	9.75	5.65
	Total	**27.98**	**15.02**
	Add: share in joint ventures	6.50	6.98
	Total	**34.48**	**22.00**

10. Short Term Borrowings

(₹ in million)

	Particulars	31.03.2015	31.03.2014
	Secured		
(i)	**Loans repayable on demand from banks**		
	State Bank of Travancore	7.15	-
	Canara Bank	73.72	144.27
	Yes Bank Ltd	143.04	148.31

	IndusInd Bank Ltd	-	98.50
	Axis Bank Ltd	10.30	33.10
	Unsecured		
(i)	**Deposits**		
	Fixed Deposits	93.40	5.17
(ii)	**Loans repayable on demand from banks**		
	HSBC	372.77	-
	Total	**700.38**	**429.35**
	Add: share in joint ventures	156.99	195.66
	Total	**857.37**	**625.01**

Note: The cash credit availed from bank is secured by way of stock in trade, less uppaid creditors and receivables.

11. Other Current Liabilities

(₹ in million)

	Particulars	31.03.2015	31.03.2014
(a)	Current maturities of long-term debt	1,784.63	594.77
(b)	Interest accrued but not due on borrowings	159.14	93.88
(c)	Unpaid dividends	28.41	25.12
(d)	Unpaid matured deposits and interest accrued thereon	16.57	4.40
(e)	**Other payables**		
	Sundry Creditors Others	314.06	159.39
	Retention Money on Capital Contracts	0.48	3.03
	Inpatient Deposits	311.77	201.75
	Rent Deposits	35.59	14.93
	Other Deposits	18.25	6.80
	Tax Deducted at Source	184.19	134.96
	Outstanding Expenses	693.62	733.51
	Total	**3,546.71**	**1,972.54**
	Add: share in joint ventures	852.38	790.50
	Total	**4,399.09**	**2,763.04**

Apollo Hospitals Enterprise Limited

During the year, the amount transferred to Investors Education and Protection Fund of the Central Government as per the provisions of Section 205(A) and 205(C) of the Companies Act, 1956 is ₹ 2.34 million (₹ 1.97 million) as unclaimed dividend and 'Nil' (₹ Nil million) as unclaimed deposit.

12. Short Term Provisions

(₹ in million)

	Particulars	31.03.2014	31.03.2013
(a)	**Provision for employee benefits**		
	Bonus	206.57	207.08
	Gratuity & Earned Leave	142.74	184.48
	Sub Total	**349.31**	**391.56**
(b)	**Others**		
	For dividend - equity shares	799.97	799.97
	For dividend distribution tax	163.79	135.95
	Sub Total	**963.76**	**935.92**
	Add: share in joint ventures	2.31	1.75
	Total	**1,315.38**	**1,329.23**

13. Tangible Assets

(₹ in million)

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at April 1, 2014	Additions	Deletions	Balance as at March 31, 2015	Balance as at April 1, 2014	Depreciation charge for the year	On disposals	Balance as at March 31, 2015	Balance as at March 31, 2015	Balance as at April 1, 2014
Tangible Assets										
Land	2,010.13	845.94	-	2,856.07	-	-	-	-	2,856.07	2,010.13
Buildings	7,108.55	1,367.98	8.14	8,468.39	723.21	81.86	(16.78)	821.85	7,646.54	6,385.34
Leasehold Improvements	2,849.46	1,168.34	78.65	3,939.15	362.85	164.53	52.56	474.82	3,464.33	2,486.61
Plant and Equipment										
Medical Equipment & Surgical Instruments	10,644.96	2,433.65	335.59	12,743.02	3,552.41	568.33	247.41	3,873.33	8,869.69	7,092.55
Air Conditioning Plant & Air Conditioners	1,546.31	789.47	222.99	2,112.79	610.93	338.56	(0.73)	950.22	1,162.57	935.38
Furniture and Fixtures	2,597.01	606.90	393.26	2,810.65	821.62	260.88	50.54	1,031.96	1,778.69	1,775.39
Vehicles	464.06	91.12	27.11	528.07	183.11	61.56	33.80	210.87	317.20	280.95
Office equipment	1,326.16	297.21	301.96	1,321.41	697.39	210.54	95.48	812.45	508.96	628.77
Others										
Electrical Installations & Generators	1,602.71	436.75	208.35	1,831.11	468.26	148.40	80.93	535.73	1,295.38	1,134.45
Fire fighting Equipment	77.76	54.01	0.71	131.06	9.50	1.58	-	11.08	119.98	68.26
Boilers	3.50	-	-	3.50	1.16	-	-	1.16	2.34	2.34
Kitchen Equipment	58.76	16.68	4.49	70.95	14.96	1.81	-	16.77	54.18	43.80
Refrigerators	41.76	6.83	2.02	46.57	10.44	2.45	0.29	12.60	33.97	31.32
Wind Electric Generator	26.85	-	-	26.85	11.60	-	-	11.60	15.25	15.25
Total	**30,357.98**	**8,114.88**	**1,583.27**	**36,889.59**	**7,467.44**	**1,840.50**	**543.50**	**8,764.44**	**28,125.15**	**22,890.54**
Less : Depreciation written Back	-	-	-	-	0.28	-	-	0.28	(0.28)	(0.28)
Total	**30,357.98**	**8,114.88**	**1,583.27**	**36,889.59**	**7,467.16**	**1,840.50**	**543.50**	**8,764.16**	**28,125.43**	**22,890.82**
Share in joint ventures	3,437.19	189.27	81.24	3,545.22	1,192.49	197.16	47.15	1,342.50	2202.72	2,244.70
Total	**33,795.17**	**8,304.15**	**1,664.51**	**40,434.81**	**8,659.65**	**2,037.66**	**590.65**	**10,106.66**	**30,328.15**	**25,135.52**
Previous Year	29,170.18	5,376.98	751.99	33,795.17	7,403.63	1,593.63	337.61	8,659.65	25135.52	21,766.56

14. Intangible Assets

(₹ in million)

Fixed Assets	Gross Block: Balance as at April 1, 2014	Gross Block: Additions	Gross Block: Deletions	Gross Block: Balance as at March 31, 2015	Accumulated Depreciation: Balance as at April 1, 2014	Accumulated Depreciation: Depreciation charge for the year	Accumulated Depreciation: On disposals	Accumulated Depreciation: Balance as at March 31, 2015	Net Block: Balance as at March 31, 2015	Net Block: Balance as at April 1, 2014
Computer Software	337.14	132.90	56.82	413.22	195.46	65.64	2.56	258.54	154.68	141.68
Trademark and concept rights	24.98	274.10	-	299.08	7.14	5.25	-	12.39	286.69	17.84
Total	**362.12**	**407.00**	**56.82**	**712.30**	**202.60**	**70.89**	**2.56**	**270.93**	**441.37**	**159.52**
Share in joint ventures	49.03	5.55	-	54.58	30.60	4.80	0.03	35.37	19.21	18.43
Total	**411.15**	**412.55**	**56.82**	**766.88**	**233.20**	**75.69**	**2.59**	**306.30**	**460.58**	**177.95**
Previous Year	344.85	73.65	7.35	411.15	158.52	77.21	2.53	233.20	177.95	186.33

15. Capital Work –in-Progress ₹ 5,326.40 million (₹ 4,739.21 million) comprises amounts spent on assets under construction and directly related pre-operative expenses. The amount of interest included in capital work in progress is ₹ 667.24 million (₹ 529.13 million)*.

* Includes Interest on borrowings capitalised for the year ended 31st March 2015 of ₹ 620.00 million (₹341.12 million).

