Apollo HOSPITALS
TOUCHING LIVES

#YouFirst

Annual Report 2017 - 18

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."

CONTENTS

* Business Responsibility Report is a separate enclosure and forms a part of this Annual Report.

Note: Patient names have been withheld from all case studies and patient testimonials in this report in order to protect patient privacy.

The Attendance Slip/Proxy Form and AGM Notice are being sent by speed post/email separately.

We believe good health is paramount to your happiness. We believe equally that no matter who you are or where you come from, east, west, north or south, that you deserve the best care to preserve and sustain your well-being. Which is why we consistently put You First in our healthcare delivery strategy and leave no stone unturned to bring to you differentiating expertise in the various aspects of personal healthcare. Our aim is simple - to provide you strategic healthcare value across Wellness, Diagnosis, Prescription, Consultation, Tertiary and Quarternary Care; punctuated with leading clinical outcomes and outstanding patient experience. Above all, to give you Assurance, both in terms of the Outcomes and the Value Proposition.

We stand testimony to the saying, "The Whole is Greater than the Sum of its Parts". The phrase aptly defines the synergy we have achieved in our care delivery value chain. Our value offerings from Preventive Health to Consultation and Treatment, focus primarily on patient needs rendering our patient care singular and invaluable. The value of good health cannot be measured in monetary terms. It is our sustained endeavour to provide our patients value that goes beyond the sticker price resulting in unmatched outcomes.

Your body is Priceless. We believe we have a responsibility to put #YouFirst in all that we do. We believe you deserve it.

FROM THE CHAIRMAN

Dear Shareholders,

I look back nearly 35 years to when we initially set out to build the first corporate hospital, and then to the journey thereafter, in nurturing it into the world-class healthcare institution it has grown into today. Our motivation for the pursuit of our goals has not wavered a bit through this eventful and challenging journey. We have remained relentless during all this time in putting the patient at the core of all that we do, and bringing to them differentiated and loving care to alleviate the pain of illness and keep them well. Then, as now, we remain equally single minded in wanting to bridge the huge demand supply gap in India for quality hospitals and patient focused healthcare.

Rising challenges posed by Non-Communicable Diseases (NCDs) like diabetes, heart disease and cancer, drive us to strive even harder each day. Our country is facing a huge threat in the form of NCDs. Current analyses suggest that by 2020, as many as 300+ million people will be at risk of dying from NCDs in India. According to WHO, NCDs like cardiac diseases, respiratory disorders, and cancer, account for nearly 60% of deaths in this country; specifically, 26% of deaths in the 30 to 70 age group. Diabetes, largely brought on by lifestyle, is the single largest healthcare burden, accounting for nearly 69 million diabetics and claiming more than a million lives a year. As a country, it is now time to go to war against NCDs.

The Government of India has just announced Ayushman Bharat – the National Health Protection Mission, which will provide Universal Health Coverage to 500 million people. This is an inflection point in the healthcare journey of our nation and will enable healthcare access to millions of under-served families across the country. Apollo Hospitals is a pioneer in Public-Private-Partnership and we look forward to working with the Government as they roll-out the programme, helping to ensure that the highest quality care reaches the citizens on a sustained basis. Additionally, the government's move to convert its 150,000 PHCs to Health and Wellness Centers that will offer a more comprehensive package of services, marks a pivotal shift towards preventive healthcare and reaffirms what we at Apollo have always been saying – keeping a nation's citizens healthy, helps the country realize their full potential. Our 300+ clinicians in our various cardiac centres across the country, have performed 10,000+ heart surgeries this year. We have preventive health checks which can diagnose cardiac problems before they develop into a serious heart condition. We want to educate people to 'Act Before the Attack'. Our solid organ transplant centre is the busiest in the world. Our 35 transplant surgeons across the network have performed 1,500+ transplants in FY18, of which 904 were kidney transplants.

In putting the patient first in our strategy, we have made substantial investments to set up leading edge Cancer Centers with expert physicians and the latest technologies for treating cancer, one of the most crucial among NCDs. Our 'Proton Treatment Centre', a cancer treatment and research facility in Chennai, will be operational soon. This facility will give patients access to Proton Beam Therapy, an advanced organ specific radiation treatment for removing malignant tumors from the head, neck, brain, pancreas, and prostate.

Our clinical excellence, marked by quality processes and patient safety practices, and on-going commitment to innovation – the lifeline of any business, has not only helped us make quality healthcare more accessible and affordable, but has placed us on the cutting-edge of healthcare delivery, affording us several differentiators in our various Centers of Excellence.

For any hospital to render uncompromised care to its patients, continuous improvement in service delivery is a must. To me, this is non-negotiable. We have over the years, determinedly and consistently invested in the latest technologies and sophisticated systems. This enables our doctor fraternity to harness the best treatment options for our patients—similar to those available elsewhere in the world. Today, I take pride that Apollo Hospitals is on par with leading international healthcare institutions. We provide world-class healthcare at significantly lower prices while delivering clinical outcomes that are better or on par with them. The key to this success has been our consistent and on-going dedication to patient satisfaction and need-based healthcare services. We strongly believe that it is not enough to merely treat our patients' diseases, but that it is important to first treat them as human beings, with care and respect. This is the foremost reason generation after generation our patients come back to us, honoring us with their trust. It is this sort of patient relationship that we work hard to nurture by putting the patient first in our business strategy.

To purposefully deliver healthcare in a country of more than a billion people, it is necessary to build a robust system that can serve both the urban and rural areas. This requires specialty hospitals, clinics, primary health care centers, and remote health care services where technology can be leveraged most optimally for the patients. We have to challenge traditional ways of rendering care and instead use disruptive technology to scale reach and reduce costs. For example, technology enabled home health care must be leveraged to free up scarce beds, speed up recovery and reduce cost.

Business is not just about profit but also about giving back to and serving the community. Apollo Hospitals has championed social causes with initiatives like Save a Child's Heart, which provides quality pediatric cardiac care to children from underprivileged sections of society, Society to Aid the Hearing Impaired, and the CURE Foundation focused on cancer care assist for children from financially challenged homes.

India is counted among the world's fastest growing economies. In health care, we are constantly pushing boundaries by sharing and collaborating to improve patient experience, transforming care delivery through telemedicine and optimized protocols, digitalizing and democratizing health through mobile solutions and telemedicine, and working with Artificial Intelligence and Big Data to develop India-specific patterns for disease detection and cure.

As a nation, let us be committed to the health and well-being of our people. 'Health for All' demands that we ensure universal health insurance coverage, put in place comprehensive programs for preventive health, and continue building world-class infrastruc¬ture. We should also implement technology-enabled access and build strong health care skills. Above all, we need to focus on empowering the individual to take charge of his own health, and be responsible for his well-being. The right combination of all of the above is the perfect prescription for a healthy India.

It is our strong belief that we have built a well diversified and responsive business model, which has stood the test of a sometimes challenging and changing external environment. We have made internal changes as needed, to position ourselves strongly so as to leverage local demand, the roll-out of NHPS and the increasing numbers of medical value travelers. We remain quietly confident about our prospects in the years to come.

Our Standalone revenues for the year stood at ₹ 71,830 mio, registering a 14% growth. EBITDA was at ₹ 8,297 mio showing a growth of 7%. PAT stood at ₹ 2,332 mio.

Our Consolidated revenues for the year was ₹ 82,435 mio. showing a growth of 14%. EBITDA was at ₹ 7,932 mio, showing a growth of 9%. PAT was at ₹ 1,174 mio.

I am happy to declare a dividend of ₹ 5 per share for the fiscal year 2018.

I thank my Apollo family—doctors, consultants, and staff who have made this journey successful. And I thank all our stakeholders, especially you, our investors, for the faith and trust you have reposed in us and for the continuing support you have shown us over the years. I look forward to that support as we keep pressing forward on our journey.

I wish you and your families much good health,

With warm personal regards,

Dr. Prathap C Reddy,

Executive Chairman—Apollo Hospitals Group

BUSINESS SNAPSHOT

largest hospital network in India

healthcare services

~57%* of **consolidated revenues**

	Owned		Managed		Total
Beds	8910	+	934	=	9844 Beds
Hospitals (Tertiary, Super Specialty & Secondary Care)	65	+	5	=	70 Hospitals

8500+ Employed + "Fee for service" Doctors

11500+ Nurses

4700+ Paramedics

largest pharmacy chain in India

standalone pharmacies

~38%* of **consolidated revenues**

Outlets **3021**

Across **24** states

India's leading retail healthcare network

other businesses

~5%* of **consolidated revenues**

Primary Clinics	85
Sugar Clinics	30
Dental Clinics	70
Birthing Centres - "CRADLE"	12
Day Care Centres	12
Diagnostics	270
Dialysis	8

apollo munich among India's top 3 insurance providers in the private healthcare sector

* Including proforma for Kolkata (50% holding) and Delhi (26% holding) whose Revenues are not consolidated under Ind AS due to Joint Control.

fy18 at Apollo hospitals*

400,000+
Admissions

3,500,000+
Out-Patients

300,000+
Preventive Health Checks

10,000+
Heart Surgeries

14,000
Neuro Surgical Operations

800
Robotic Surgeries

850
Kidney Transplants

6,500+
Joint Replacements

225
Liver Transplants

120
Countries Medical Value Travel

170+
Bone Marrow Transplants

160,000+
Radiotherapy Sessions

57,000+
Chemotherapy Sittings

* Data for owned hospitals only. Does not include managed hospitals.

financial snapshot

standalone financial performance

Rupees million, except for share data	FY 2018	FY 2017
Revenue from operations	71,830	63,013
Operating EBITDA (Earnings before Interest, Tax & Depreciation)	8,297	7,740
Operating EBIT (Earnings before Interest & Tax)	5,577	5,334
Profit Before Tax	3,301	3,589
Profit After Tax	2,332	2,852
Earnings per share (EPS)-Basic (₹)	16.76	20.50
Earnings per share (EPS)-Diluted (₹)	16.76	20.50

Revenue growth **14%**

EBITDA growth **7%**

EBITDA (excluding new 400+ bed hospital at Navi Mumbai) **₹8649** mio

PBT includes effect of higher depreciation and interest from new hospitals

Higher taxes in FY18 due to change in Government tax policy for new hospitals

standalone financial position

Rupees million	FY 2018	FY 2017
Application of Funds	**78,121**	**71,932**
Fixed Assets	43,651	38,327
Goodwill	948	948
Non-Current Investments	8,978	9,777
Net Current Assets & Long term Advances	24,544	22,880
Sources of Funds	**78,121**	**71,932**
Shareholders Fund	36,935	35,790
Loan Funds & Long term Provisions/ Liabilities	38,720	33,805
Deferred Tax Liability	2,466	2,337

consolidated financial performance

Rupees million, except for share data	FY 2018	FY 2017
Revenue from operations	82,435	72,557
Operating EBITDA (Earnings before Interest, Tax & Depreciation)	7,932	7,286
Operating EBIT (Earnings before Interest & Tax)	4,342	4,145
Profit Before Tax	1,715	2,221
Profit After Tax	1174	2,210
Earnings per share (EPS)-Basic (₹)	8.44	15.88
Earnings per share (EPS)-Diluted (₹)	8.44	15.88

Revenue growth **14%**

EBITDA growth **9%**

PAT impacted by transient operational disruptions in the Kolkata JV

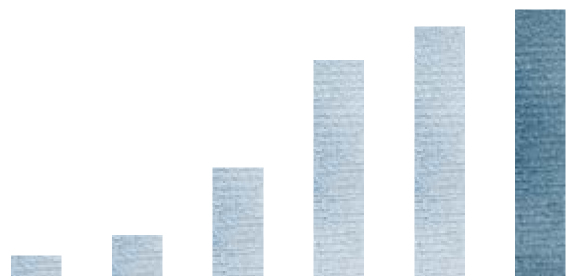
consolidated financial position

Rupees million	FY 2018	FY 2017
Application of Funds	**86,128**	**81,193**
Fixed Assets	51,389	45,917
Goodwill	3,462	3,463
Non-Current Investments	2,937	3,002
Net Current Assets & Long term Advances*	28,340	28,811
Sources of Funds	86,128	81,193
Shareholders Fund	32,515	33,132
Minority Interest	1,324	1,246
Loan Funds & Long term Provisions/ Liabilities	49,724	44,402
Deferred Tax Liability	2,565	2,413

* includes cash and investment in liquid mutual funds of ₹ 3,642 million in FY18 and ₹ 6,245 million in FY 17.