16. Non Current Investments

(₹ in million)

	Particulars	31.03.2015	31.03.2014
	Trade Investments (Refer Table A below)		
(a)	Investment in equity instruments	655.09	682.33
(b)	Investments in preference shares	-	171.11
	Total (A)	**655.09**	**853.44**
	Other Investments (Refer Table B below)		
(a)	Investment in Equity instruments	383.48	175.81
(b)	Investment in Preference Shares	22.00	22.00
(c)	Investments in debentures or bonds	10.00	10.00
(d)	Investments in Government or Trust securities	0.17	0.17
	Total (B)	**415.65**	**207.98**
	Grand Total (A + B)	**1,070.74**	**1,061.42**
	Advance for Investment	**63.26**	**109.93**
	Add : Share of joint ventures	516.79	489.31
	Total	**1,650.79**	**1,660.66**

(₹ in million)

	Particulars	31.03.2015	31.03.2014
	Aggregate amount of quoted investments	574.19	561.39
	(Market Value ₹ 1,134.05 million (2013-14: ₹794.41 million))		
	Aggregate amount of unquoted investments	1,076.60	1,099.27
	Total	**1,650.79**	**1,660.66**

A) Details of Trade Investments

(₹ in million)

Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	Face Value	No. of Shares / Units As at 31st March 2015	No. of Shares / Units As at 31 March 2014	Quoted / Unquoted	Partly Paid / Fully paid	Amount As at 31st March 2015	Amount As at 31 March 2014	Whether stated at Cost Yes/No
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Investment in Equity Instruments									
Indraprastha Medical Corporation Limited	Associate	10	20,190,740	20,190,740	Quoted	Fully Paid	561.54	548.74	Yes
Stemcyte India Therapautics Private Limited	Associate	1	240,196	240,196	Unquoted	Fully Paid	91.82	95.97	Yes
Kurnool Hospitals Enterprises Limited	Others	10	157,500	157,500	Unquoted	Fully Paid	1.73	1.73	Yes
Apollo Rajshree Hospitals Private Limited	Subsidiary	10	-	1,175,982	Unquoted	Fully Paid	-	35.89	Yes
Investments in Preference Shares									
Apollo Rajshree Hospitals Private Limited	Subsidiary	10	-	5,606,458	Unquoted	Fully Paid	-	171.11	Yes
Total							**655.09**	**853.44**	

B) Details of Other Investments

(₹ in million)

Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	Face Value	No. of Shares / Units 31.03.2015	No. of Shares / Units 31.03.2014	Quoted / Unquoted	Partly Paid / Fully paid	Amount 31.03.2015	Amount 31.03.2014	Whether stated at Cost Yes/No
Investment in Equity Instruments									
Family Health Plan (TPA) Limited	Associate	10	490,000	490,000	Unquoted	Fully Paid	126.87	103.33	Yes
Health Super Hiway Private Limited	Others	10	200	200	Unquoted	Fully Paid	0.002	0.002	Yes
The Karur Vysya Bank	Others	10	12,811	12,811	Quoted	Fully Paid	2.49	2.49	Yes
Cholamandalam DBS Finance Ltd	Others	10	1,000	1000	Quoted	Fully Paid	0.16	0.16	Yes
Alliance Dental Care Ltd	Others	10	2,541,771	-	Unquoted	Fully Paid	177.75	-	Yes
AMG Health care Destination Private Limited	Others	10	1,232,500	1,232,500	Unquoted	Fully Paid	12.33	12.33	Yes
Clover Energy Private Limited	Others	10	1,659,250	1,571,250	Unquoted	Fully Paid	16.59	15.71	Yes
Indo wind power Private Limited	Others	10	35,500	75,000	Unquoted	Fully Paid	0.50	0.75	Yes
Tirunelveli Vayu Energy Generation Pvt Ltd	Others	1,000	36	36	Unquoted	Fully Paid	13.61	13.61	Yes
Total Health	Subsidiary	10	500,000	-	Unquoted	Fully Paid	5.00	-	Yes
Cureus .Inc (Stanford - US)	Others	10	935,000	935,000	Unquoted	Fully Paid	27.43	27.43	Yes
Apollo Dialysis Pvt Ltd	Others	10	5,100	-	Unquoted	Fully Paid	0.05	-	Yes
Iris Ecopower Venture Pvt Ltd	others	10	70,000	-	Unquoted	Fully Paid	0.70	-	Yes
Investments in Preference Shares									
Health Super Hiway Private Limited	Others	54.10	406,514	406,514	Unquoted	Fully Paid	22.00	22.00	Yes
Investments in Debentures or Bonds									
Optionally Redeemable Convertible Debentures									
ECL Finance NCD	Others	1,000	10,000	10,000	quoted	Fully Paid	10.00	10.00	Yes
Investments in Government or Trust securities									
National Savings Certificate	Others			-	Unquoted	Fully Paid	0.17	0.17	Yes
Total							**415.65**	**207.98**	

a. National Saving Certificates shown under investments are pledged with the Chief Ration Officer, Government of Andhra Pradesh.

17. Long Term Loans and Advances

(₹ in million)

	Particulars	31.03.2015		31.03.2014	
a.	**Capital Advances**				
	Unsecured, considered good		670.08		598.87
b.	**Security Deposits**				
	Unsecured, considered good		1,707.46		1,501.55
c.	**Other Loans and Advances**				
	MAT Credit Entitlement	1,995.45		1,549.71	
	Other Advances	434.58		484.90	
	Advance Income Tax	657.45		731.27	
			3,087.48		2,765.88
	Total		**5,465.02**		**4,866.30**
	Add share in joint ventures		319.49		234.75
	Total		**5,784.51**		**5,101.05**

18. Current Investments

(₹ in million)

	Particulars	31.03.2015	31.03.2014
(a)	Investments in Equity Instruments	67.93	135.88
(b)	Investments in Debentures	10.00	10.00
(c)	Investments in Mutual funds	1,373.66	1,400.09
	Total	**1,451.60**	**1,545.97**
	Add: share in joint ventures	4.11	9.04
	Total	**1,455.70**	**1,555.01**

(₹ in million)

Particulars	31.03.2015	31.03.2014
Aggregate amount of quoted investments (Market Value ₹ 1,435.06 million (2013-14 : ₹1,466.68 million))	1,335.48	1,357.49
Aggregate amount of unquoted investments	120.22	197.52
Total	**1,455.70**	**1,555.01**

Details of Current Investments

Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	Face Value ₹	No. of Shares / Units 31.03.2015	No. of Shares / Units 31.03.2014	Quoted / Unquoted	Partly Paid / Fully paid	Amount (₹ in million) 31.03.2015	Amount (₹ in million) 31.03.2014	Basis of Valuation
Investments in Equity Instruments									
British American Hospitals Enterprises Limited	Others	100MUR	464,333	928,720	Unquoted	Fully Paid	67.93	135.88	Cost
Investments in Debentures									
IFCI Venture Capital funds limited	Others	10,00,000	10	10	Unquoted	Fully paid	10.00	10.00	Cost
Investments in Mutual Funds									
ICICI Prudential short term regular Plan Growth Option	Others	10	2,139,907	2,139,907	Quoted	Fully paid	50.00	50.00	Cost
Canara Robeco short term Fund - regular Growth	Others	10	192,148	192,148	Quoted	Fully paid	2.50	2.50	Cost
Reliance Short Term fund - Growth Plan (ST- GP)	Others	10	4,681,714	4,681,714	Quoted	Fully paid	100.00	100.00	Cost
Canara Robeco short term Fund - regular Growth	Others	10	188,206	188,206	Quoted	Fully paid	2.50	2.50	Cost
Kotak Bond Scheme Plan A Growth	Others	10		9,136,630	Quoted	Fully paid		200.00	Cost
DWS Premier Bond Fund - Regular Plan - Growth	Others	10		10,330,899	Quoted	Fully paid		200.00	Cost
Reliance Short Term Fund - Growth Plan	Others	10	6,903,598	6,903,598	Quoted	Fully paid	150.00	150.00	Cost
SBI Term Debt Fund - Regular Plan - Growth	Others	10		14,922,589	Quoted	Fully paid		200.00	Cost
DWS Short Maturity Fund - Regular Plan - Growth	Others	10	4,785,788	4,785,788	Quoted	Fully paid	100.00	100.00	Cost
IDFC SSIF Investment Plan Growth - (Regular Plan)	Others	10		19,94,716	Quoted	Fully paid		56.79	Cost
ICICI Predential Short Term -Regular Plan - Growth Plan	Others	10	1,375,945	4,198,646	Quoted	Fully paid	32.77	100.00	Cost
PineBridge India Short Term Fund Standard Monthly Dividend	Others	-		-	Quoted	Fully paid		50.00	Cost
Canara Robeco short term Fund - regular Growth	Others	-	182,151	182,151	Quoted	Fully paid	2.50	2.50	Cost
Canara Robeco short term Fund - regular Growth	Others	-	183,284	183,284	Quoted	Fully paid	2.50	2.50	Cost
L148IG SBI Term Debt Fund - Regular Plan - Growth	Others	10		2,095,616	Quoted	Fully paid		30.00	Cost
Reliance Short Term Fund - Growth Plan Growth Option	Others	10		1,292,802	Quoted	Fully paid		30.00	Cost

Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	Face Value ₹	No. of Shares / Units	No. of Shares / Units	Quoted / Unquoted	Partly Paid / Fully paid	Amount (₹ in million)	Amount (₹ in million)	Basis of Valuation
			31.03.2015	31.03.2014			31.03.2015	31.03.2014	
DWS Short Maturity - Regular Plan - Growth	Others	10		1,784,296	Quoted	Fully paid		40.00	Cost
HDFC debt Fund	Others	10	2,000,000	2,000,000	Quoted	Fully paid	20.00	20.00	Cost
SBI Magnum Insta Cash Fund	Others	10	17,546	-	Quoted	Fully paid	29.39	-	Cost
Reliance Liquid Fund	Others	1,000	338,742	-	Quoted	Fully paid	517.85	-	Cost
HDFC Liquid Fund	Others	10	2,321,138	-	Quoted	Fully paid	23.67	-	Cost
Canara Robeco Mutual Fund	Others	10	1,400,477	-	Quoted	Fully paid	30.00	-	Cost
ICICI Predential Short Term -Regular Plan - Growth Plan	Others	10	1,756,142	-	Quoted	Fully paid	50.28	-	Cost
Reliance Short term fund	Others	1,000	1,919,032	-	Quoted	Fully paid	50.29	-	Cost
HDFC	Others	10	1,040,446	-	Quoted	Fully paid	50.17	-	Cost
Reliance Mutual Fund	Others	1,000	1,100,332	--	Quoted	Fully paid	50.12	-	Cost
Birla Sunlife	Others	10	2,055,540		Quoted	Fully paid	50.24	-	Cost
Reliance Income fund Retail Plan - Growth Plan - Growth Option	Others	10	30,231	30,231	Quoted	Fully paid	0.70	0.70	Cost
AIG Short Term Fund Institutional weekly Dividend	Others	1,000	38,137	42,553	Unquoted	Fully paid	38.18	42.60	Cost
Kotak Flexi Debt scheme Plan A - Growth	Others	10	1,386,366	1,386,366	Quoted	Fully paid	20.00	20.00	Cost
Total							**1,451.59**	**1,545.97**	

19. Inventories

(₹ in million)

	Particulars	31.03.2015	31.03.2014
	Inventories		
a.	Medicines (Valued at Cost)	2,730.94	2,162.17
b.	Stores and spares (Valued at Cost)	175.34	149.46
c.	Lab Materials (Valued at Cost)	12.05	10.67
d.	Surgical Instruments (Valued at Cost)	328.89	257.95
e.	Other Consumables (Valued at Cost)	206.17	161.08
	Total	**3,453.39**	**2,741.33**
	Add: share in joint ventures	49.24	44.18
	Total	**3,502.63**	**2,785.51**

20. Trade Receivables

(₹ in million)

Particulars	31.03.2015	31.03.2014
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	4,696.90	3,332.47
	4,696.90	**3,332.47**
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	1,048.77	1,576.29
	1,048.77	**1,576.29**
Total	**5,745.67**	**4,908.76**
Add: share in joint ventures	347.07	288.90
Total	**6,092.74**	**5,197.66**

i. Confirmations of balances from Debtors, Creditors are yet to be received in a few cases though the group has sent letters of confirmation to them. The balances adopted are as appearing in the books of accounts of the group.

ii. Sundry Debtors represent the debt outstanding on sale of pharmaceutical products, hospital services and project consultancy fees and is considered good. The group holds no other securities other than the personal security of the debtors.

iii. Advances and deposits represent the advances recoverable in case or in kind or for value to be realised. The amounts of these advances and deposits are considered good for which the group holds no security other than the personal security of the debtors.

21. Cash and Cash Equivalents

(₹ in million)

	Particulars	31.03.2015		31.03.2014	
a.	**Balances with banks**				
	Current Accounts	2,489.58		1,717.01	
	Deposit Accounts	422.41		237.09	
	Unpaid Dividend Accounts	28.41		25.12	
	Margin money Deposits	28.25		2.75	
	Guarantees	159.98	**3,128.63**	184.75	**2,166.72**
b.	**Cash on hand**		119.46		169.76
	Total		**3,248.09**		**2,336.48**
	Add : share in joint ventures		525.24		404.99
	Total		**3,773.33**		**2,741.47**

a. The Company's Fixed Deposit receipts amounting to ₹159.98 million (₹184.75 million) are under lien with the bankers for obtaining Bank Guarantees and Letters of credit.

22. Short Term Loans and Advances

(₹ in million)

	Particulars	31.03.2015		31.03.2014	
	Short-term loans and advances				
a.	Loans and advances to related parties				
	Unsecured, considered good		-		52.46
	Other Loans and Advances				
	Advance to Suppliers	540.67		174.58	
	Other Advances	3,529.40		2,059.07	
	Loans and advance to employees	101.55		79.05	
			4,171.62		2,312.70
	Total		**4,171.62**		**2,365.16**
	Add: share in joint venture		28.32		42.06
	Total		**4,199.94**		**2,407.22**

23. Other Current Assets

(₹ in million)

Particulars	31.03.2015	31.03.2014
Other Current Assets		
Prepaid Expenses	186.26	160.29
Rent Receivables	2.75	3.96
Interest Receivables	58.73	35.69
Franchise Fees Receivable	13.82	9.53
Total	**261.56**	**209.47**
Add : share in joint ventures	102.87	112.60
Total	**364.43**	**322.07**

24. Revenue from Operations

(₹ in million)

Particulars	31.03.2015	31.03.2014
Revenue from Healthcare services	31,067.54	27,341.72
Revenue from Pharmacy	17,725.50	13,648.44
Revenue from other services	-	189.05
Total	**48,793.04**	**41,179.21**
Add: share in joint venture	2,991.49	2,663.00
Total	**51,784.53**	**43,842.21**

25. Other Income

(₹ in million)

Particulars	31.03.2015	31.03.2014
Interest Income	34.00	45.20
Dividend Income	30.29	6.83
Net gain/(loss) on sale of investments		
(a) Current investment	0.28	-
(b) Long term investment	103.72	136.73
Income from Sugar Clinic #	184.08	-
Profit/(Loss) on Sale of Asset	-	0.01
Net gain on foreign currency transactions and translation	1.19	8.15
Total	**353.56**	**196.92**
Add : share in joint ventures	13.96	17.73
Total	**367.52**	**214.65**

Apollo Hospitals Enterprise Limited

includes ₹184.10 million income from the divestiture of the out-patient diabetes clinics related business to Apollo Sugar Clinics Ltd., a subsidiary of the Company.

26. Employee Benefits Expense

(₹ in million)

Particulars	31.03.2015	31.03.2014
Salaries and wages	6,847.54	5,716.21
Contribution to provident and other funds	476.35	443.22
Employee State Insurance	108.94	82.44
Staff welfare expenses	407.68	341.02
Staff Education & Training	12.56	10.97
Bonus	206.93	203.99
Total	**8,060.00**	**6,797.85**
Add : share in joint ventures	540.25	476.64
Total	**8,600.25**	**7,274.49**

The Following Companies in the group have complied with Accounting Standard 15 'Employee benefit' as notified under the Companies (Accounting Standards) Rules, 2006.

- Alliance Medicorp (India) Limited
- Samudra Healthcare Enterprises limited

- Apollo Health and Lifestyle Limited
- Apollo Lavasa Health Corporation Limited
- Apollo Gleneagles Hospital Limited
- Apollo Gleneagles PET-CT Private Limited
- Apollo Hospitals International limited
- Apollo Munich Health Insurance Company Limited
- Family Health Paln (TPA) Limited
- Indraprastha Medical Corporation Limited

In consideration of Accounting Standard Interpretation (ASI) 15 "Notes to the Consolidated Financial Statements" the information relating to the above given in the separate financial statements of Parent Company or other companies in the Group is not disclosed.

Apollo Hospitals Enterprise Limited

(₹ in million)

Particulars	as at 31st March 2015		as at 31st March 2014	
	Gratuity	Earned Leave	Gratuity	Earned Leave
Assumptions				
Discount Rate	8.00%	8.00%	8.00%	8.00%
Rate of Increase in Salaries	6.00%	8.00%	6.00%	8.00%
Mortality pre- retirement	Indian Assured Lives Mortality (2006-08) Ultimate			
Disability	Nil	Nil	Nil	Nil
Attrition	23.00%	23.00%	23.00%	23.00%
Estimated rate of return on plan assets	8.00%	8.00%	8.00%	8.00%
Retirement	58yrs	58yrs	58yrs	58yrs
Investment details on plan assets	100% of the plan Assets are invested on debt instruments			

(₹ in million)

Particulars	As at 31st March 2015			As at 31st March 2014		
	Gratuity	Earned Leave	Total	Gratuity	Earned Leave	Total
Present Value of Obligation as at the beginning of the year	336.08	163.57	499.65	282.00	138.55	420.55
Interest Cost	25.55	11.16	36.71	21.44	9.52	30.96
Current Service Cost	36.46	16.35	52.81	30.87	15.48	46.35
Benefit Paid	(33.39)	(48.06)	(81.45)	(27.92)	(39.17)	(67.09)
Actuarial (gain) / Loss on obligation	45.32	35.45	80.77	29.69	39.19	68.88
Present Value of Obligation end of the year	410.02	178.47	588.49	336.08	163.57	499.65
Defined benefit obligation liability as at the balance sheet is wholly funded by the company						
Change in plan assets						
Fair Value of Plan Assets beginning of the period	256.68	58.49	315.17	246.56	79.67	326.23
Expected return on plan assets	23.74	6.75	30.49	20.13	5.53	25.66
Contributions	105.08	105.08	210.16	35.44	58.88	94.32
Benefits paid	(33.39)	(48.06)	(81.45)	(27.92)	(39.17)	(67.09)
Actuarial gain / (loss)	(15.18)	(12.09)	(27.27)	(17.53)	(46.42)	(63.95)
Fair Value of Plan Assets as on 31st March, 2015	336.93	110.17	447.10	256.68	58.49	315.17
Reconciliation of present value of the obligation and the fair value of the plan assets						
Fair value of the defined benefit	410.02	178.47	588.49	336.08	163.57	499.65
Fair value of plan assets at the end of the year	(336.93)	110.17	(226.76)	(256.68)	58.49	(198.19)
Liability / (assets)	73.09	68.30	141.39	79.40	105.08	184.48
Unrecognised past service cost	-	-	-	-	-	-
Liability / (assets) recognised in the balance sheet	73.09	68.30	141.39	79.40	105.08	184.48
Gratuity & Leave Encashment cost for the period						
Service Cost	36.46	16.35	52.81	30.87	15.48	46.35
Interest Cost	25.55	11.16	36.71	21.44	9.52	30.96
Expected return on plan assets	(23.74)	(6.75)	(30.49)	(20.13)	(5.53)	(25.66)
Actuarial (gain) / loss	60.50	47.53	108.04	47.22	85.61	132.83
Past Service Cost	-	-	-	-	-	-
Net gratuity cost	98.77	68.30	167.07	79.40	105.08	184.48
Investment details of plan assets						
100% of the plan assets are invested in debt instruments						
Actual return on plan assets	8.56	(5.34)	3.22	2.60	(40.89)	(38.29)

- Expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations. The Gratuity scheme is invested in Gratuity Pat plan offered by ICICI
- The estimate of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market.

27. Finance Costs

(₹ in million)

Particulars	31.03.2015	31.03.2014
Interest expense	925.37	959.33
Other borrowing costs		
Bank Charges	144.58	116.42
Brokerage & Commission	0.33	2.96
Total	**1,070.28**	**1,078.71**
Add : Share in joint ventures	108.26	115.06
Total	**1,178.54**	**1,193.77**

28. Other Expenses

(₹ in million)

Particulars	31.03.2015	31.03.2014
Power and fuel	844.03	778.21
House Keeping Expenses	273.25	248.06
Water Charges	95.78	75.06
Rent	1,722.92	1,286.84
Repairs to Buildings	208.86	136.56
Repairs to Machinery	516.26	429.80
Repairs to Vehicles	53.58	49.03
Office Maintenance & Others	444.45	345.76
Insurance	63.27	63.94
Rates and Taxes, excluding taxes on income	98.21	255.10
Printing & Stationery	277.15	226.45
Postage & Telegram	21.57	19.74
Director Sitting Fees	4.24	1.29
Advertisement, Publicity & Marketing	932.10	793.94
Pharmacy Loyalty Discount	494.73	271.10
Travelling & Conveyance	418.32	417.16
Subscriptions	6.48	6.33
Security Charges	144.29	123.99
Legal & Professional Fees	405.62	299.54
Continuing Medical Education & Hospitality Expenses	33.20	37.80
Hiring Charges	69.58	65.87
Seminar Expenses	6.39	7.13
Telephone Expenses	153.02	128.45
Books & Periodicals	11.60	10.67
Donations	103.07	16.91
Bad Debts Written off	258.68	178.92
Royalty paid	1.30	1.35
Outsourcing Expenses	968.42	789.59
Miscellaneous expenses	89.88	88.59
Loss on Sale of Asset	27.72	34.41
Foreign Exchange loss	10.50	-
Total	**8,758.47**	**7,187.59**
Add : share in joint ventures	1,267.12	1154.73
Total	**10,025.59**	**8,342.32**

a. Payment to auditors as statutory auditors

(₹ in million)

Particulars	31.03.2015	31.03.2014
Audit Fees*	9.21	7.87
Tax Audit Fees*	1.57	1.33
Certification*	1.82	1.58
Reimbursement of Expenses	0.63	0.75

*Inclusive of Service Tax @12.36%

b. Directors travelling included in travelling and conveyance amounts to ₹50.39 million (₹ 39.48 million).

29. Contingent Liabilities

(₹ in million)

	Particulars	31.03.2015	31.03.2014
	Contingent liabilities and commitments (to the extent not provided for)		
(i)	**Contingent Liabilities**		
	(a) Claims against the company not acknowledged as debt	803.48	698.21
	(b) Guarantees		
	Bank Guarantees	312.11	263.75
	Corporate Guarantees	1,505.00	475.00
	(c) Other money for which the company is contingently liable		
	Sales Tax	-	0.52
	Customs Duty	99.70	99.70
	Income Tax	396.69	401.09
	Letter of Credits	-	-
	EPCG	922.10	1,524.68
	Service Tax	62.53	51.10
	Value Added Tax	2.27	2.27
		4,103.87	3,516.32
(ii)	**Commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	10,521.83	10,071.27
		10,521.83	**10,071.27**
	Total	**14,625.70**	**13,587.59**

Family Health Plan (TPA) Limited

The Company has filed appeal against the Order issued by Deputy Commissioner of Income Tax, Chennai on October 24, 2014 for adjusting the refund of ₹ 3.34 million as penalty under Section 274(1)(c). The Company has transferred the said amount shown in the books of account under 'Income tax paid under protest - FY 2010-11' and thereafter no hearings have taken place.

The Commissioner of Customs, Central Excise and Service Tax-Hyderabad-II Commisionerate vide Adjudication Order No.08/2008-Adjn-ST dated 24-03-2008 levied a Penalty u/s. 76 of the Finance Act towards delayed remittance of Service Tax payable (Amount of penalty not quantified). The Company has preferred Appeal against the above Order with The Hon'ble Customs, Excise and Service Tax Appellate Tribunal (South Zonal Bench) – Bangaluru and got the Appeal admitted and also got the Stay Order from the Hon'ble Court for pre-deposit of penalty. The matter is sub-judice, awaiting final hearing.

The Company received a Show Cause Notice from the Income Tax Department during the Financial Year 2009-10 towards payment of TDS on payments made to the Hospitals on behalf of Insurance Companies along with the Interest for a period of six preceding financial years based on the CBDT Circular No.08 of November 2009 and amount not quantified.

The company had gone on an appeal against the Show Cause Notice from the Income Tax Department and also CBDT Circular No.08 of November 2009 in Chennai High Court for applicability of TDS on payments made to Hospitals as reimbursement of Expenses. The same is admitted by the court which has granted Stay of Operations of Show Cause Notice and also the CBDT Circular.

Apollo Munich Health Insurance Company Limited

(₹ in million)

Particulars	31.03.2015	31.03.2014
Claims other than against policies, not acknowledged as debts by the company	13.90	13.90
Guarantees given by or on behalf of the company	2.38	3.98
Statutory demands/ liabilities in dispute, not provided for	-	6.20
Others*	0.70	0.90

*Represents amounts payable on cancellation of a service contract.