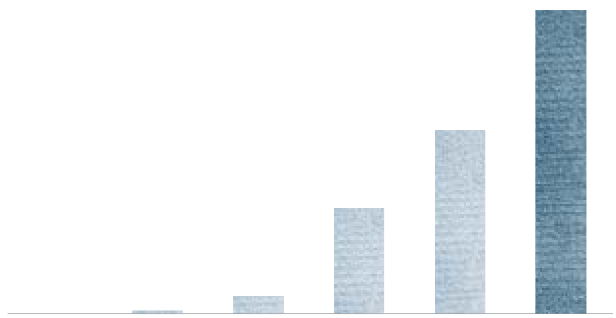
sustained growth

Bed Count | CAGR 12%



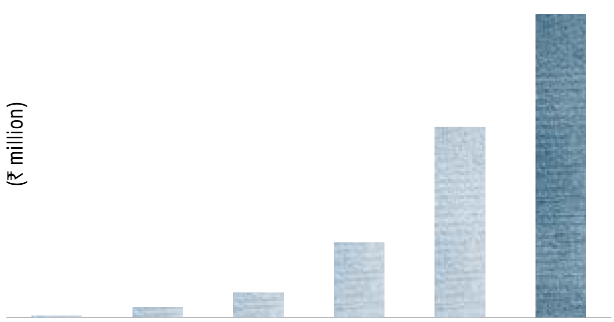
750*	1,500*	4,000*	7,984*	9,215*	9,844*
FY 95	FY 00	FY 05	FY 10	FY 15	FY 18

Pharmacy Count | CAGR 31%



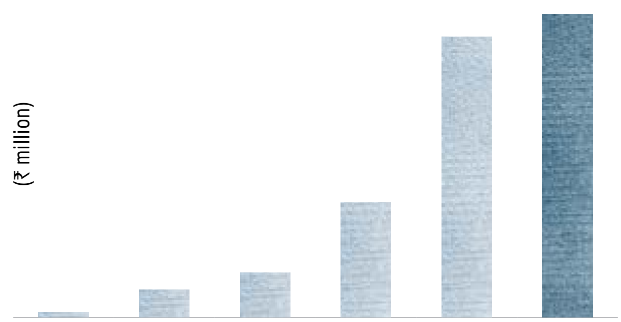
NA	25#	170#	1,049#	1,822#	3,021#
FY 95	FY 00	FY 05	FY 10	FY 15	FY 18

Revenue | CAGR 25%



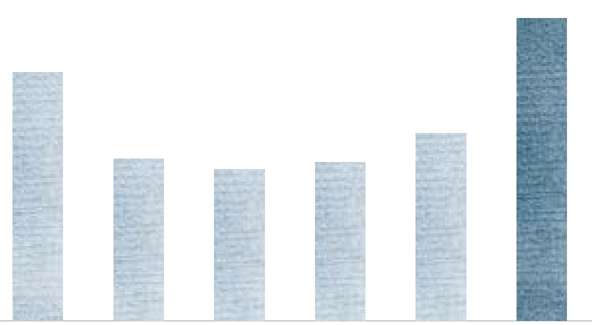
457	2,684	6,621	20,265	51,785	82,435
FY 95	FY 00	FY 05	FY 10	FY 15	FY 18

EBITDA | CAGR 20%



127	715	1,167	3,006	7,347	7,932
FY 95	FY 00	FY 05	FY 10	FY 15	FY 18

Debt / equity ratio



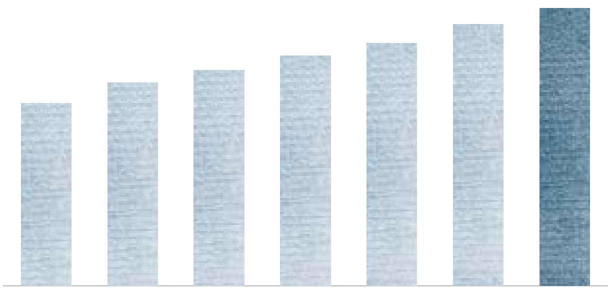
0.69	0.45	0.42	0.44	0.52	0.84
FY 95	FY 00	FY 05	FY 10	FY 15	FY 18

13 new hospitals with 2,400+ beds added over the last 3+ years with a capital invested of ₹ 19,308 mio

* Bed includes both owned & managed hospitals; # Number of standalone pharmacies. Note: Figures from FY17 onwards been presented on the basis of Ind AS.

strong operational performance

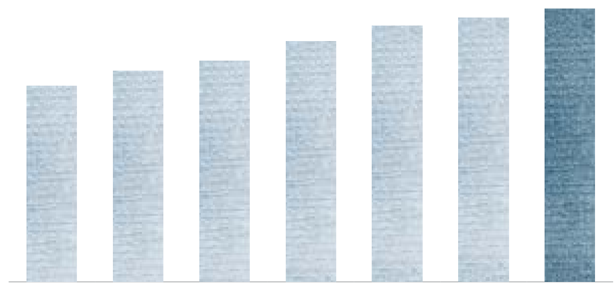
Discharges (in '000s) — CAGR 7%



281	313	332	354	374	399	428
FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18

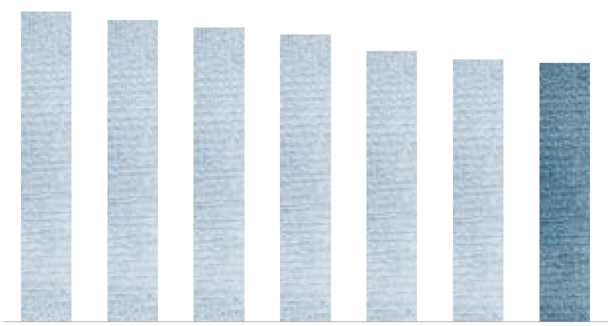
Occupancy

71%†	72%†	71%†	68%†	63%†	64%†	65%†



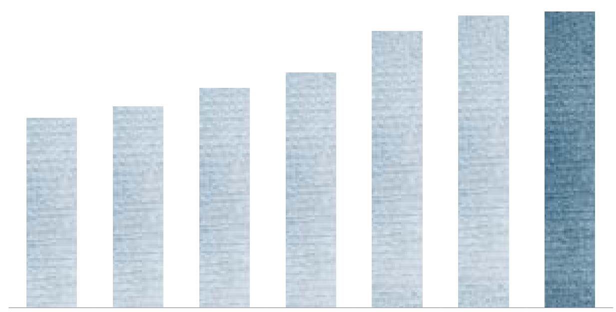
5,153‡	5,549‡	5,811‡	6,321‡	6,724‡	6,940‡	7,176‡
FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18

ALOS (Days)



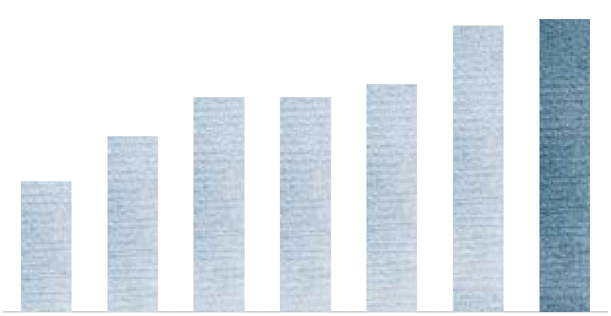
4.78	4.65	4.54	4.43	4.17	4.04	3.99
FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18

ARPOB (₹ per day) — CAGR 8%



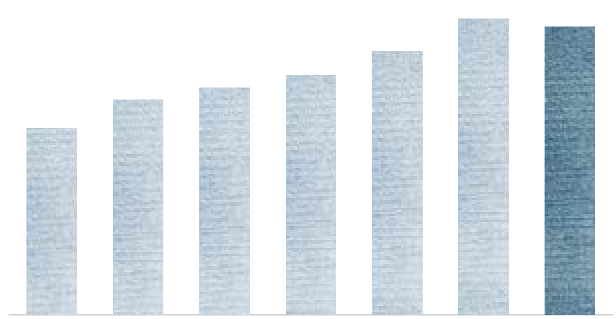
20,455	21,724	23,684	25,381	29,867	31,377	31,963
FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18

SAP EBITDA Margins



2.0%	2.7%	3.3%	3.3%	3.5%	4.4%	4.5%
FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18

Mature Stores (Pre FY08) EBITDA Margins



4.6%	5.3%	5.6%	5.9%	6.5%	7.3%	**7.1%**
FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18

ALOS - Average Length of Stay; ARPOB - Average Revenue per Occupied Bed. Note: Figures from FY17 onwards have been presented on the basis of Ind AS.

† Occupancy rate. ‡ Operating beds.

OUR VALUE PROPOSITION

we have over the last 33 years focused consistently on putting #YouFirst in all that we do in the pursuit of clinical excellence and in creating sustainable value for our stakeholders. we ensure strict adherence to business ethics and our governance standards stand exemplar in the industry. with fast changing patient demands, healthcare for the future is going to require evidence based care delivery through sustained process improvement driven by standardization of knowledge assets. we are at the forefront of that journey. we will endeavor to leverage technology proliferation in healthcare to collect, understand and utilize data to improve our care practices. we will continue to empower the consumer through various on-line mechanisms and make it easy for them to take charge of their well being and we will offer our patients value based care by employing creative approaches for care distribution.

We remain committed in our efforts to understand the needs of our patients and to carve out a healthcare delivery strategy that enhances patient experience while remaining uncompromising on clinical and service excellence.

Our multi-specialty collaboration helps us achieve exceptional clinical outcomes in our various centres of excellence; ones which match or surpass international standards.

Our thrust on innovation – clinical, digital, technology, procedure, and process – gives us an edge in rendering invaluable patient care. We remain equally steadfast in our aim of bringing superior healthcare within the reach of all individuals no matter where they come from or what their background is.

WE ARE UNCOMPROMISING IN OUR QUALITY PRACTICES

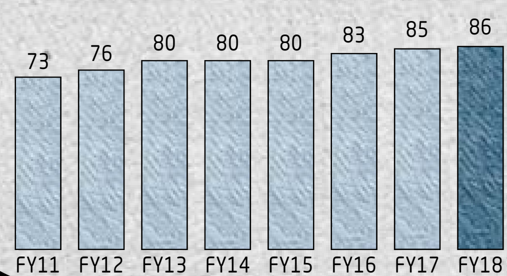
> our stringent quality measures and the rigor of implementation ensure we deliver the same high standards of care in all our hospitals.

The Apollo Standards of Clinical Care (TASCC) embodies standardization of processes and outcomes for clinical excellence and patient safety, across all the Group hospitals irrespective of their location and size. TASCC was first implemented in January 2012.

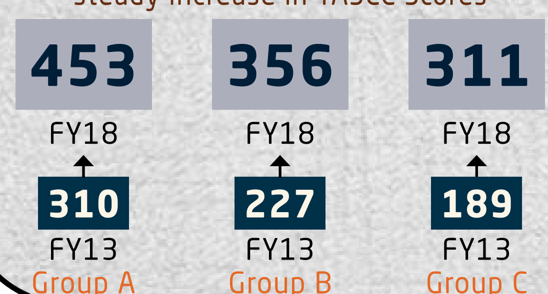
TASCC components

- Apollo Clinical Excellence dashboards (ACE 1 and ACE 2)
- Apollo Quality Program (AQP)
- Apollo Mortality Review (AMR)
- Apollo Incident Reporting System (AIRS)
- Apollo Critical Policies Plans and Procedures (ACPPP)

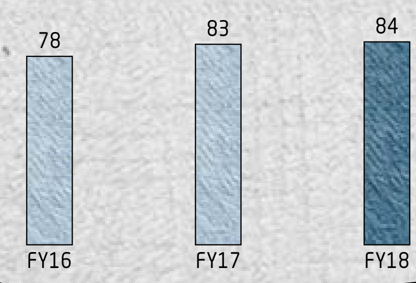
Group Annual Average - ACE 1 Score*



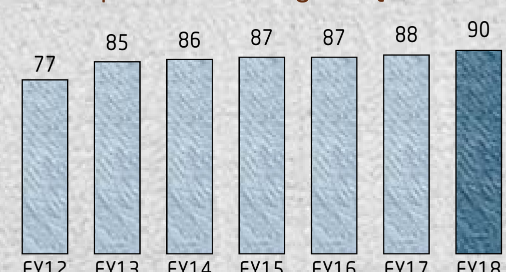
steady increase in TASCC Scores



Group Annual Average - ACE 2 Score*



Group Annual Average - AQP Score



* Based on a scoring scale

ACE 1

- ACE 1 has been published as a case study by the Ivy School of Business, Canada.
- ACE 1 won the FICCI Healthcare Excellence Award 2011 in the category of "Best Initiatives Addressing Healthcare Industry Issues".

ACE 1 is a balanced clinical scorecard clinical incorporating 25 clinical parameters. Data is archived monthly for future analysis. All data captured from 2008 resides in the archive. Regular monitoring of data under ACE 1, shows evidence of improving clinical outcomes.

The Group is the first corporate hospital to start benchmarking and monitoring outcomes since 2005. It is also the first to start publishing the data in the Apollo Excellence Report starting 2009.

ACE 2.0

ACE 1 has undergone continuous improvement from time to time and 4 revisions have been made during the years 2011, 2013, 2015 and 2017 leading to the creation of ACE 2.

5 new parameters were added in 2017, replacing 5 others:

- Acute Myocardial Infarction (AMI) Mortality Rate – Cardiology
- ALOS for stroke cases in ICU - Neurology
- ALOS for large bowel resection - Oncology
- One Year Survival Rate for Liver Transplant
- One Year Survival Rate for Kidney Transplant.

Benchmarks were also revised in 5 parameters:

- Complication Rate TKR
- Readmission Rate post Renal Transplant within 30 days
- ALOS post Renal Transplant
- ALOS post THR
- ALOS post TKR

stamp of excellence

JCI

8

hospitals

The Joint Commission International Accreditation (JCI) and its Gold Seal of Approval is the gold standard in quality and patient safety. Achieving JCI accreditation has a profound impact on a hospital's care delivery and outcomes. There are 2024 measurable outcomes for JCI accreditation. This year our flagship hospital at Greams Road, Chennai, achieved a compliance rate better than six-sigma with just one partial non-compliance out of 2024. Our Hyderabad facility had just 2 partial non-compliances.

NABH

19

hospitals

National Accreditation Board for Hospitals & Healthcare Providers (NABH) is a constituent board of the Quality Council of India, set up to establish and operate accreditation programmes for healthcare organizations. The board is structured to cater to the much desired needs of consumers and to set benchmarks for progress of the health industry.

In the NABH assessment, our Children's Facility in Chennai achieved 100% compliance.

award

The Lions Humanitarian Award—the highest honour of the Lions Club International Foundation that is given to an individual or organization for rendering exemplary humanitarian efforts—was presented to Chairman Dr. Prathap C Reddy for his unparalleled efforts in making international standards of healthcare accessible and affordable to millions across India and around the world. The prestigious award was conferred upon him by the Hon'ble Minister of State for Health & Family Welfare – Shri. Ashwini Kumar Choubey in New Delhi. Dr. Reddy is only the fifth Indian and the second medical doctor to be bestowed this honor.

hospital awards

- Times research conducted a survey of healthcare institutions across multiple platforms to arrive at a list of Top Super Specialty Hospitals. The survey ranked Apollo as India's No. 1 Multi-Specialty Hospital in India.

- Apollo Health City, Hyderabad, won the coveted National Tourism Award for "Best Medical Tourism Facility", for the fourth time.

- Apollo Hospitals, Navi Mumbai, is now the 1st JCI accredited hospital in Navi Mumbai.

- Apollo Munich Health Insurance, was conferred with the 21st Asia Insurance Industry Awards in the "General Insurance Company of the Year" category. We are the first standalone health insurer in Asia-Pacific region to win this award.

- In the WEEK-Nielsen Best Hospital Survey, 2017, three facilities (Chennai, Kolkata and Ahmedabad) were chosen among the Best Private Hospitals in India – the most by any single healthcare group in the country. Hospitals at Kolkata, Chennai, and Bengaluru were rated as the number one facility in their respective cities while Ahmedabad was ranked 3rd in the West Zone.

- Apollo Hospitals won ASSOCHAM's India-Africa Champion at the Biz Awards 2017 for its outstanding contribution to Africa's Healthcare sector.