Indraprastha Medical Corporation Limited

In respect of other matters ₹ 11.89 million (₹ 10.05 million).

30. Utilisation of Amounts from Securities Issued

(₹ in million)

	Particulars	31.03.2015
a	Funds Received through issue of Debentures	
	Amount received from issue of Debenture	2,000.00
b	Capital Expenditure and Working Capital	2,000.00

31. Earnings per Equity Share

Particulars	31.03.2015	31.03.2014
Profit before extraordinary items attributable to equity shareholders (Amount ₹ in million) (A1)	3,117.20	3,167.44
Weighted Averaged Equity Shares outstanding during the year (Nos) - (B1)	139,125,159	139,125,159
Basic Earnings Per Share before extra-ordinary item - (A1/B1)	22.41	22.77
Diluted Earnings before extraordinary items attributable to equity shareholders (Amount ₹ in million) (A2)	3,117.20	3,167.44
Weighted Averaged Equity Shares outstanding for Diluted Earnings Per Share. (Nos) - (E1)	139,125,159	139,125,159
Diluted Earnings Per Share before extra-ordinary item - (A2/E1)	22.41	22.77
Profit after extraordinary items attributable to equity shareholders (Amount ₹ in million) (A)	3,399.03	3,167.44
Weighted Averaged Equity Shares outstanding during the year (Nos) - (B)	139,125,159	139,125,159
Basic Earnings Per Share after extra-ordinary item - (A/B)	24.43	22.77
Diluted Earnings after extraordinary items attributable to equity shareholders (Amount ₹ in million) (A3)	3,399.03	3,167.44
Weighted Averaged Equity Shares outstanding for Diluted Earnings Per Share. (Nos) - (E)	139,125,159	139,125,159
Diluted Earnings Per Share after extra-ordinary item - (A3/E)	24.43	22.77

32. Related Party Disclosures

A. List of Related Parties where control exists and other related parties with whom the Company had transactions and their relationships:

Sl.No	Name of the Related Parties	Nature of Relationship
1	Apollo Home Healthcare (I) Limited	Subsidiaries
2	AB Medical Centres Limited	
3	Apollo Health and Lifestyle Limited	
4	Samudra Healthcare Enterprise Limited	
5	Imperial Hospital & Research Centre Limited	
6	Apollo Hospital (UK) Limited	
7	Apollo Nellore Hospitals Limited	
8	Apollo Rajshree Hospitals Private Limited	
9	Alliance Medicorp (India) Limited	
10	Western Hospitals Corporation Private Limited	
11	Sapien Biosciences Private Limited	
12	Total Health	
13	Apollo Bangalore Cradle Limited	Step down subsidiaries
14	Apollo Cosmetic Surgical Centre Private Limited	
15	Akeso Healthcare Private Limited	
16	Apollo Sugar Clinics Limited	
17	Nova Speciality Hospitals Pvt Limited	

Sl.No	Name of the Related Parties	Nature of Relationship
18	Apollo Gleneagles Hospitals Limited	Joint Ventures
19	Apollo Gleneagles PET – CT Private Limited	
20	Apollo Hospitals International Limited	
21	Future Parking Private Limited	
22	Apollo Munich Health Insurance Company Limited	
23	Apollo Lavasa Health Corporation Limited	
24	ApoKos Rehab Private Limited	
25	Quintiles Phase One Clinical Trials India Private Limited	
26	Indraprastha Medical Corporation Limited	Associate Companies
27	Family Health Plan (TPA) Limited	
28	Stemcyte India Therapautics Private Limited	
29	Smt. Suneeta Reddy	Key Managerial Personnel
30	Shri. Krishnan Akhileswaran	
31	Shri. S.M. Krishnan	
32	Dr. Prathap C Reddy	Relatives of Key Managerial Personnel (Relative of Smt. Suneeta Reddy)
33	Smt. Preetha Reddy	
34	Smt. Shobana Kamineni	
35	Smt. Sangita Reddy	
36	Alliance Dental Care Limited	Enterprises over which Key Managerial Personnel and their relatives are able to exercise significant influence
37	Apollo Sindoori Hotels Limited	
38	Faber Sindoori Management Services Private Limited	
39	Lifetime Wellness Rx International Limited	
40	P Obul Reddy & Sons	
41	Keimed Private Limited	
42	Medvarsity Online Limited	
43	Apollo Mumbai Hospital Limited	
44	Kurnool Hospitals Enterprise Limited	
45	AMG Health Care Destination Private Limited	
46	Palepu Pharma Private Limited	
47	Medihauxe International Private Limited	
48	Vardhman Pharma Distributors Private Limited	
49	Focus Medisales Private Limited	
50	Srinivasa Medisales Private Limited	

Sl.No	Name of the Related Parties	Nature of Relationship
51	Meher Distributors Pvt Ltd - Mumbai	Enterprises over which Key Managerial Personnel and their relatives are able to exercise significant influence
52	Lucky Pharmaceuticals Pvt Ltd - New Delhi	
53	Neelkanth Drugs Pvt Ltd	
54	Dhruvi Pharma Pvt Ltd	
55	Apollo Educational Infrastructure Services Limited	Enterprises over which Key Management Personnel are able to exercise significant influence
56	Apollo Health Resources Limited	
57	Apollo Mumbai Hospital Limited	
58	Apollo Reach Hospitals Enterprise Limited	
59	Apollo Sindoori Hotels Limited	
60	Dishnet Wireless Limited	
61	Healthnet Global Limited	
62	Kurnool Hospital Enterprises Limited	
63	Lifetime Wellness Rx International Limited	
64	Medversity Online Limited	
65	AMG Healthcate Destination Private Limited	
66	Faber Sindoori Management Services (P) Ltd	
67	Keimed Private Limited	
68	Medvarsity Online Limited	
69	Associated Electrical Agencies	
70	APEX Agencies	
71	Associated Electricatl Agencies	
72	P. Obul Reddy & Sons	
73	Elixir Communities Pvt Ltd	
74	Garuda Thermal Power Private Limited	
75	Trinitron Healthcare Private Limited	Significant Control (Alliance Medicorp (India) Limted)
76	Munchener Ruckversicherung Gesellschaft	Associates of Apollo Munich Health Insurance Company Limited

Sl.No	Name of the Related Parties	Nature of Relationship
77	Sahayadri City Management	Fellow Subsidiaries of Apollo Lavasa Health Corporation Limited
78	My City Technology Limited	
79	Full Spectrum Adventure Limited	
80	Lavasa Hotel Ltd	
81	Whistling Thrush Facilities Services Limited	
82	Warasgaon Tourism Limited	
83	Spotless Laundry Services Limited	
84	Starlit Resorts Limited	
85	Dasve Convention Center Limited	
86	Lakeview Clubs Limited	
87	Reasonable Housing Limited	
88	Hindustan Construction Company	Ultimate Parent Company of Apollo Lavasa Health Corporation Limited
89	Lavasa Corporation Limited	
90	Quintiles Mauritius Holding Inc	Parent Company of Quintiles Phase One Clinical Trials India Private Limited
91	Quintiles Transnational, USA	Ultimate Parent Company of Quintiles Phase One Clinical Trials India Private Limited
92	Green Channel Travel Services (Div of IRM Limited)	Significant Influence (Apollo Hospital International Limited)
93	IRM Enterprises Pvt Ltd	
94	Marg Limited	Holding Company of Future Parkings Private Limited
95	Cadila Pharmaceuticals Limited	Significant Control (Apollo Hospital International Limited)
96	Mr.Antony Jacob	Key Management Personnel of Apollo Munich Health Insurance Company Limited
97	Apollo-Amrish Oncology Services Pvt Ltd	Joint Venture of Apollo Hospitals International Ltd
98	Onlie Hospital Equipment Services Private Limited	Associates of Apollo Health and Lifestyle Limited
99	Quintiles, Pacific,Inc.,USA	Subsidiaries of Quintiles Phase One Clinical Trials India Private Limited
100	Quintiles,Limited.,UK	
101	Quintiles,East Asia Private Limited, Singapore	