- At the TV5 Business Leader Awards 2017, Dr. Prathap C. Reddy was conferred the 'Lifetime Achievement Award'.

- At the Times Health Icon Award 2018, Apollo Hospitals was ranked first as 'Hub for Medical Tourism'

WE OFFER DIFFERENTIATED PATIENT CARE ACROSS OUR FACILITIES

excellence in clinical services

we have earned consumer trust by delivering priceless, uncompromised and need-specific clinical services to our patients.

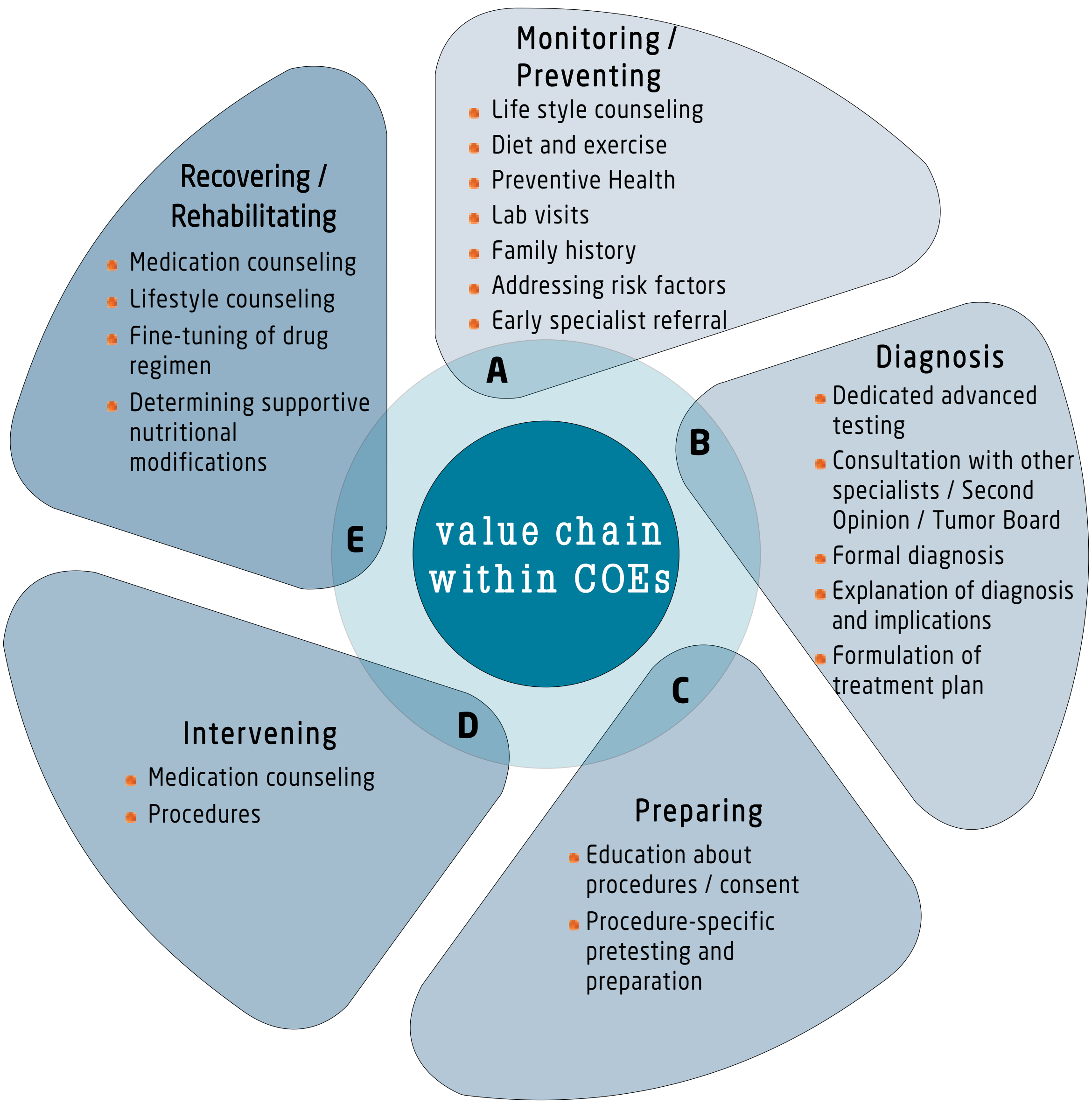
in many life changing instances, the procedures and processes used by our specialist teams are rare, incomparable and non-substitutable.

clinical differentiation, the hallmark of Apollo Hospitals, starts with clinical expertise—the chief reason why a patient comes to us. we hire world class trained clinicians and provide them state-of-the-art infrastructure in our centres of excellence (COEs) so that they can deliver the best care possible to the patient.

We engage with our clinicians– the bedrock of our work – in a thoughtful way, so as to be able to attract and retain the best talent. We fully align goals, and recognize stellar performance.

Apollo's centres of excellence

we are fully committed to our stated strategy of enhanced focus on COEs — best-in-class institutes comparable to anywhere in the world



WE DON'T JUST TREAT HEART DISEASE. WE REVERSE IT.

specialties

- Cardiology
- Cardiac Surgery
- Paediatric Cardiology
- Paediatric Cardiac Surgery

~ 300 clinicians across the network

10,000+ heart surgeries (FY18)

Consistent performance year after year

FY18 performance

18% of net in-patient revenue at Group level

Even though we perform the most complex Heart Transplants, Angioplasties and Bypass Surgeries, we also know how to prevent them.

#ActBeforeTheAttack

expertise

- Minimally Invasive Coronary Artery Surgery
- Heart Transplants
- Trans-aortic valve replacements
- Percutaneous valve interventions

technology

- Heart failure assist devices
- 320 slice CT that gives 640 slice view of the heart
- First Bi-Plane interventional cathlab suite - Chennai
- Intravascular Ultrasound

Clinical Differentiator

- First biplane interventional cath lab suite-Philips Allura Clarity 20/15 –Greams Road, Chennai

CLINICAL INNOVATION

Partnership with Microsoft to deploy Artificial Intelligence and machine learning models to predict patient risk for heart disease. This is a Predictive Cardio innovation which can assist doctors with treatment plans.

India Specific Heart Risk Score - to better predict cardiac diseases (Apollo-Microsoft Heart Risk Score)

Algorithm build using more than 500k patient records– future prediction of cardiac disease (5-10 yrs) with ~90% accuracy

India's First Minimally Invasive - Hybrid Revascularization procedure Performed – Chennai

India's First - Hybrid Transcutaneous Mitral Valve – Chennai

India's First Mycotic Aneurysm of Aortic Stent Graft with Tuberculosis and Aortic Reconstruction – Chennai

CASE STUDY

A 11-month old Down's syndrome baby, needed urgent open-heart surgery. He had a hole in the heart and his trachea was so narrow, it was only pin-hole size. The baby had remained intubated on a ventilator for 28 days in Oman as they were not equipped to handle such a case.

Congenital Tracheal Stenosis is a rare airway anomaly and is life-threatening. It is commonly underdiagnosed in neonates and infants and often associated with congenital heart defects. Surgery would require the support of advanced sub-specialties under one roof. The repair had to be perfect and slick given the baby's narrow wind pipe and other complications. He was air-lifted to Apollo Children's Hospital, Chennai, where the multi-disciplinary team swung into action. Hurdles included shifting the baby to the OT, on to the heart-lung machine without arrest, the small endotracheal tube, repeated bleeding blocking the airway, and severe pulmonary hypertension. It was a complex tracheal surgery and the airway was turbulent post-op. But the pediatric super specialists dealt with the complexities and successfully carried out the repair in record time.

RANKING

Times of India All India Health Survey 2018

1st Apollo Hospitals, Chennai

3rd Apollo Hospitals, Delhi

The Week – Nielsen Survey 2017

Apollo Hospitals, Chennai

3rd Amongst all corporate hospitals

Apollo HOSPITALS INSTITUTES OF ORTHOPAEDICS

REGROW YOUR CELLS. REBUILD YOUR LIFE.

specialties

- Adult
- Paediatric
- Arthroplasty
- Spine surgery

~ 250 clinicians across the network

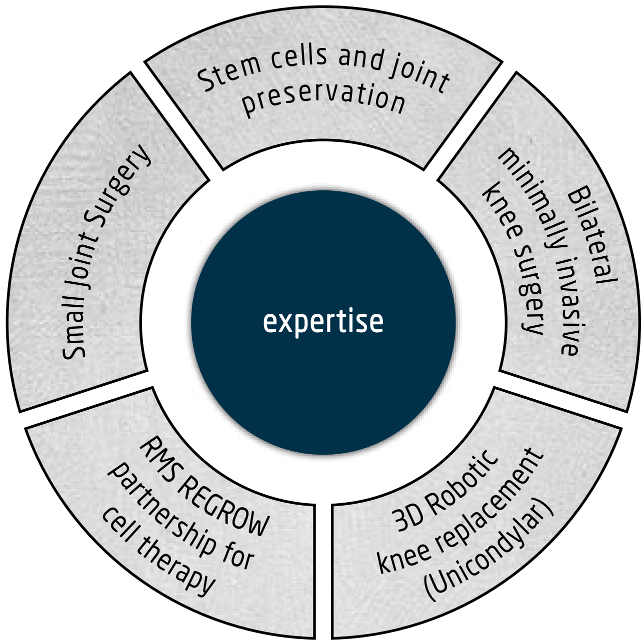
6,500+ joint replacements (FY18)

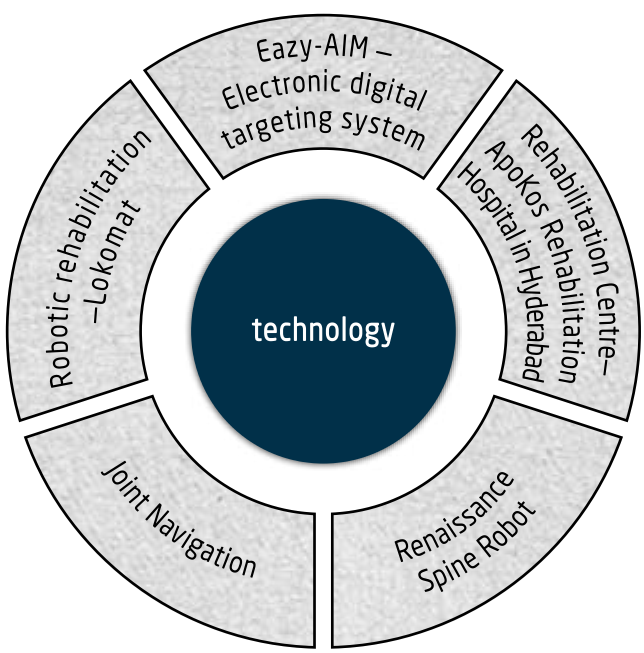
FY18 performance

9% of net IP revenue at Group level

REGROW

A new regenerative cell therapy — a revolutionary treatment for knee & hip problems.





CLINICAL INNOVATION

Left Total Hip Replacement of fractured neck of femur in a 7'4" individual weighing about 164 kgs, performed using special operating table and implants

Minimally invasive (percutaneous) fixation of spine with pedical screw and inter-body fusion done without any blood loss - Delhi

Successful Oxford Unicondylar Knee Replacement-Delhi

First fast track Knee Replacement surgery - Chennai

Day Care Micro Discectomy-First in Central India

Clinical Differentiators

- Minimally invasive (percutaneous) fixation of spine with pedical screw and inter-body fusion
- 3D Robotic knee replacement (Unicondylar)

CASE STUDY

A 55 year-old, obese (100 kg) lady from Congo came in a wheelchair bound state with severe back pain because of grave destruction of L2-L3 vertebrae. The Minimally Invasive fixation of the spine with pedical screw and inter-body fusion was done without any blood loss. She was up and about immediately after surgery and became totally pain free. (Conventional surgery would have resulted in a large open wound, multiple blood transfusions and delayed recovery).

The Week – Nielsen Survey 2017

RANKING

Apollo Hospitals, Chennai

1st Ranking amongst all corporate hospitals

2nd Overall Ranking

INSTITUTES OF NEUROSCIENCES

TIMELY INTERVENTIONS THAT MAKE THE DIFFERENCE

specialties
- Neurology
- Neurosurgery
- Paediatric Neurology
- Neurophysiology
- Interventional Neuroradiology

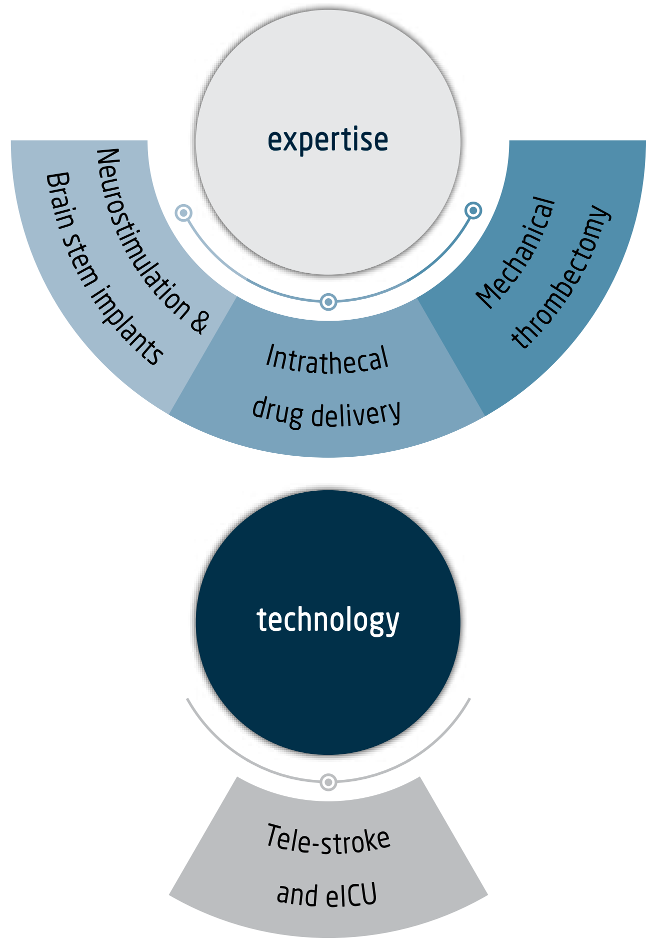
~ 200
clinicians across the network

14,000+
neurosurgeries (FY18)

Consistent performance year after year

FY18 performance

11%
of net IP revenue at Group level



Clinical Differentiator
- Neuro navigation guided MIBS for deep seated ICH done successfully – Apollo Guwahati (First time in North East India)

Right Doctors
Right Treatment
Right time
for the best outcome.

CLINICAL INNOVATION

- Leaders in Deep Brain Stimulation surgery for movement disorders
- Neuro navigation guided MIBS for deep seated ICH done successfully - Guwahati (First time at NE India)
- Endovascular mechanical thrombectomy, a rare procedure performed for intra-arterial clot in left NCA stroke patients - Indore
- Customized implant cranioplasty - Indore

CASE STUDY

A 33 year-old came into emergency with progressive weakness of all four limbs. He was unable to sit up on his own and was on nasogastric feed. He was developing pneumonitis. MRI of the brain showed Hemangioblastoma in the medulla. Surgery involved total resection; a tracheostomy was done immediately after tumour resection to protect the patient from aspiration pneumonia. The postoperative CT scan did not show any residual tumour. The patient gradually recovered, getting back his swallowing and the use of his limbs. Direct brainstem operation is very rare in medical practice and needs excellent infrastructure and surgical team.

RANKING

Times of India All India Health Survey 2018

- 1st Apollo Hospitals, Chennai
- 2nd Apollo Hospitals, Delhi

The Week – Nielsen Survey 2017

Apollo Hospitals, Chennai

1st Ranking amongst all corporate hospitals

Apollo Hospitals, Bengaluru

4th Ranking amongst all corporate hospitals

Apollo HOSPITALS | 24 hours EMERGENCY

APOLLO NEVER SLEEPS

round the clock cardio, neuro, gastro, and trauma specialties

66 Emergency Centres Of Excellence

66 Emergency Rooms

150 ambulances pan India

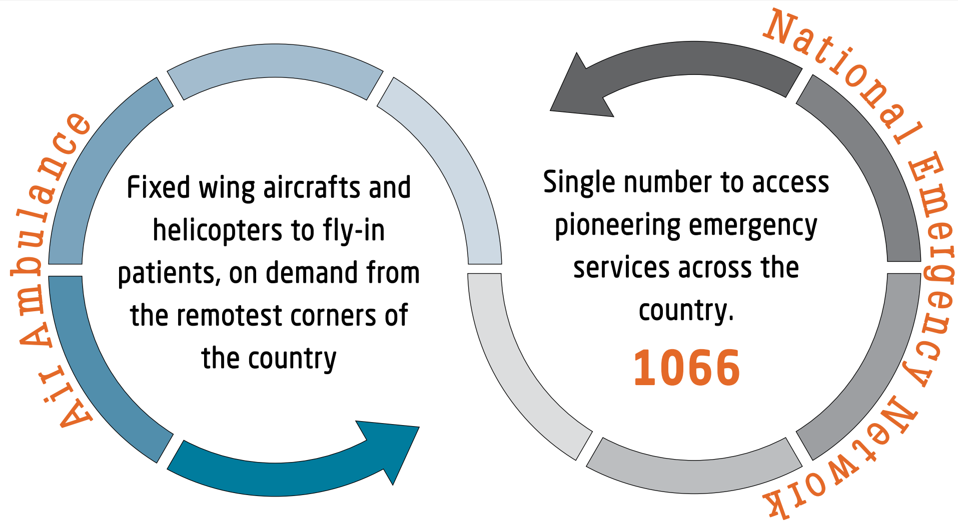
500+ calls daily

- <10 minutes to pick-up
- 1,000-1,500 Monthly pick-ups
- 2,00,000+ emergency footfalls annually
- 5,00,000+ calls served in 10+ years

expertise

- Golden Hour concept for early management of stroke – Code Fast Protocol
- ReSQCPR system
- Standardized pathways
- Acute MI management – primary angioplasty
- Stroke management
- Trauma management
- Sepsis management
- Extensive ambulance network with GPS and ECG monitoring

technology



CASE STUDY

A very young girl child was brought to the Emergency Room in Apollo Children's Hospital in a highly critical condition with severe brain injury and other minor fractures and injuries in her body, after a man fell on top of her from the second floor of an apartment building.

The high-impact concussion resulted in the child's brain becoming rapidly swollen and, despite instituting the highest levels of neuro-protective care in the Pediatric ICU, the brain swelling progressed (malignant cerebral edema). The restrictive effect of the surrounding bony skull against the swollen brain resulted in a dangerously high brain pressure, known as elevated intracranial pressure (ICP). Uncontrolled high ICP levels can result in the brain "herniating"/ squeezing right out of the skull, thus damaging many vital centres which sustain life, such as centres that control breathing and circulation. Brain herniation is a near-terminal condition that if unreversed, usually results in a state known as "brain-death". Therefore, if medical treatment doesn't help to normalize ICP, doctors must quickly institute the next level of surgical treatment, which is emergency decompressive craniectomy. This is a life and brain-saving surgery, where experienced neurosurgeons remove parts of the skull bone, thus permitting the swollen brain to expand without the constricting effect of the skull. This was the exact sequence in Dhanyashri's neuroprotective care. The PICU team and the Neurosurgeon decided that emergency decompression was the only way to save the little girl. It was performed 48 hours after admission, when the ICP was at its peak. In a few days, her neurological function improved well and she was weaned from the ventilator and other PICU therapies. The young child was gifted a new lease of life.

RANKING

Times of India All India Health Survey 2018

1st Apollo Hospitals, Chennai

2nd Apollo Hospitals, Delhi

OUTSMART CANCER

specialties
- Medical
- Radiation
- Surgery
- Paediatric Oncology
- BMT

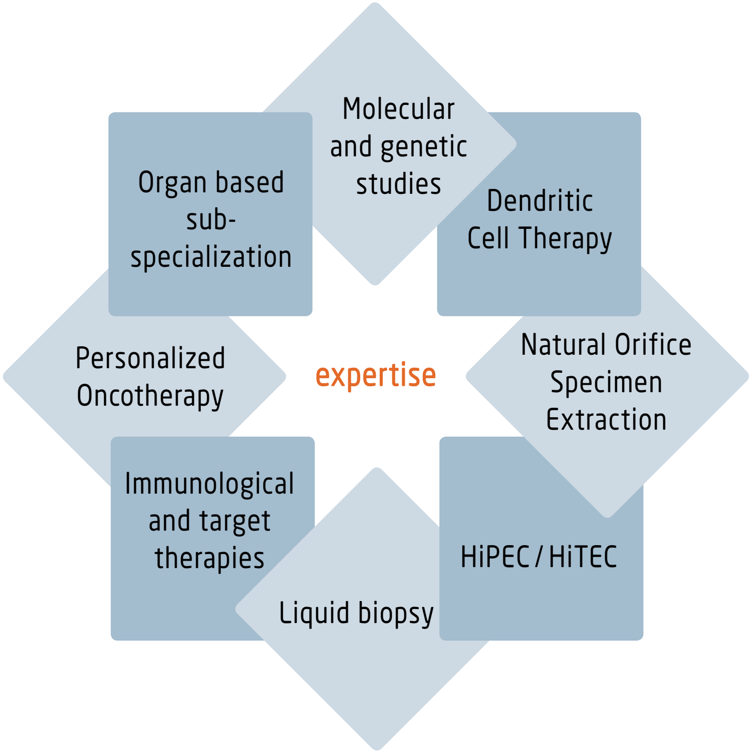
~ 180
clinicians across the network

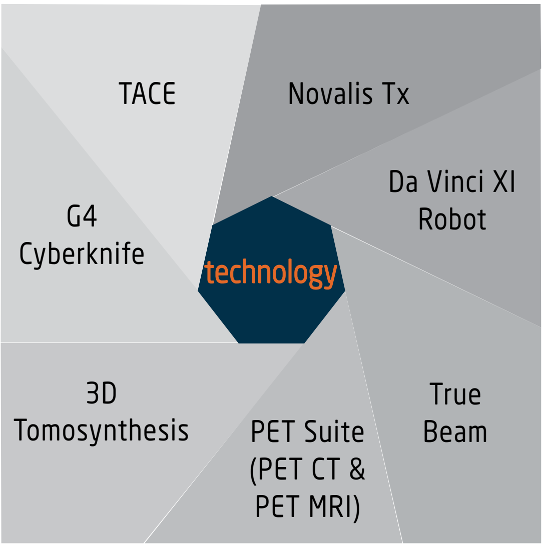
1,000+
BMTs
(since inception)

FY18 performance

9%
of net IP revenue at Group level

We have launched the Apollo online expert opinion service for Oncology, which will provide convenient, affordable access to Tumour Board Experts within 24 hrs





CLINICAL INNOVATION

- Evidence based patient centric treatment options for the most frequently encountered cancers
- Cognitive computing that provides insights to oncologists to assist them while considering personalized treatment options

Stereotactic Body Radiation Therapy (SBRT) with temporary organ displacement - Delhi

Apollo expert opinion service
- Artificial Intelligence backed
- Personalized treatment plan service
- Generates treatment options for quick and easy response by experts
- Provides inexpensive access to Tumour Board Experts in 24 hrs

CASE STUDY

Vascular Schwannoma was diagnosed on a 43 year-old lady who came in with hearing loss and facial palsy. On evaluation she was found to have Jugular Foramen Mass Lesion. It was seen feeding from the occipital branch of the stylomastoid artery. The patient underwent combined middle fossa and petrosectomy and excision of the lesion. Histopathology showed Jugular Schwannoma, which was successfully treated.

Clinical Differentiators

- Stereotactic Body Radiation Therapy with temporary organ displacement – Apollo Delhi

RANKING

Times of India All India Health Survey 2018

- 1st Apollo Hospitals, Chennai
- 3rd Apollo Hospitals, Delhi

The Week – Nielsen Survey 2017

Apollo Hospitals, Chennai

1st Ranking amongst all corporate hospitals

An Oncology multi-disciplinary team comprising a Surgical Oncologist, Medical Oncologist, Radiation Oncologist, Radiologist, Pathologist and other organ specific specialists reviews the cases in the tumor board.

tumor board

Tumor boards are run at three levels:

- Organ specific tumor boards
- Unit level tumor board for complicated cases
- Group level tumor boards for cross learnings

Organ specific tumor boards are functional for most of the cancers - Breast Cancer, Gynecological Cancer, Head & Neck Cancer, Gastro-Intestinal cancer and Paediatric - Solid tumor cancer

The second level of discussion is for complicated cases. These are brought in together for a Unit Level Tumor board on a weekly basis on a fixed day and time every week.

In addition, Group level tumor board is functional where all the multi-disciplinary teams of all Oncology units of Apollo meet virtually and discuss difficult cases for cross learnings towards providing better clinical care. The meetings are held once a month.

If necessary, consultants resort to Artificial Intelligence systems during discussions to test the appropriateness of the treatment choices being made for the patient.

Tumor board recommendations are documented in the case files and discussed with the patients before decision making.

we tailor oncology-specific investments to match disease profile

In response to the growing burden of NCDs in India, of which cancer is a prime concern, we have established the Proton Beam Therapy Centre in Chennai.

proton cancer centre

South East Asia's first Proton Beam Therapy Centre will be commissioned in 2018, foisting India as one amongst very few nations in the world that offer this advanced cancer care. This initiative provides a treatment option which nearly 3 billion people in the world currently do not have.

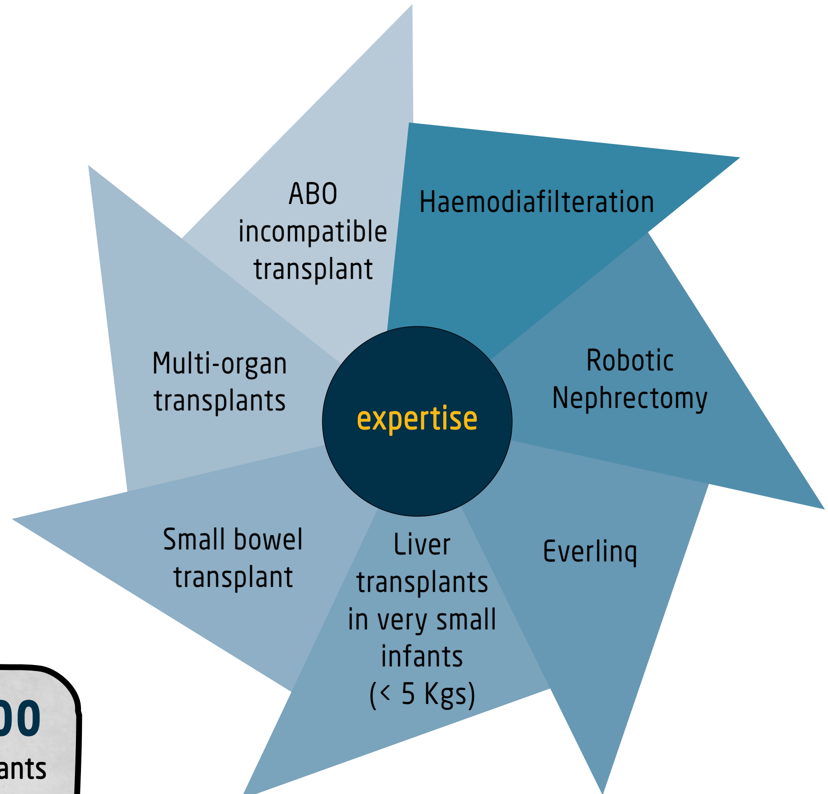
The Apollo Proton Cancer Centre will focus on organ-specific cancer management and have a dedicated expert oncology team. The Proton Beam Therapy provides an advanced radiation treatment option for the oncologists. The treatment provided is highly precise and the radiation is focused directly into the tumor, without causing any harm to the adjoining tissues. Tumours in difficult to access areas such as, in the head, neck, brain, pancreas and prostate can be targeted. Paediatric cancer patients will also benefit greatly from this technology.

The centre will also identify priority areas for research and development.