S.No	Name of Related Parties	Nature of Transaction	31.03.2015 ₹ in million	31.03.2014 ₹ in million
1	Family Health Plan (TPA) Limited	Investment in Equity	4.90	4.90
		Receivables as at year end	29.98	-
		Transactions during the year	76.50	56.80
2	Indraprastha Medical Corporation Limited	Investment in Equity	393.72	393.72
		Receivables as at year end	402.04	313.58
		Dividend received	36.43	32.41
		Transactions during the year	1,668.56	1,669.31
		Claim Payments	80.63	70.60
3	Stemcyte India Therapautics Private Limited	Investment in Equity	80.00	80.00
		Reimbursement of Expenses	-	5.47
4	Dr. Prathap C. Reddy	Remuneration paid	152.82	150.50
5	Smt. Preetha Reddy	Remuneration paid	49.25	51.11
6	Smt. Suneeta Reddy	Remuneration paid	50.70	51.84
7	Smt. Sangita Reddy	Remuneration paid	49.25	51.03
8	Smt. Shobana Kamineni	Remuneration paid	49.97	51.11
9	Apollo Sindoori Hotels Limited	Payables as at year end	30.07	12.77
		Transaction During the Year	459.60	220.15
10	Faber Sindoori Management Services Private Limited	Payables as at year end	109.80	31.31
		Transactions during the year	479.55	296.40
		Housekeeping services availed	59.91	46.42
		Receivables at year end	0.10	-
11	Lifetime Wellness Rx International Limited	Payables as at year end	-	1.49
		Transactions during the year	5.57	6.53
		Receivables as at year end	6.82	-
12	P. Obul Reddy & Sons	Transactions during the year	54.20	37.04
		Receivables as at year end	15.83	1.26

S.No	Name of Related Parties	Nature of Transaction	31.03.2015 ₹ in million	31.03.2014 ₹ in million
13	Keimed Private Limited	Payables as at year end	61.57	-
		Transactions during the period	4,828.14	3,698.56
14	Medvarsity Online Limited	Receivables as at year end	2.60	0.24
		Transactions during the year	2.75	0.15
15	Apollo Mumbai Hospital Limited	Receivables as at year end	2.69	7.30
		Transactions during the period	6.80	16.24
16	Dishnet Wireless Limited	Transactions during the year	8.55	3.72
17	Kurnool Hospitals Enterprise Limited	Investment in Equity	1.73	1.73
18	AMG Health Care Destination Private Limited	Investment in Equity	12.33	12.33
19	Cadila Pharmaceuticals Limited	Transaction during the year	9.58	10.85
20	Green Channel Travel Services (Div of IRM Limited)	Transactions during the year	6.35	7.98
		Payable as at year end	-	1.07
21	IRM Enterprises Private Limited	Transactions during the year	0.10	0.06
		Payable as at year end	-	0.06
22	Lavasa Corporation Limited	Operating Income	3.61	3.60
		Interest paid on inter corporate deposit	15.56	18.51
		Project and other services received	0.28	0.32
		Inter Corporate Deposit outstanding	97.24	97.24
		Equity Share Capital	8.00	8.00
23	Full Spectrum Adventure Limited	Project and Other services Received	0.02	0.31
24	Sahayadri City Management	Project and Other services Received	1.86	1.91
		Trade Payables	3.99	-
25	Apollo Amrish Oncology Services Private Limited	Investment in Equity	9.05	-
		Transactions during the year	38.08	-
		Reimbursement of expenses	45.66	-
26	Mr.Antony Jacob	Expenses towards services rendered	28.43	24.08

S.No	Name of Related Parties	Nature of Transaction	31.03.2015 ₹ in million	31.03.2014 ₹ in million
27	Reasonable Housing Limited	Project and Other services Received	0.61	0.69
28	Meher Distributors Private Limited	Payable at year end	11.77	-
		Transactions during the year	32.10	-
29	Lucky Pharmaceuticals Private Limited	Payable at year end	41.35	-
		Transactions during the year	27.19	-
30	Neelkanth Drugs Private Limited	Payable at year end	47.18	-
		Transactions during the year	163.49	-
31	Dhruvi Pharma Private Limited	Payable at year end	18.96	-
		Transactions during the year	8.40	-
32	Palepu Pharma Private Limited	Payable at year end	48.78	-
		Transactions during the year	423.94	-
33	Medihauxe International Private Limited	Payable at year end	42.60	-
		Transactions during the year	69.56	-
34	Vardhman Pharma Distributors Private Limited	Payable at year end	27.74	-
		Transactions during the year	121.13	-
35	Focus Medisales Private Limited	Payable at year end	15.41	-
		Transactions during the year	59.68	-
36	Srinivasa Medisales Private Limited	Payable at year end	21.26	-
		Transactions during the year	86.84	-

In case of other related parties, there are no transactions with the Company.

33. Leases

In respect of Non- cancellable operating leases

Lease payments recognized in the Statement of Profit and Loss is ₹1,722.92 million (₹ 1,286.84 million)

(₹ in million)

Particulars	31.03.2015	31.03.2014
Not later than one year	555.12	1,055.88
Later than one year and not later than five years	3,648.08	3,217.77
Later than five years	15,885.84	6,632.49

Lease agreements are renewable for further period or periods on terms and conditions mutually agreed between the lessor and AHEL.

Variations/Escalation clauses in lease rentals are made as per mutually agreed terms and conditions by the lessor and AHEL.

Apollo Gleneagles Hospitals Limited

In respect of Non- cancellable operating leases

(₹ in million)

Particulars	Not later than one year	Later than one year and not later than five years	More than five years
Minimum lease payments - Building	1.04	2.82	2.66
Minimum lease payments - Land	0.82	2.67	4.52

34. Impairment

Apollo Hospitals Enterprise Limited

During the year 2002-03, on a review of fixed assets, certain selected medical equipments were identified and impaired. For the current year, on a review as required by Accounting Standard 28 ' Impairment of Assets', the management is of the opinion that no impairment loss or reversal of impairment loss is required, as conditions of impairment do not exist.

35. Fixed Assets

LAND AND BUILDINGS – WDV AS ON 01.04.2014 – ₹997.77

During the financial year, the Company has received an order from the Special Deputy Commissioner of Bangalore alleging non-compliance of allotment conditions by the Company of the land on which the hospital building is constructed. Further, the said order of the authority also demands surrendering the land and the building to the state government.

The Company, has approached some reputed and senior advocates who have expertise and experience in handling such land related matters and they have all unanimously opined that, (a) there is no violation, on the part of the company, of any terms and condition of the allotment; (b) the order passed by the said authority is beyond jurisdiction and is opposed to the basic principles of natural justice as the company has not been provided with an opportunity to make a representation; and (c) irrespective of the said order, there is no threat to the valid marketable title to the property held by the company.

The company has made a written representation to the concerned authorities highlighting these facts and requesting withdrawal of the order. The company is also contemplating initiating suitable legal action, if so required pending disposal of its written representation against the said order.

Given the above-mentioned facts, the management is of the unequivocal opinion that no assets have been impaired during the year and there no is threat to the continuity of the operations of the company or its revenue earning capabilities.

36. General Information

a. Apollo Hospitals Enterprise Limited

On review of the operations of setting up the Hospital in Noida, the Company has re-assigned the lease agreement between itself and the lessor to its associate, Indraprastha Medical Corporation Limited by extinguishing its rights and privileges in the original lease deed dated 27th October 2001.