WORLD'S BUSIEST SOLID ORGAN TRANSPLANT PROGRAM

sub-specialties

- Kidney
- Liver
- Heart
- Lung
- Pancreas
- Intestine
- Heart + Lung
- Kidney + Pancreas



~35 transplant surgeons across the network

1,500 transplants (FY18)

904 kidney transplants

331 liver transplants

A new lease of life

CASE STUDY #1

A combined liver transplant and open heart surgery was performed on a 5 year-old with Alagille Syndrome (AS). It is an autosomal dominant disorder associated with abnormalities of the liver, heart, skeleton, eye, and kidneys and a characteristic facial appearance. The procedure was done by a multidisciplinary team involving about 10 medical specialties and about 20 specialist doctors.

Clinical Differentiators

- Crossed 18,000 solid organ transplants since inception
- Successfully treated a rare case of Citrullinaemia by performing liver transplant – Apollo Mumbai

CLINICAL INNOVATION

Apollo Hospitals performs Asia's first simultaneous Kidney-Pancreas transplant - Chennai

Successful treatment of a rare case of Citrullinaemia by performing Liver Transplant - Mumbai

Liver Transplants in three babies weighing less than 4.5 kgs - Delhi

Use of OrganOx Metra which can keep a liver 'alive' for up to 24 hours after donation - Mumbai (first in Asia)

CASE STUDY #2

A young boy from Gujarat, severely malnourished and weighing only 4 kgs, came to us with symptoms of jaundice and severe abdominal distension. He was evaluated and diagnosed with extrahepatic biliary atresia – a congenital disease of the liver in which one or more bile ducts are abnormally narrow, blocked or absent. This condition causes inability of the liver to excrete bilirubin through the bile ducts leading to jaundice and if left untreated, will lead to end stage liver disease. The boy had developed jaundice at birth with gradual distension of the abdomen and came to the hospital with end stage liver disease. He was emaciated and was therefore optimized prior to surgery with ryles tube feedings. His father donated part of his liver to him. Our liver transplant team performed the surgery – a challenging and complex one, as his vessels were not just very small but also blocked. He underwent vessel repair of the portal vein which supplies blood to the liver. Multiple shunts which had developed due to cirrhosis were also ligated to maintain the portal flow to the liver. The donor liver was large and was tailored to a size that would comfortably fit into the baby's small abdomen. The efforts of the pediatric hepatology team and the surgical team (in optimizing the baby prior to surgery), combined with excellent post-operative care, successfully gave the boy a new lease of life.

Clinical outcomes are an indicator of clinical excellence which is central to the successful performance of any healthcare organization. It cannot be emphasized enough that clinical excellence is the most vital and differentiating factor for people to choose their hospital. Clinical Excellence is a synthesis of affordable and effective care; usage of evidence based methods of treatment; efficiency; patient safety; and a patient centric approach leading to quick recovery, short stay in the hospital and early return to work.

The digitally savvy young India is an empowered consumer—a generation that is falling ill at an increasingly younger age due to genetic and environmental risks. Three significant trends emerge from this patient demographic. One, there is more emphasis on outcomes based healthcare. Two, there is strong inclination towards wellness and preventive health measures. And three, there is growing belief that empowered and personalized healthcare will generate better outcomes.

Our outcomes have been benchmarked against published results of world renowned institutions like Cleveland Clinic, Mayo Clinic, National Healthcare Safety Network, AHRQ US, NY State Department of Health, National Kidney Foundation, University of California and the US National Average. We have been publishing validated clinical outcomes on our website since 2015. We believe patients should be empowered with knowledge so as to be able to make informed choices about their healthcare provider. They can do this when data is available to them and there is transparency about outcomes.

2% is the global benchmark for post-coronary complication rate set by Cleveland Clinic. 0.19% is the complication rate achieved by Apollo Hospitals in FY17-18. We perform over 10,000 cardiac surgeries a year—a big universe within which we achieve these results.

superior outcomes in our centres of excellence

HEART

Parameter	Benchmark	Reference	Average Outcome (2017-18)	Best Outcome (2017-18)
CABG Mortality rate	0.60%	Cleveland Clinic	0.74%	0% (Hyderabad)
Complication rate post coronary intervention	2%	Cleveland Clinic	0.19%	0% (Chennai, Hyderabad)
ALOS post angioplasty	2.5 days	US National average 2011	2.61 days	2.39 days (Bangalore)

CANCER

Parameter	Benchmark	Reference	Best Outcome (2017-18)
% of major complications following radiotherapy	<1%	RTOG	0.00 (Ahmedabad, Bangalore, Delhi, Hyderabad)
Mortality rate in bone marrow transplant (BMT) Autologous	2.40%	Mayo Clinic, Minnesota	0.00 (Ahmedabad, Bangalore, Hyderabad)

ORTHO

Parameter	Benchmark	Reference	Average Outcome (2017-18)	Best Outcome (2017-18)
ALOS Post THR	3.3 days	Agency for Healthcare Research and Quality US 2010	4.07	3.54 days (Kolkata)
ALOS Post TKR	3.3 days	Agency for Healthcare Research and Quality US 2010	4.16	3.31 days (Kolkata)
Complication rate TKR	0.83%	Abbott Northwestern Hospital	0	0% (Delhi, Ahmedabad, Bangalore & Chennai)

NEURO

Parameter	Benchmark	Reference	Average Outcome (2017-18)	Best Outcome (2017-18)
Door to CT/MRI time in Stroke in ER	45 min	Internal Apollo	32.81 min	24.58 min (Hyderabad)
ALOS post microdisectomy	3 days	University of California	2.57 days	1.69 days (Chennai)

TRANSPLANT

Parameter	Benchmark	Reference	Average Outcome (2017-18)	Best Outcome (2017-18)
CABG Mortality rate	0.60%	Cleveland Clinic	0.74%	0% (Hyderabad)
Complication rate post coronary intervention	2%	Cleveland Clinic	0.19%	0% (Chennai, Hyderabad)
ALOS post angioplasty	2.5 days	US National average 2011	2.61 days	2.39 days (Bangalore)
ALOS post angioplasty	2.5 days	US National average 2011	2.61 days	2.39 days (Bangalore)

Parameter	Benchmark	2015-16	2016-17	2017-18
Door to CT or MRI time (minutes) in stroke in ER	45*	33.36	31.75	32.81
Catheter Related Blood Stream Infection (CR-BSI) per 1000 central line days	1**	0.92	0.99	0.82
Ventilator Associated Pneumonia (VAP) per 1000 ventilator days	0.9**	1.59	1.49	0.73
Catheter related UTI (CR-UTI) per 1000 catheter days	2**	0.77	0.81	0.86

our commitment to our patients extends beyond the treatment.

Apollo cancer registry

Retrospective analysis of Breast Cancer patients has highlighted the excellent clinical care provided in our hospitals and associated outcomes. Data and initial analysis suggest 5-year survival rates to be more than 97% for breast cancer patients.

An in-house Apollo Cancer Registry has been started at Apollo Cancer Institute, Teynampet, for Breast Cancer, Prostate Cancer, Head & Neck Cancer, Neuro-oncology and Colon Cancer. More than 150 demographic and clinical variables are captured for each of the cancers. The Registry provides a retrospective analysis of the outcomes and survival rates for prior patients.

Data from the Registry is useful for planning, strategizing, resource allocation, maintaining clinical excellence, and developing clinical programs. The Registry also provides overall survival rates of different types of cancers, outcomes of the disease as such, and the outcomes of the disease when modified by different treatment plans.

The Registry is open to all patients. Each patient is tracked for recurrence, metastasis, up-staging disease, down-staging disease, progression-free survival and overall survival.

* Internal Apollo. ** NHSN 2012.

WE ARE RESPONSIVE TO OUR PATIENTS' NEEDS

our holistic approach to care goes beyond mere treatment. it is personalized according to patient needs. we do not cut corners or make compromises in the treatment options. we conciously leverage cutting-edge technology and provide superior quality care comparable to the best centres in the world, at significantly lower costs.

the whole is greater than the sum of the parts

There is genuine intrinsic value in healthcare services—much greater than the cost of inputs, drugs and consumables. A multi-specialty quarternary care hospital requires more than just an adequate supplies of stents, gloves and sutures to perform a surgery. It takes a surgeon of great skill and experience, one who has invested years in perfecting his work; an army of medical support staff – nurses, technicians, radiologists, and anaesthetists; support departments like bio-medical engineering, maintenance, housekeeping, F&B, and patient services, to ensure that the hospital is safe and the patient, well taken care of. All in all, a complex undertaking and responsibility. However, service pricing has traditionally not been done in the healthcare sector. Service elements are not itemized but recovered as part of total procedure cost. We are proud to now transition to packaged pricing for our services, as we believe that transparent pricing is the best way to articulate the value we provide – uncompromised and differentiated quality of care for our patients.

we focus on wellness, not illness

preventive health

Preventive Health, we believe, is a key feature of wellness. One of our value offerings in putting #YouFirst, we have consistently emphasized this aspect as an important patient offering in our healthcare delivery chain. According to WHO, Non-Communicable Diseases (NCDs) – diabetes, cardiac diseases, respiratory disorders, and cancer, account for nearly 60% of deaths in India; specifically, 26% of deaths in the 30 to 70 age group. But NCD related deaths are preventable. We offer comprehensive 'preventive' health packages that can diagnose and prevent the threat of NCDs and safeguard the health of our people. One does not have to succumb to a stroke, diabetes, or increasingly, even to cancer. Health can be protected and healthcare made affordable by simply catching disease early. This is the value we bring to our patients through our preventive health programs.

> we believe life is priceless and healthy living, a must for individuals. our retail ecosystem makes it easy for you to manage your lifestyle and embrace wellness.

We have built a well-networked eco-system with several consumer touchpoints and formats offering complete ease of access to our patients whatever be their need. These include neighborhood clinics, day surgery centres, women and child centres, diagnostics centres, dental centres, and sugar clinics, all of which help to improve access and keep the consumer out of the hospital except for acute secondary or tertiary care needs.

superior nursing

we have launched many new initiatives to optimize efficiency and allow nurses to focus on patient needs rather than be distracted by non-core tasks.

globally benchmarked nursing indicators	20 nursing indicators that support clinical excellence and are critical to patient safety and outcomes were selected from the world's best organizations and implemented across the Group, contributing towards greater outcomes in COEs and giving the organization a competitive edge in clinical excellence.
standardization of basic standard operating procedures (SOP)	65 basic SOPs have been created in collaboration with nursing heads across the Group and are institutionalised. We focus on evidence-based best practices to support patient safety.
communication scripts	65 important patient touch points have been identified and scripts created for standardizing communication with patients.
safety devices	We have procured simple gadgets like Self Retracting Lancets that support nursing staff safety.
war on waste & operations	Nurses worked on six sigma green belt projects to enable cost reduction, elimination of waste and improve operational processes aligned to patient care and satisfaction.
EMR & e-MAR	Digital Nursing and eMAR are being piloted in a few key locations. Successful adoption will eliminate the transcription process for nurses, saving time and to a large extent even medication errors.
PORTZO	The Uber based Porter Management System by ICEGEN Solutions addresses delays and improves response times when patients request wheel chairs and trolleys. After a pilot in Delhi, it is now being tested at Chennai.

Apollo homecare

keeping your convenience in mind and putting #YouFirst in all that we do, we have expanded our homecare footprint and offerings. with unique treatment options, Apollo homecare delivers clinical excellence with compassion and care within the comfort of the patients' home.

Apollo HomeCare is now present in 5 cities—Hyderabad, Chennai, Delhi, Bangalore, and Kolkata, and has touched over 60,000 lives in the community. The team has handled over 350,000 patient care episodes and is acknowledged as a leader in clinical excellence driven, skilled home-healthcare services. With over 750 professional home healthcare providers, the team has grown rapidly in a short time.

In 2017, we introduced COE-based partnership programs to facilitate post-discharge care for patients undergoing procedures like knee and hip replacements and cardiac surgeries. Apollo HomeCare has also established itself as a leader in the space of post-delivery maternal and baby care services through the Nest Care Program. We have also launched professional 'End of Life' care services at home for terminally ill patients, particularly in cases of advanced malignancy.

We have been able to demonstrate improvement in Activities of Daily Living in over 60% of cases, reduction in re-hospitalization rates in pulmonary disease cases, and reduction in the incidence of falls at home of elderly patients using our protocol-driven approach. We have also been able to demonstrate effective reduction in costs for patients who need long-term care like those on tracheostomy.

Apollo HomeCare has also been able to establish the concept of a professional Travel Nurse for the first time in India, thereby addressing the needs of quite a few families who need to travel with a small child or elderly parents.

diagnostic services

molecular diagnostics

in developing our service offerings, we resolutely expand, improve and perfect our suite of services to provide insightful diagnostic results to help our clinicians deliver differentiated outcomes.

Molecular diagnostics is one of the fastest growing areas of laboratory medicine. Developments in this area are propelled by improvements in technology and the availability of large, carefully documented study populations that establish the utility of genetic markers of disease. The molecular diagnostics laboratory at Apollo, Chennai is a centralized facility, catering to testing requirements for infectious diseases, oncology, molecular pathology and transplantation. The laboratory is well-equipped with adequate instrumentation and uses approved and clinically validated reagents and workflows handled by trained professionals.

Rapid diagnostic testing for tuberculosis and drug resistance profiling ensures appropriate treatment selection. Tests for surveillance and monitoring of resistance to specific groups of antibiotics are routinely carried out in the lab which is also licensed to carry out testing of pathogens like H1N1.

Services for Transplantation include low and high resolution HLA typing, pre-transplantation screening and post-transplantation monitoring of donor-specific antibodies. Bone marrow transplantation monitoring for engraftment by donor chimerism analysis and titration of immuno-suppression using viral markers has ensured better titration to improve patient outcomes. Specialized tests are also carried out for clinical decisions in solid organ transplants.

Personalized medicine for cancer, also known as individualised, stratified or precision medicine, is now a way of life. Molecular testing for genetic markers and signatures has become standard of care and mandatory for clinical decision making in most malignancies. These help in establishing diagnosis, identifying druggable targets for precision medicine, therapeutic monitoring and stratifying the prognosis. Reliable and accurate testing with stringent quality practices ensures better patient outcomes.

laboratory services

The sophisticated and advanced laboratory service, performs a wide range of investigations for diagnosis and patient care with an emphasis on high reproducibility, accuracy and prompt reporting. The team consists of laboratory scientists, pathologists, haematologists, microbiologists, biochemists and other laboratory personnel, including technologists and laboratory assistants who work seamlessly in consort. The services provide exemplary data for primary diagnosis for both inpatients and out-patients.

The laboratory in Chennai consists functionally of eight major divisions.

Haematology & Clinical Pathology

~45,000
samples / month

~1,100
bone marrow aspirates reviewed & reported*

This division offers 24 hour service for both routine and some specialized tests.

Histopathology & Cytopathology

>30,000
histopathology cases*

1,500
fine needle aspirates*

>36,000
gynecological & non-gynecological specimens*

Involved in the different areas of diagnostic surgical pathology. Performs immunohistochemistry to fine tune histological diagnosis, for greater accuracy, and for some diagnostic and therapeutic markers.

Tissue Typing & Immunopathology

~800
tissue typings

400
HLA crossmatches*

>1,500
samples for autoimmune disease diagnosis

Performs different types of tests for the diagnosis of auto-immune diseases. A 24-hour emergency on-call is available for cadaveric renal transplantation cross matching.

Medical Biochemistry

~25,00,000
tests*

Routine and special tests are carried out including estimations of hormones, drugs and vitamins analysis using Chemiluminescence, ELISA and HPLC methods.

Blood Bank & Immunohaematology

Accepts blood from only voluntary blood donors, and friends and relatives of patients. Provides safe and compatible blood after screening, grouping, typing, & compatibility checking.

Medical Genetics

Specializes in genetic evaluation, diagnosis, and counseling for individuals of all ages and their family members.

Medical Microbiology

>200,000
test sample load*

Includes bacteriology, serology and basic virology and performs a host of diagnostic services. The department is part of the hospital infection control programme.

Centralized Molecular Diagnostic Laboratory

Focuses on the use of technologies—in-situ hybridization, polymerase chain reaction, and genomic sequencing with varying levels of multiplexing for pathogen detection and genomic profiling of disease, and molecular testing.

* Numbers per annum.

we build patient enabling platforms to foster patient engagement

dial 30

In order to increase nursing bandwidth for pure clinical work, a unique solution has been developed to capture all non-medical requests from patients and attenders. Around 5,000 requests are built into the system with TAT & auto-escalation pathways. This increases effeciency as the operations team is able to capture all requests before they become a complaint. The initiative has been launched in 15 hospitals and generates more than 1 lakh requests per month.

apollo instant feedback system

Capturing out-patient feedback has always been a challenge in the healthcare system. The user friendly Apollo Instant Feedback System captures feedback at the moment of service through 200 or more android devices placed conveniently in easy-to-access locations across the hospital network.

centralized post-discharge calling

All patients are contacted 72 hours post discharge to get transparent and unbiased feedback which can facilitate continuous service improvements and innovation. This is a continuum of care initiative. All calls are recorded basis severity and directed to the relevant units for proper action and service recovery.

external survey on customer experience

Apollo partnered with Gallup to gauge Service Standards deployment in the units. The scope of the audit included Out-Patient Experience, Personalized Health Checks & Appointment Experience over the phone. Around 300 mystery shopper audits were also conducted. Feedback from the survey is being reviewed and acted upon.

24 hour phone line

This service, manned by the medical officer, addresses patient needs round the clock. When faced with a sudden illness or need for medical help, the consumer can get triage and trained clinical help. If necessary, the medical officer gets advise from the consultant.

We have partnered with Google India to launch a new feature in its search offering called 'Symptom Search'

concierge services

The concierge service provides clinically appropriate and comprehensive custom healthcare under one roof. The service is offered at the individual's preferred location and with a dedicated concierge to navigate the service flow.

video, telephone & email consults

It is sometimes difficult for patients to get a personal consultation with the doctor. Keeping #YouFirst in mind, we have provided the convenience of geography agnostic video calls which can be scheduled at a mutually suitable time for doctor and patient. Clinical evaluations are made based on patient history and care continuum records. Patients can also access consultants through telephone and email. These initiatives are particularly useful for patients from out of town as they can benefit from enhanced care continuum.

patients' financing solutions

Focusing on #YouFirst, we have made a financial investment in ImpactGuru.com and created a strategic partnership to help us offer an innovative, quick, and very cost effective patient financing solution—crowdfunding. ImpactGuru is now our preferred crowdfunding platform, and the service will be practically free for all Apollo patients as our goodwill initiative. We will also pioneer the matching of CSR funds from within the Group as well other organizations from outside along with the generosity of the crowd, as we are determined that no one should be denied access to quality care. ImpactGuru's crowdfunding platform has worked best with patients suffering from cancer, those needing organ transplant, paediatric cases, and emergencies. Contributions can be made from within the country or from overseas.

We have also introduced, for the first time in India, zero-interest EMI financing models for several selected procedures, through a tie-up with Bajaj FinServ. Apollo Hospitals will bear the financing costs under this scheme.

The Bajaj Finance Limited No Cost EMI initiative covers all elective procedures and 160+ non-elective procedures; patients from 1100+ locations are eligible for coverage. Registration, Consultation, Diagnostics, Pharmacy, and Hospitalization expenses can be financed. The loan for the treatment can be availed by the patient or the guardian.

- Dedicated relationship managers are present at major locations like Chennai, Hyderabad, Delhi, Kolkata, Mumbai, Bhubaneshwar, Nashik, etc.
- 2-3 static relationship executives are also present at each of the hospital premises depending upon patient movement
- Round the clock manpower support
- Customer activation is done both through online and offline mediums

remote healthcare

Ask Apollo enables online consultations, appointments, and report management, anytime anywhere

ask Apollo

Apollo Telemedicine is South Asia's largest telemedicine network which takes quality healthcare to remote destinations

Telemedicine

A state-of-the-art facility, eICU manages critical care centres in remote locations from expertly manned command centres

eICU

Innovative PPP model to manage 166 urban primary healthcare centres in Andrapradesh in completely paperless form

Electronic UPHC

150
Telemedicine Centres

166
Electronic Urban Primary Healthcare Centres

60,000
Rural Teleclinics

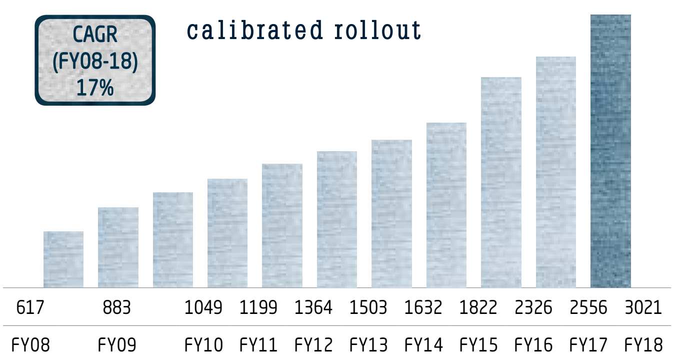
India's largest pharmacy retail chain

widest network of 3,021 stores contributing 38% of Group revenues

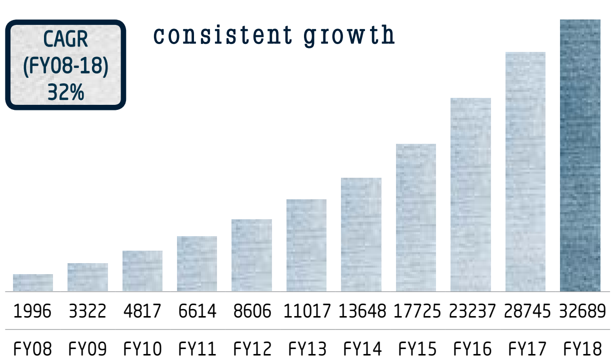
- Presence in 400+ cities in 20 states and 4 union teritorries
- Strong partnership with vendors nurtured over the last three decades
- Dedicated staff of about 19,000 people servicing customers 24/7
- Offers a wide range of medicines and surgical products, hospital consumables and over-the-counter products
- Own brand private labels (FMCG) constitute over 6% of FY18 turnover.

We set up pharmarcies as a response to patient needs. Today the business has grown into a significant one.

Number of Standalone Pharmacies



Financial Performance - Revenue (₹ Mio)



revenue

₹ 32,689 mio
FY18

17%
yoy growth

capital employed & return

₹ 7,834 mio
FY18

ROCE
>25%
Mature stores
Pre FY08 batch

Overall ROCE of 15% for entire business segment

EBITDA

₹ 1,479 mio
FY18

4.5%
yoy growth

EBITDA grew by 20%.
Mature stores **(pre FY10 batch)** EBITDA margin of **7.1%** in FY18

Source: Company audited financials and MIS reports

India's leading retail healthcare company

77 primary care clinics
~32,000 consultations/mth
~37,000 health checks/mth
~1,200 doctors

8 dialysis centers
~3,300 sessions/mth
~15 doctors
77 chairs

44 laboratories (includes HLM)
220 collection centers
~140,000 direct billings/mth
~240,000 internal billings/mth
~75 doctors
1,300 test-menu

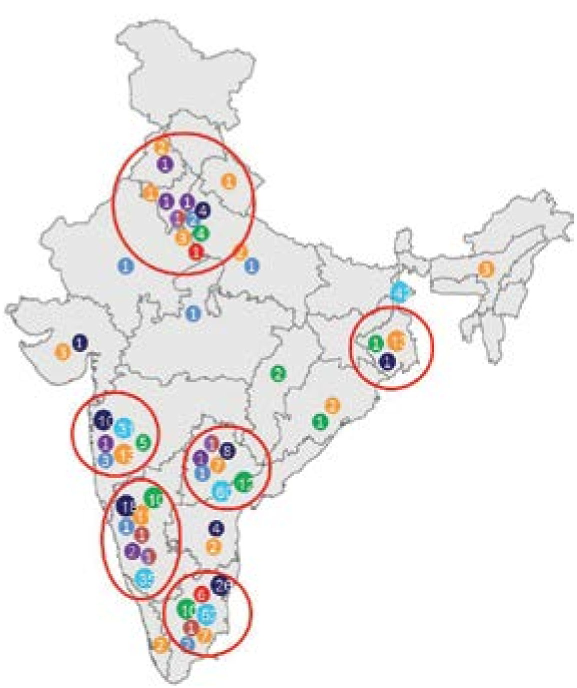
30 diabetic care centers
end-to-end care and management of diabetes & related complications
multi-disciplinary care team
~12,000 consultations/mth
~90 doctors and 27 dieticians

13 birthing centers
~10,000 consultations
~450 deliveries/mth
~900 NICU days/mth
~500 doctors
198 room beds
100 NICU/PICU beds

74 dental care centers
~3,500 sessions/mth
~300 doctors
159 chairs

12 surgery centers
~1,500 surgeries/mth
~750 doctors

5 clinic clusters developed around the Hospital footprint



Legend

Customer Touch Points	Count
Apollo Cradle	12
Apollo Spectra	12
Apollo Clinics	85
Apollo Diagnostics (Lab)	44
Apollo Diagnostics (CC)	226
Apollo Sugar	30
Apollo Dental	70
Apollo Dialysis	8

WE INVEST IN CUTTING-EDGE TECHNOLOGY TO ENHANCE PATIENT CARE

Apollo hospitals has always led the way in technological superiority when it comes to putting #YouFirst in our care delivery. we have consistently kept abreast of advancements in medical technology and invested in the latest and most advanced medical technology and equipment has enabled us to attract renowned doctors from India and abroad to practice in our hospitals. It has also helped make our hospitals the preferred treatment destination for patients from various countries around the world.

In order to augment the multiple radiotherapy technologies available in the Apollo Group, Radixact has been ordered for the Apollo Proton Center.

Radixact-the latest generation Tomotherapy system

This system comes with higher dose rate for better efficiency, higher gantry rotation for quicker imaging and a treatment delivery console for easier navigation through patient treatment and QA for machine and patient. Tomotherapy uses daily CT imaging to guide treatment. It customizes radiation delivery for each patient with highly precise radiation from all angles, minimizes radiation exposure to healthy tissue and adapts the treatment plan if necessary. The integrated Precision treatment planning system provides a complete solution for image fusion, contouring, plan comparison and review for different treatment modes. The unique feature of Tomotherapy is the helical treatment delivery and seamless integration of image-guided and intensity modulated radiation therapy . Side effects are often minimized since less radiation reaches healthy tissues and organs.

Surgeons plan and implement with the utmost precision during the procedure, providing consistent results and optimal outcomes for patients.

Mazor Robotics' Renaissance System

Surgical treatment of the spine requires planning and precision; and each patient's anatomy has unique challenges. Spine surgery with the Renaissance system provides increased safety and precision for a wide variety of spine procedures, and in some cases, enables minimally invasive surgery. Such surgery with Mazor Robotics technology increases accuracy with less radiation, lowers complication rates, reduces pain and enables faster recovery and return to daily activities. This system has been acquired at Apollo Navi Mumbai and being the only system in Mumbai region , this will be a boon to patients in the western region.

Digitization of tissue slides offers the pathologist ease of diagnosis and detection of disease.

Philips Digital pathology solutions

In this emerging technology, glass slides containing specimen samples are converted into digital images for easy viewing, analysis, storage, and management of the collected data. This is enabled in part by virtual microscopy, a technology that enables successful image posting and transmission over a connected network. The data-rich image forms the base for maintenance of electronic health records of the patient population and compile the distributed information to build a central database. Digitized tissue can be analyzed by computer algorithms. This results in less human error and high efficiency. The time required for the diagnostic procedures is also significantly reduced. Minimum chances of error in observation and interpretation makes it the most sought after technology in the pathological segment. Apart from this, the digitized tissue can also be stored and further used for educational purposes.

technology absorption 2017-18

highly-magnified 3D HD Vision ensures that surgeons can see the surgical site with a crystal-clear vision

da Vinci Xi® robotic surgical system

The latest model da Vinci Xi® Robotic Surgical System has been acquired to capitalize on its advantages over earlier models being used in Group Hospitals. The new system provides a natural extension of the surgeon's eyes and hands into the patient. Highly-magnified 3D HD Vision ensures that surgeons can see the surgical site with true depth perception and crystal-clear vision. Wristed instruments bend and rotate far beyond the human hand.

The system supports fluorescence imaging. Firefly Fluorescence Imaging provides real-time visualization and assessment of vessels, bile ducts and tissue perfusion. The camera, endoscope, and cable are integrated into one handheld design, which allows it to be placed on any of the four arms, providing increased flexibility for visualizing the surgical site.Tremor filtration and Intuitive® Motion technologies allow the surgeon to operate with a steady, natural motion. The surgical cart can be placed in any position around the patient, allowing four-quadrant access. Re-designed arms offer greater range of motion. The laser targeting system positions the boom and ensures optimal configuration for the procedure.