Unrealised amounts on project development and pre-operative project expenses incurred at Bilaspur Hospital amounting to ₹ 56.62 million are included in advances and deposits account. The above expenses incurred on project will be amortised over the balance lease period of 6 years. The balance yet to be amortised as on 31.03.2015 is ₹ 15.73 million (₹ 18.88 million).

b. Apollo Munich Health Insurance Company Limited

i. Encumbrances

The company has all the assets within India. All the assets of the company are free from any encumbrances except deposits in banks amounting to ₹ 2.38 million (₹ 3.98 million). The deposits have been placed with banks for the purposes of executing bank guarantees in favour of hospitals towards cash-less arrangements.

ii. Commitments made and outstanding for:

(₹ in million)

Particulars	31.03.2015	31.03.2014
Loans	Nil	Nil
Investments	Nil	Nil
Fixed Assets	9.76	30.03

iii. **Claims, less reinsurance paid to claimants:**

(₹ in million)

Class of Business	In India		Outside India	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Miscellaneous	3,921.62	3,406.47	8.85	11.40

iv. **Age-wise breakup of claims outstanding**

(₹ in million)

Class of Business	Outstanding for more than six months		Outstanding for six months or less	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Miscellaneous	43.06	31.32	438.44	338.61

v. **Claims settled and remaining unpaid for a period of more than six months:**

(₹ in million)

Particulars	31.03.2015	31.03.2014
Miscellaneous	Nil	Nil

vi. **Premium less reinsurance written during the year:**

(₹ in million)

Class of Business	Outstanding for more than six months		Outstanding for six months or less	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Miscellaneous	6,814.62	6,506.25	Nil	Nil
No premium income is recognized on "varying risk pattern" basis.				

vii. **Extent of risk retained and reinsured:**

Class of Business	Risk Retained		Risk Retained	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Miscellaneous	79%	94%	21%	6%

viii. **Value of Contracts in relation to Investments:**

(₹ in million)

Particulars	31.03.2015	31.03.2014
Purchase where deliveries are pending	Nil	Nil
Sales where payments are overdue	Nil	Nil

ix. All the investments held by the Company are performing assets.

x. The Company does not have any investment property as at March 31st, 2015.

xi. The investments as at year-end have not been allocated to Policy Holders & Shareholders accounts since the same are not earmarked separately.

xii. The historical cost of investments in mutual funds which have been valued on fair value basis is ₹496.88 million (₹ 546.77 million).

xiii. **Investments made pursuant to section 7 of Insurance Act, 1938, are as follows**

(₹ in million)

Particulars	31.03.2015	31.03.2014
6.25% GOI CDSS 02-01-2018	77.61	76.74
6.01% GOI CDSS 25-03-2028	5.59	5.52
6.17% GOI CDSS 12-06-2023	15.18	15.02
7.95% GOI CDSS 28-08-2032	19.55	19.52
8.20% GOI CDSS 15-02-2022	2.00	2.00
8.33% GOI CDSS 07-06-2036	1.00	1.00
Total	**120.93**	**119.80**

These investments are in the constituent subsidiary general ledger account with Axis Bank Limited.

xiv. **Expenses relating to outsourcing, business development and marketing support are given below:**

(₹ in million)

Operating expenses	31.03.2015	31.03.2014
Outsourcing Expenses	374.60	405.33
Marketing Support	218.56	137.30
Business Promotion	342.32	232.03

xv. **Sector Wise Business**

Disclosure of sector-wise business based on gross direct written premium (GWP) is as under:

Business Sector	31.03.2015			31.03.2014		
	GWP (₹ in Million)	No. of Lives	%of GWP	GWP (₹ in Million)	No. of Lives	%of GWP
Rural	496.65	177,549	6.19	385.60	244,923	5.57
Social	5.95	79,702	0.07	75.21	155,748	1.09
Urban	7528.70	3,622,917	93.74%	6463.90	2,803,387	93.34

xvi. **Disclosure of Fire and Marine Revenue accounts:**

As the company operates in single insurance business class viz. Miscellaneous Insurance Business, the reporting requirements as prescribed by IRDA with respect to presentation of Fire and Marine Insurance revenue accounts are not applicable.

There are no dues outstanding for more than 45 days during the year which are payable to Micro, Small and Medium Enterprises. This information pursuant to the provisions of Micro, Small and Medium Enterprises Development Act, 2006 is determined to the extent such parties have been identified on the basis of information available with the Company.

xvii. Summary of Financial Statements is provided as under:

(₹ in million)

S. No.	Particulars	31.03.2015	31.03.2014
	Operating Results:		
1	Gross Premium Written	8,610.55	6,925.81
2	Net Earned Premium Income	6,558.85	5,434.04
3	Income from Investments (net)	350.44	272.50
4	Other Income	-	-
5	Total Income	6,909.28	5,706.54
6	Commission (Net of Reinsurance)	453.34	638.72
7	Brokerage	181.31	145.08
8	Operating Expenses	2,557.79	2,082.96
9	Claims Incurred	4,134.27	3,564.36
10	Operating Profit/Loss	(236.11)	(579.50)
11	Total Income under Shareholders Account	243.10	210.13
12	Profit /(Loss) before tax	6.10	(369.37)
13	Provision for Tax	(0.32)	(0.30)
14	Profit/(Loss) after tax	6.65	(369.67)
15	Miscellaneous:	Not applicable being General Insurance Co.	
	Policy holders' Account:		
	Total Fund		
	Total Investments		
	Yield on investments		
16	Shareholders' Account:	Not applicable being General Insurance Co.	
	Total Fund		
	Total Investments		
	Yield on investments		
17	Paid Up Equity Capital	3,492.30	3,309.80
18	Net Worth	2,543.30	2,264.16
19	Total Assets	8,937.20	8,169.78
20	Yield on total investments	9.27%	9.29%
21	Earnings Per Share (₹)	0.02	(1.14)
22	Book value per Share(₹)	7.28	6.84
23	Total Dividend	Nil	Nil
24	Dividend Per share	Nil	Nil

xviii. Accounting Ratios are provided as under:

Performance Ratios	31.03.2015 (in %/ times)	31.03.2014 (in %/ times)
Gross Direct Premium to Net Worth Ratio (Gross premium for the current year divided by paid up capital plus free reserves)	3.16	3.06
Growth Rate of Networth (Shareholders' funds as at the current balance sheet date divided by shareholders' funds as at the previous balance sheet date)	12	(2.00)
Net Retention Ratio (Net premium divided by gross premium including RI acceptance)	79	94.00
Net Commission Ratio (Commission net of reinsurance for a class of business divided by net premium)	7	9.82
Expenses of Management to Gross Direct Premium (Expenses of management plus commission paid divided by the total gross direct premium)	43	41.00
Expenses of Management to Net Written Premium Ratio (Expenses of management plus Direct commission paid divided by the NWP)	50	43.00
Net Incurred Claims to Net Earned Premium	63	66.00
Combined Ratio (Net Incurred claims divided by NEP plus Expense of management (including Net Commission) divided by NWP)	107	107.00
Technical Reserves to Net Premium Ratio (Reserve for unexpired risks plus premium deficiency reserve plus reserve for outstanding claims divided by net premium)	0.79	0.87
Underwriting Balance Ratios (Underwriting profit divided by net premium for the respective class of business)	(0.09)	(0.16)
Operating Profit Ratio (Underwriting profit plus investment income divided by net premium)	(4.00)	(11.00)
Liquid Assets to Liability Ratio (Liquid assets of the insurer divided by the policy holders' liabilities)	0.72	0.58
Net Earnings Ratio (Profit after tax divided by net premium)	0.10	(6.00)
Return on Net Worth (Profit after tax divided by net worth)	0.26	(16.00)
Available Solvency Margin to Required Solvency Margin Ratio	1.72	1.84
NPA Ratio	-	-

Indraprastha Medical Corporation Limited

a. Under the terms of the agreement between the Government of NCT of Delhi and the company, the Hospital project of the company has been put up on the land belonging to Government of NCT of Delhi. The Government of NCT of Delhi is committed to meet the expenditure to the extent of ₹ 154.78 million out of IMCL Building fund account (funds earmarked for the period) together with the interest thereon for construction of definite and designated buildings while the balance amount of the cost of the building will be borne by the Company. As at 31st March, 2013, the aforesaid fund, together with interest thereon amounting to ₹ 192.36 million have been utilized towards progress payments to contractors, advances to contractors, payments for materials, etc. The ownership of the building between Government of NCT of Delhi and the company will be decided at a future date keeping in view the lease agreement.

b. On a Public Interest Litigation (PIL) regarding free treatment in the hospital the Hon'ble Delhi High Court vide its order dated 22nd September, 2009 has held that free treatment provided by the hospital as per the terms of lease deed with Government of National Capital Territory of Delhi shall be inclusive of medicines and consumables. In response to the said order the company filed a Special Leave Petition in the Hon'ble Supreme Court for appropriate directions with a prayer to stay the judgement of the Hon'ble Delhi high court. The Hon'ble Supreme Court of India has admitted the Special Leave Petition and passed an interim order on 30.11.2009. In pursuance of the interim order, the Hospital is charging for medicines & medical consumables from patients referred by the Govt. of Delhi for free treatment in the Hospital. As the matter of sub judice, the financial impact in the matter can be quantified only upon a decision by the Hon'ble Supreme Court of India.