The da Vinci Xi Surgical System is designed to seamlessly integrate future innovations, such as advanced instrumentation, surgical skills simulation, software upgrades, and other advancements, in one dynamic platform.

The system has the highest sensitivity, reducing the scan time and injected dose

Digital PET/CT system

The system which will be available to the patient at the Proton Centre results in faster throughput, reduced radiation exposure and lower cost of radioisotope. This system has the fastest time-of-flight for better contrast and signal to noise ratio. The automated self calibration feature does not require an external radioactive source and ensures consistent quantitative accuracy. The system comes with unique flow motion feature for whole body dynamic imaging with continuous bed motion.

12" flat panel detector provides high resolution imaging over a large field of view, to detect heart chambers and structural defects

pediatric cathlab suite

For the first time in India, a dedicated Pediatric Cathlab Suite with state-of-the-art ceiling-suspended Azurion Cathlab and integrated 3D Echo has been installed at Apollo Children's Hospital, Chennai. CLARITY IQ enables high quality imaging at ultra low x-ray dose levels for all patients and configurable low dose settings for pediatric patients. 3D rotational angiography is beneficial for managing interventional procedures and it optimizes the radiation dose, contrast dye and procedure time. The unique Echonavigator feature automatically fuses live 3D TEE and fluoroscopic images in real time adding clinical value in treating structural heart disease.

with frontal and lateral detectors, the biplane cathlab is ideally suited for advanced 3D imaging for vessel maps, soft tissue and high resolution stent imaging

the first biplane interventional suite—Philips Allura Clarity 20/15

This latest biplane cathlab, the first in the Apollo Group has been installed in Chennai. The unique lateral double C-arc design of the biplane allows free projections and freedom in viewing any desired projection.

CLARITY IQ enables high quality imaging at ultra low x-ray dose levels. Unique advanced interventional tools like Aneurysm Flow (industry first interventional tool that visualizes & quantifies flow patterns inside aneurysm sacs), 2D Perfusion, XperCT, VasoCT (important for procedures to re-canalize occluded vessels), and Stent Boost Subtract, make this interventional suite a truly comprehensive solution for various needs of the clinicians.

WELL POSITIONED TO PROVIDE THE HEALTHCARE OF TOMORROW

India is a hugely under-penetrated market for healthcare services

attractive industry opportunity

Beds per 10,000 people

Healthcare infrastructure gap remains substantial, with only **9 beds per 10,000 population**, significantly lower than the global median of **30 beds per 10,000 population**

Source: WHO - World Health Statistics 2013

Healthcare Infrastructure in India

India's share in global disease burden is 20%, while its share of healthcare infrastructure is much lower with only 6% of global hospital beds and 8% share of doctors and nursing staffs

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

Demographic shifts, changing consumption patterns and increasing affordability make India one of the fastest growing healthcare markets

Indian healthcare services market

Increasing in-patient volumes due to non-communicable life style diseases

Source: CRISIL Research

Burgeoning Middle Class Households

Increasing income levels have contributed to a middle class bulge

Source: McKinsey Global Institute

increasing health insurance penetration

Health insurance industry grew 23% CAGR during FY08-14 from US$mio 827 to US$mio 2,822

With increasing number of companies offering insurance cover to employees, the healthcare insurance business will continue witnessing high double digit growth

Source: Street research.

medical value travel

US$6 bn industry registering a 20% CAGR for the period FY12-18*

High quality healthcare delivery at significantly lower cost. For e.g. Heart surgery in US is 20 times more expensive than in India

Source: Street research.
* Ministry of Tourism, Confederation of Indian Industry (CN), RNCOS

the Apollo Group is well-positioned to accelerate

capacitised for growth

Mature Hospitals	New Hospitals
30 Hospitals, including units in major Tier 1 cities	13 Hospitals, including units in major Tier 1 and hospitals in Tier 2 cities
5,910 capacity beds, 5,427 operational beds; 67% occupancy	2,443 capacity beds, 1,749 operational beds; 58% occupancy

mature hospitals

- FY18 performance: ₹35,280 Mio consolidated revenues
- 6% YOY revenue growth, and >20% EBITDA margins
- Potencial to accelerate >10% CAGR revenue growth

elements of strategy for mature hospitals

Capacity Utilization

- Making the most of installed capacity–2000 beds can potentially be filled
- Centers of Excellence focus and optimizing acuity profiles across all units
- ALOS reduction
- Improving asset turns

Future Ready Consultant Engagement

- Doctor partnership program focused on clinical excellence and innovation
- Facilitating consultant centric work environment
- Institutionalising shared goals and successes

Winning Consumer Confidence

- Launching 100+ Assured Price Plans pan-India
- Trained financial counsellors to assist patients to understand plans
- Multiple formats and touch-points to provide ubiquitous access to the consumer

Focus on CoEs

- Oncology the next growth driver
- Clinical leadership by COE enhancement
- CoEs working as national verticals–Cardiology, Oncology, NeuroSciences and Orthopedics

Design to Cost and Cost Optimization

- Enabling growth across patient value segments
- Reducing Cycle Times
- Managing Consumption
- Optimized clinical protocols, pathways, and kits

Growth in Medical Value Travel

- Enhancing brand excellence in overseas markets
- Deepening presence in international geographies
- Providing end-to-end solutions for international patients

new hospitals

FY18 performance: ₹9,876 Mio revenue

33% YOY revenue growth, and > 2% EBITDA

Potencial to grow revenues at >20% CAGR for next 3 yrs with >15% EBITDA margins

elements of strategy for new hospitals

Portfolio Management	Optimized Clinician Mix	Volume Enhancement	Value Differentiators
Strong ICU focus combined with holistic medical care not available at nursing homes	Coverage across specialties; mix of local stars & foreign-trained doctors	Standardized clinical protocols, cohorted wards to drive Government/Scheme volumes	Superior **"Apollo Experience".** Specialty with integrated rehab at lower cost than Tier 1

calibrated expansion in standalone pharmacies

- Expansion plans with focus on same store growth, increased private label sales
- Continued addition of over 250 stores per annum
- Continued margin exposure from 6.3% to >15% over time

consolidation of retail healthcare

- Invest in high growth/ asset light models
- Continue to build leadership in primary care - both clinics and diagnostics
- Increase asset utilization in Apollo Cradle & Apollo Spectra
- Capture opportunity in surgical centers and new payor schemes
- Grow chronic disease and big data businesses
- Focus on profitability

> we believe that the strong market drivers in healthcare combined with our healthy fundamentals, futuristic investments and on-going efficiency improvements, will provide us distinct leverage as we enter an emerging realm in patient care.

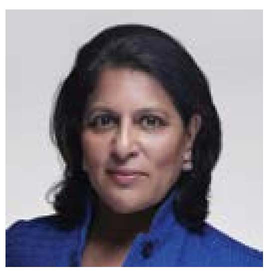
BOARD MEMBERS

founder chairman

Dr. Prathap C Reddy
Founder and Executive Chairman

executive directors

Smt. Preetha Reddy
Executive Vice Chairperson



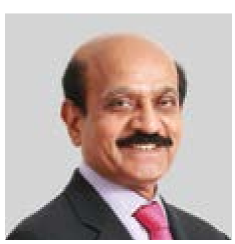
Smt. Shobana Kamineni
Executive Vice Chairperson

Smt. Suneeta Reddy
Managing Director

Smt. Sangita Reddy
Joint Managing Director

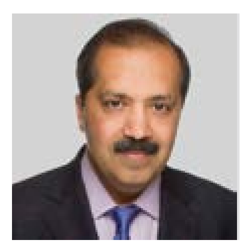
independent directors

Shri. Deepak Vaidya



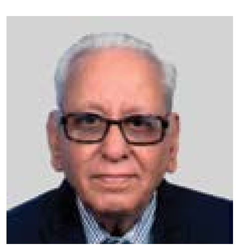
Shri. BVR Mohan Reddy

Dr. T Rajgopal



Shri. Sanjay Nayar

Shri. N Vaghul



Shri. G Venkatraman

Shri. Vinayak Chatterjee

CORPORATE INFORMATION

Senior Management Team

Dr. K. Hariprasad
President - Hospitals Division

Shri. S.K. Venkataraman
Chief Strategy Officer

Shri. Krishnan Akhileswaran
Chief Financial Officer

Shri. S.M. Krishnan
Vice President – Finance
& Company Secretary

Auditors

Deloitte Haskins & Sells LLP
Chartered Accountants
Bengaluru.

Bankers

Andhra Bank
Axis Bank
Bank of India
MUFG Bank
Canara Bank
HDFC Bank
HSBC
ICICI Bank
IDBI Bank
IDFC Bank
Indian Bank
Indian Overseas Bank
Oriental Bank of Commerce
State Bank of India
Yes Bank

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.
(E) investor.relations@apollohospitals.com
(W) 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. G. Venkatraman Chairman	Dr. Prathap C Reddy Chairman
Shri. G. Venkatraman Member	Shri. Deepak Vaidya Member	Smt. Preetha Reddy Member	Smt. Preetha Reddy Member
Dr. T.Rajgopal Member	Shri. G. Venkatraman Member	Smt. Suneeta Reddy Member	Smt. Sangita Reddy * Member
	Shri. BVR Mohan Reddy Member		Shri N. Vaghul Member
			Shri. G. Venkatraman Member

*appointed as a member wef 13th November 2017

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	Smt. Suneeta Reddy Member
Shri. Vinayak Chatterjee Member	Smt. Suneeta Reddy Member	Shri. G. Venkatraman 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 SEVENTH ANNUAL REPORT** and the audited financial statements for the year ended 31st March 2018.

Financial Results (Standalone)

(₹in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Income from operations	71,956	63,272
Profit before Exceptional Items and Taxation	3,301	3,589
Profit after Exceptional Items before Tax	3,301	3,589
Provision for Tax	969	738
Profit for the Period	2,332	2,851
Earnings per Share (₹)	16.76	20.50

Results of Operations

During the year under review, the income from operations of the Company increased to ₹71,956 million compared to ₹63,272 million in the previous year, registering a growth of 14%. The profit after tax for the year stood at ₹2,332 million compared with ₹2,851 million in the previous year.

During the year under review, the consolidated gross revenue of the Company increased to ₹82,756 million compared to ₹72,782 million registering an impressive growth of 14%. Net profit after minority interest for the group stood at ₹ 595 million.

Consolidated Financial Statements

In accordance with the Companies Act, 2013 ("the Act") and Ind AS 110 - Consolidated Financial Statements read with Ind AS 28 - Investments in Associates and Ind AS 31 - Interests in Joint Ventures, the audited consolidated financial statements form part of the Annual Report.

In terms of provision to sub section (3) of Section 129 of the Companies Act, 2013 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 at the Company's website: www.apollohospitals.com. The documents will also be available for inspection during the business hours at the registered office of the Company.

Material Changes affecting the Company

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report. There has been no change in the nature of the business of the Company.

Dividend

The Board of Directors have recommended a dividend of ₹5 per equity share (100% on face value of ₹5 per share) on the paid-up equity share capital of the Company for the financial year ended 31st March 2018 amounting to ₹837.24 million inclusive of tax of ₹141.61 million, which if approved, at the forthcoming Annual General Meeting on 27th September 2018, will be paid to those shareholders whose names appear in the Register of Members as at the closing hours of business on 14th September 2018. 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, 15th September 2018 to Thursday, 27th September 2018 (both days inclusive)**.

The Board approved and adopted a dividend distribution policy at its meeting held on 30th May 2017 which is annexed herewith as Annexure – I to this report and also posted on the Company's website: www.apollohospitals.com.

Credit Rating

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

India Ratings and Research (Ind-RA) (a Fitch Group Company) has assigned the Company's long term debt and Non-Convertible Debentures (NCDs), an IND AA+ Rating with a stable outlook.

Subsidiaries, Associate Companies and Joint Ventures

At the beginning of the year, your Company had eighteen direct subsidiaries and four step down subsidiaries, three joint ventures and four associate companies. As on 31st March 2018, your Company had eighteen direct subsidiaries, seven step down subsidiaries, three joint ventures, and four associate companies.

The statement containing the summarized financial position of the subsidiary companies viz., Apollo Home Healthcare (I) Ltd (AHHCL), AB Medical Centres Limited (ABMCL), Samudra Healthcare Enterprises Limited (SHEL), Apollo Hospital (UK) Limited (AHUKL), Apollo Hospitals Singapore Pte Limited (AHSPL), Apollo Health and Lifestyle Limited (AHLL), Western Hospitals Corporation Pvt Limited (WHCPL), Total Health (TH), Imperial Hospital and Research Centre Limited (IHRCL), Apollo Home Healthcare Limited (AHHL), Apollo Nellore Hospital Limited (ANHL), Sapien BioSciences Pvt Limited (SBPL), Apollo Rajshree Hospitals Pvt Limited (ARHL), Apollo Lavasa Health Corporation Limited (ALHCL), Assam Hospitals Limited (AHL), Apollo Hospitals International Limited (AHIL), Future Parking Private Limited (FPPL), Apollo Healthcare Technology Solutions Limited (AHTSL), Apollo Sugar Clinics Limited (ASCL), Apollo Specialty Hospitals Pvt Limited (ASHPL), Alliance Dental Care Limited (ADCL), Apollo Dialysis Private Limited (ADPL), Apollo CVHF Limited, Apollo Bangalore Cradle Limited and Kshema Healthcare Private Limited pursuant to Section 129 read with Rules 5 of the Companies (Accounts) Rules, 2014 is contained in Form AOC-1, which forms part of the Annual Report.

1. Apollo Home Healthcare (India) Limited (AHHCL)

AHHCL, a wholly owned subsidiary of the Company recorded a revenue of ₹2.67 million, and net loss of ₹19.18 million.

2. 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 and building to the company for running a hospital. For the year ended 31st March, 2018, ABMCL recorded an income of ₹7.12 million and a net profit of ₹5.61 million.

3. 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, 2018, SHEL recorded an income of ₹399.91 million and a net profit of ₹67.87 million.

4. Apollo Health and Lifestyle Limited (AHLL)

AHLL, is a 68.64% subsidiary of the Company 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, 2018, AHLL recorded an income of ₹4,712.39 million and a net loss of ₹1,652.16 million.

5. Western Hospitals Corporation Private Limited (WHCPL)

WHCPL, a wholly owned subsidiary of the Company, for the year ended 31st March 2018, recorded an income of ₹18.34 million and a net profit of ₹12.95 million.