37. Consolidated Segment Reporting

(₹ in million)

	Particulars	31.03.2015	31.03.2014
1.	**Segment Revenue**		
	(Net sales / Income from each Segment)		
	a) Health care	33,330.74	29,594.34
	b) Pharmacy	17,725.50	13,648.44
	c) Others	1,132.15	846.39
	Sub - Total	**52,188.39**	**44,089.17**
	Less : Intersegment Revenue	36.34	32.31
	Net sales / Income from operations	**52,152.05**	**44,056.86**
2.	**Segment Results**		
	(Profit / (Loss) before Tax and interest from each segment)		
	a) Health care	5,067.74	5,090.24
	b) Pharmacy	389.77	306.02
	b) Others	502.21	228.59
	Sub - Total	**5,959.72**	**5,624.85**
	Less :		
	(i) Interest (Net)	1,178.54	1,193.77
	(ii)Other un-allocable expenditure net of unallocable income	362.00	364.00
	Profit Before Tax and Extraordinary item	**4,419.18**	**4,067.08**
	Add Extra ordinary item	281.83	-
	Less: Exceptional items	(146.88)	-
	Profit Before Tax	**4,554.13**	**4,067.08**
	Less :		
	(i) Current tax	559.92	22.31
	(ii) Deferred tax liability	772.05	995.74
	Add:		
	Deferred Tax Asset	31.96	0.42
	Profit After Tax before Minority Interest	**3,254.12**	**3,049.46**
	Less : Minority Interest	(51.39)	(13.65)
	Add : Share of Profit in Associates	93.52	104.34
	Net Profit Relating to the Group	**3,399.03**	**3,167.45**
3.	**Segment assets**		
	a) Healthcare	50,513.16	41,963.33
	b) Pharmacy	5,967.00	3,842.00
	c) Others	3,609.45	3,715.94
	Total	**60,089.61**	**49,521.27**
	Unallocated Corporate Assets	2,849.59	2,475.91
	Goodwill on consolidation	1,652.45	1,499.44
	Deferred Tax Asset	202.77	228.17
	Total Assets as per Balance Sheet	**64,794.42**	**53,724.79**
4.	**Segment liabilities**		
	a) Health care	6,278.39	4,865.84
	b) Pharmacy	561.00	508.00
	c) Others	664.16	591.77
	Total	**7,503.55**	**5,965.61**
	Unallocated Corporate Liabilities	20,625.10	14,285.46
	Shareholders Funds	31,713.31	29,766.78
	Minority Interest	730.14	187.83
	Deferred Tax Liability	4,222.32	3,519.10
	Total Liabilities as per Balance Sheet	**64,794.42**	**53,724.79**
5.	**Segment capital employed**		
	a) Health care	44,234.39	37,097.44
	b) Pharmacy	5,406.00	3,334.00
	c) Others	2,945.15	3,124.18
	Total	**52,585.54**	**43,555.62**
6.	**Segment capital expenditure incurred**		
	a) Health care	7,995.95	5,200.75
	b) Pharmacy	310.00	234.00
	c) Others	10.27	15.91
	Total	**8,316.22**	**5,450.66**
7.	**Segment Depreciation**		
	a) Health care	1,917.12	1,564.62
	b) Pharmacy	191.00	106.00
	c) Others	8.39	7.29
	Total	**2,116.51**	**1,677.91**

38. Figures of the current year and previous year have been shown in million.

39. Figures in brackets relate to the figures for the previous year.

40. Previous year figures have been regrouped and reclassified wherever necessary to confirm with current years classification.

41. Where disclosures have not been made by subsidiaries, associates or joint ventures in their independent Notes, the figures relate to those of the Parent Company alone.

As per our Report annexed
For M/s. S. Viswanathan
Chartered Accountants
Firm Registration No. 004770S

V C Krishnan
Partner
(Membership No. 022167)
17, Bishop Wallers Avenue West
Mylapore, Chennai - 600 004
Place : Chennai
Date : 28th May 2015

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
Sr. General Manager - Finance
& Company Secretary

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 31st March 2015

(₹ in million)

	Particulars	31.03.2015		31.03.2014	
A	**Cash Flow from operating activities**				
	Net profit before tax and extraordinary items		**4,554.13**		**4,067.12**
	Adjustment for:				
	Depreciation	2,116.51		1,670.84	
	Profit on sale of Investment	(104.23)		(136.77)	
	Loss on sale of asset	31.73		35.95	
	interest paid	1,178.54		1,193.77	
	Misc.Exp.written off	-		7.06	
	Foreign Exchange gain / loss	(8.10)		(11.21)	
	Short term capital gain	(378.30)		-	
	Extraordinary items	(281.83)			
	Interest received	(45.02)		(58.50)	
	Dividend received	(31.73)		(8.01)	
	Provision for wealth tax	2.51		2.23	
	Baddebts written off	268.24	2,748.32	204.42	2,899.78
	Operating profit before working capital changes		**7,302.45**		**6,966.90**
	Adjustment for:				
	Trade or other receivables	(1,341.35)		(693.38)	
	Inventories	(721.78)		(599.39)	
	Trade payables	1,308.30		519.01	
	Others	(853.45)	(1608.28)	(1,366.69)	(2,140.45)
	Cash generated from operations		5,694.17		4,826.45
	Foreign Exchange gain / loss		8.10		11.21
	Taxes paid		(1,002.81)		(1,103.77)
	Cash flow before extraordinary items		4,699.46		3,733.89
	Net cash from operating activities		**4,699.46**		**3,733.89**
B	**Cash flow from Investing activities**				
	Purchase of fixed assets		(8,680.61)		(6,118.91)
	Sale of fixed assets		25.88		160.48
	Purchase of investments		(824.77)		(356.67)
	Sale of investments		1,494.31		2,658.84
	Interest received		45.75		58.83

(₹ in million)

	Particulars	31.03.2015		31.03.2014	
	Dividend received		66.91		39.14
	Cash flow before extraordinary item		(7,872.53)		
	Extraordinary Item		281.83		-
	Net cash used in Investing activities		**(7,590.70)**		**(3,558.28)**
C	**Cash flow from financing activities**				
	Proceeds from issue of Share Capital		406.79		37.71
	Proceeds from issue of share premium		10.69		34.74
	Proceeds from long term borrowings		6,263.26		2,145.70
	Proceeds from short term borrowings		390.23		176.09
	Repayment of finance/lease liabilities		(1,172.18)		(1,060.03)
	Interest paid		(1,175.72)		(1,203.80)
	Dividend paid		(799.97)		(765.19)
	Net cash (used in)/from financing activities		**3,923.10**		**(634.77)**
	Net increase in cash & cash equivalents (A+B+C)		**1,031.86**		**(459.17)**
	Cash and cash equivalents (Opening balance)		2,741.47		3,200.64
	Cash and cash equivalents (Closing balance) *		3,773.33		2,741.47
	Component of Cash and cash equivalents				
	Cash on Hand		129.87		181.32
	Balance with Banks				
	1) Available with the company for day to day operations		3,615.05		2,535.03
	2) Amount available in unclaimed dividend and unclaimed deposit accounts.		28.41		25.12
	TOTAL		**3,773.33**		**2,741.47**

*Includes Deposit Repayment Reserve - ₹ 43.27 million.

Note :

1. Previous year figures have been regrouped wherever necessary.

As per our Report annexed

For and on behalf of the Board of Directors

For M/s. S. Viswanathan
Chartered Accountants
Firm Registration No. 004770S

Krishnan Akhileswaran
Chief Financial Officer

Dr. Prathap C Reddy
Executive Chairman

V C Krishnan
Partner
(Membership No. 022167)
17, Bishop Wallers Avenue West
Mylapore, Chennai - 600 004
Place : Chennai
Date : 28th May 2015

S M Krishnan
Sr. General Manager - Finance
& Company Secretary

Preetha Reddy
Executive Vice Chairperson

Suneeta Reddy
Managing Director

NOTES

For the kind attention of Shareholders

a. Shareholders / Proxy holders attending the meeting should bring the attendance slip to the meeting and hand over the same at the entrance duly signed.

b. Shareholders / Proxy holders attending the meeting are requested to bring the copy of the Annual Report for the reference at the meeting.

Annual Report 2014-2015

Apollo Hospitals Enterprise Limited
[CIN : L85110TN1979PLC008035]
Regd. Office: No.19, Bishop Garden, Raja Annamalai Puram, Chennai – 600 028
Secretarial Dept: Ali Towers III Floor, No.55, Greams Road, Chennai – 600 006
E-mail: apolloshares@vsnl.net : Website: www.apollohospitals.com
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