6. Total Health (TH)

TH, a wholly owned subsidiary of the Company registered under Section 8 of the Companies Act, 2013, is engaged in carrying on CSR activities in the field of community/rural development.

7. Apollo Hospital (UK) Limited (AHUKL)

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

8. Apollo Hospitals Singapore Pte Limited (AHSPL)

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

9. Imperial Hospital and Research Centre Limited (IHRCL)

IHRCL, a 90% subsidiary of the company owns a 290 bed multi-specialty hospital at Bengaluru. For the year ended 31st March, 2018, IHRCL recorded an income of ₹2,265.91 million and a net profit of ₹90.03 million.

10. Apollo Home Healthcare Limited (AHHL)

AHHL, a 74% subsidiary of the Company is engaged in the business of providing high quality, personalized and professional healthcare services at the doorsteps of the patients. AHHL recorded revenues of ₹266.28million and a net loss of ₹81.92 million.

11. Apollo Nellore Hospital Limited (ANHL)

ANHL a 79.44% subsidiary of the Company has leased out its land at Nellore to the Company. ANHL recorded revenues of ₹7.90 million and a net profit of ₹6.27 million.

12. Sapien Biosciences Private Ltd (SBPL)

SBPL, is a 70% subsidiary of the company which is engaged in the business of bio-banking of tissues. For the year ended 31st March, 2018, SBPL recorded revenues of ₹19.68 million and a net profit of ₹1.88 million.

13. Apollo Rajshree Hospitals Private Ltd (ARHL)

ARHL, a 54.63% subsidiary of the company, runs a multi speciality hospital at Indore. For the year ended 31st March, 2018, ARHL recorded an income of ₹ 562.83 million and a net loss of ₹51.76 million.

14. Apollo Lavasa Health Corporation Limited (ALHCL)

ALHCL, a 51% subsidiary of the company, runs a hospital at Lavasa. For the year ended 31st March, 2018, ALHCL recorded an income of ₹ 5.88 million and a net loss of ₹ 37.73 million.

15. Assam Hospitals Limited (AHL)

AHL, a 61.24% subsidiary of the company, runs a multi speciality hospital at Guwahati. For the year ended 31st March, 2018, AHL recorded an income of ₹1,266.37 million and a net profit of ₹41.68 million.

16. Apollo Hospitals International Limited (AHIL)

AHIL, a 50% subsidiary of the company, runs a multi speciality hospital at Ahmedabad. For the year ended 31st March, 2018, AHIL recorded an income of ₹1,812.47 million and a net loss of ₹41.69 million.

17. Future Parking Private Limited (FPPL)

FPPL, a subsidiary of the company, has been promoted for the development of a Multi level Car parking facility at Wallace Garden, Nungambakkam, Chennai. FPPL recorded an income of ₹42.51 million and a net loss of ₹23.54 million.

18. Apollo Healthcare Technology Solutions Limited (AHTSL)

AHTSL a subsidiary of the Company is yet to commence operations.

19. Apollo Speciality Hospitals Private Limited (ASHPL)

ASHPL, a subsidiary of Apollo Health and Lifestyle Limited, is engaged in the business of running day surgery centres. For the year ended 31st March, 2018, ASHPL recorded an income of ₹2,390.74 million and a net loss of ₹978.22 million.

20. Apollo Sugar Clinics Limited (ASCL)

ASCL, a subsidiary of Apollo Health and Lifestyle Limited, is engaged in the business of running diabetes management centres. For the year ended 31st March, 2018, ASCL recorded an income of ₹191.98 million and a net loss of ₹83.53 million.

21. Alliance Dental Care Limited (ADCL)

ADCL, a subsidiary of Apollo Health and Lifestyle Limited is engaged in the business of running dental clinics. For the year ended 31st March 2018, ADCL recorded a revenue of ₹305.54 million and a net loss of ₹84.69 million.

22. Apollo Dialysis Private Ltd (ADPL)

ADPL, a subsidiary of Apollo Health and Lifestyle Limited is engaged in the business of running dialysis centers. For the year ended 31st March 2018, ADPL recorded a revenue of ₹77.48 million and a net loss of ₹12.78 million.

23. Apollo CVHF Limited (CVHF)

CVHF, a subsidiary of Apollo Hospitals International Limited is in the business of providing healthcare services and yet to commence its operations.

24. Apollo Bangalore Cradle Limited (ABCL)

ABCL, a subsidiary of Apollo Speciality Hospitals Private Limited is yet to commence operations.

25. Kshema Healthcare Private Limited (KHPL)

KHPL, a subsidiary of Apollo Speciality Hospitals Private Limited is yet to commence operations.

Corporate Governance

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. The report on corporate governance as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter Listing Regulations), forms an integral part of this report. The requisite certificate from the Auditors of the Company confirming the compliance with the conditions of corporate governance is attached to the report on Corporate Governance.

Management Discussion and Analysis Report

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the Listing Regulations is presented in a separate section forming part of the Annual Report.

Business Responsibility Report

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

Sexual Harassment

The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. The Company has an Internal Complaints Committee for providing a redressal mechanism pertaining to sexual harassment of women employees at work place. During the year 4 complaints was received under the policy, all of which were disposed off.

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 has been posted on the website of the Company www.apollohospitals.com.

Particulars of Loans, Guarantees and Investments

The 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 year, your company did not accept any deposits or renewed the existing deposits from the public.

The total outstanding deposits with the Company as on 31st March 2018 were ₹94.77 million (₹150.21 million as on 31st March 2017) which include deposits for an aggregate value of ₹14.09 million (₹16.62 million as on 31st March 2017) not claimed by the depositors.

Directors and other Key Managerial Personnel (KMPs)

Board Composition and Independent Directors

The Board consists of the Executive Chairman, four Executive Directors and seven 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 their declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 (b) of the SEBI Listing Regulations.

Retirement by Rotation

Pursuant to Section 152 of the Companies Act 2013, Smt.Preetha Reddy, Director retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.

Key Managerial Personnel

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company are Smt. Suneeta Reddy, Managing Director, Shri. Krishnan Akhileswaran, Chief Financial Officer and Shri. S.M. Krishnan, Company Secretary. There has been no change in the Key Managerial Personnel during the year.

Board Evaluation

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

Remuneration Policy

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

Meetings of the Board

The Board met six 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

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

Internal Financial Controls and their Adequacy

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit (IA) function is defined in the Internal Audit Charter. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board. The details of the internal control system and its terms of reference are set out in the Management Discussion and Analysis Report forming part of the Board's Report.

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

Significant and Material Orders passed by the Regulators or Courts

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

Directors' Responsibility Statement

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

a. that in the preparation of the annual financial statements for the year ended March 31, 2018, 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, 2018 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, 2018 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 of March 31, 2018, the details of shareholding in the Company held by the Directors 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.

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 www.apollohospitals.com. Your Directors draw the attention of the members to the Notes to the financial statements 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 Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided in the Annual Report, which forms part of this Report.

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

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

Employee Stock Options

No Employee Stock Options have been granted to the employees of the Company 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, Healthcare, Education & Skill Development and Research in Healthcare. These projects are in accordance with Schedule VII of the Companies Act, 2013. The Report on CSR activities for the financial year 2017-2018 is annexed herewith as "Annexure A".

Statutory Auditors

The Members at the Annual General Meeting held on 20th September 2017 approved the appointment of Deloitte Haskins & Sells LLP, Chartered Accountants as statutory auditors for a period of five years commencing from the Thirty Sixty Annual General Meeting till the conclusion of the Forty First Annual General Meeting subject to ratification by the Members every year.

The Ministry of Corporate Affairs vide its notification dated 7th May 2018 has notified that the requirement of ratification of appointment of the statutory auditor, under section 139, at each annual general meeting has now been dispensed with and therefore it is not required to ratify the appointment of the statutory auditors at every Annual General Meeting and the appointment of Deloitte Haskins & Sells LLP, Chartered Accountants as statutory auditors is valid till the conclusion of the Forty First Annual General Meeting to be held during the year 2022.

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

Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Directors on the recommendation of the Audit Committee, appointed M/s. Raman & Associates, Cost Accountants, Chennai (ICWA Registration No.000050) to audit the cost accounts of the Company for the financial year 2018-2019 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 Member's ratification for the remuneration payable to M/s. Raman & Associates, Cost Accountants, Chennai (ICWA Registration No.000050) is included at Item No. 7 of the Notice convening the Annual General Meeting.

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

Secretarial Auditors

The Board had 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 2017-2018. The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed herewith as "Annexure B". The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

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, 2018.

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

Information as required to be disclosed on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is annexed herewith 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 contribution made by the employees at all levels, towards the continued growth and prosperity of your Company.

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

For and on behalf of the Board of Directors

Place : Chennai
Date : May 30, 2018

Dr. Prathap C Reddy
Executive Chairman

ANNEXURE I

DIVIDEND DISTRIBUTION POLICY

Background

This policy is being adopted and published in compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016.

SEBI vide its notification dated July 8, 2016 introduced a new regulation 43A which prescribed that the top five hundred listed entities based on market capitalization (calculated as on March 31 of every financial year) shall formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites.

The regulation further prescribes that, the dividend distribution policy shall include the following parameters:

(a) the circumstances under which the shareholders of the listed entities may or may not expect dividend;

(b) the financial parameters that shall be considered while declaring dividend;

(c) internal and external factors that shall be considered for declaration of dividend;

(d) policy as to how the retained earnings shall be utilized; and

(e) parameters that shall be adopted with regard to various classes of shares:

Provided that if the listed entity proposes to declare dividend on the basis of parameters in addition to clauses (a) to (e) or proposes to change such additional parameters or the dividend distribution policy contained in any of the parameters, it shall disclose such changes along with the rationale for the same in its annual report and on its website.

Objective

Apollo Hospitals Enterprise Limited (the "Company") has always strived to enhance stakeholder value. The Company believes that returning cash to shareholders is an important component of overall value creation.

Parameters/Factors considered by the Company while declaring dividend

The Board of Directors of the Company shall consider the following parameters before declaring or recommending dividend to the shareholders:

A) Financial Parameters / Internal Factors

(a) Financial performance including profits earned (standalone), available distributable reserves etc;

(b) Cash Balance and Cash Flow

(c) Current and future capital requirements such as

- Business Expansion/Modernisation
- Mergers and Acquisitions
- Additional Investment in JVs/Subsidiaries/Associates

(d) Fund requirement for contingencies and unforeseen events with financial implications;

(e) Past Dividend trend including Interim dividend paid, if any; and

(f) Any other factor as deemed fit by the Board.

B) External Factors

(a) Macro-economic conditions

(b) Financing costs

(c) Government Regulations

(d) Taxation

After meeting internal cash requirements and maintaining a reasonable cash balance towards any strategic investments, the Company will endeavour to return the rest of the free cash generated to shareholders through regular dividends.

Circumstances under which the shareholders of the Company may or may not expect dividend

There may be certain circumstances under which the shareholders of the Company may not expect dividends, including the following

(a) Adverse market conditions and business uncertainty

(b) Inadequacy of profits earned during the financial year

(c) Inadequacy of cash balance

(d) Substantial forthcoming capital requirements which are best funded through internal accruals

(e) Changing government regulations etc.

Even under such circumstances, the Board may at its discretion, and subject to applicable rules, choose to recommend a dividend out of the Company's free reserves.

Utilisation of Retained Earnings

Growth: The Company will utilise its retained earnings for the growth of the Company. The Company can consider venturing into new markets/geographies/ verticals.

Research and Development: The Company will utilise its retained earnings for research and development of new products in order to increase market share

Capital Expenditure: The Company will utilise its retained earnings for capital expenditure by way of physical and technology infrastructure etc.

Mergers and Acquisitions: The Company will utilise its retained earnings for mergers and acquisitions, as it may deem necessary from time to time.

Multiple classes of shares

Currently, the Company has only one class of shares. In the future, if the Company issues multiple classes of shares, the parameters of the dividend distribution policy will be appropriately addressed.

Policy Review

The Board of Directors may review this policy periodically, by taking into account the national and global economic conditions, Company's growth and investment plans and financial position etc., and in accordance with any regulatory amendments.

Website

The Policy has been posted on the website of the Company www.apollohospitals.com.

For and on behalf of the Board of Directors

Place : Chennai
Date : May 30, 2018

Dr. Prathap C Reddy
Executive Chairman

ANNEXURE - A TO THE DIRECTORS' REPORT

Report on Corporate Social Responsibility (CSR) activities for the financial year 2017-2018

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 continues to focus on CSR activities under the following broad segments : 1. Rural Development 2. Healthcare 3. Education and Skill Development 4. Research in Healthcare The CSR Policy can be assessed on the company's website. Weblink:https://www.apollohospitals.com/apollo_pdf/csr-policy.pdf
2.	Composition of the CSR Committee:	• Dr. Prathap C Reddy, Chairman • Smt. Preetha Reddy • Smt. Sangita Reddy • Shri. N. Vaghul and • Shri. G. Venkatraman
3.	Average net profit of the Company for the last three financial years:	₹4,123.35 million
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above):	₹ 82.47 million
5.	Details of CSR spent for the financial year	2017 -2018
	Total Amount to be spent for the financial year 2017-18	₹ 82.47 million
6.	Total Amount spent during the year	₹104.02 million
	Amount unspent, if any	Nil
7.	Manner in which the amount was spent during the financial year is detailed below :	

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

1. Rural Development.
2. Healthcare encompassing free health screening camps.
3. Education and Skill Development.
4. Research in Healthcare.

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 of Outlay (Budget) project or program wise ₹ in million	Amount spent on the project or programs ₹ in million	Cumulative Expenditure upto the reporting period ₹ in million	Amount spent directly or through implementing agency*
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 and preventive health care including diagnostics, promotion and revival of rural sports	Rural Development	Andhra Pradesh, Chittoor District, Aragonda	82.42	30.00	82.42	Implementing Agency: Total Health
2.	Education and other related Initiatives	Promoting education	Andhra Pradesh, Chittoor District, Aragonda	30.00	--	26.02	Implementing Agency : Aragonda Apollo Medical and Educational Research Foundation
			Tamil Nadu, Chennai,	-	0.50	0.50	Implementing Agency : Chetana Trust For development of KC High, a community School
3.	Health Check-ups - Free Medicines and Medical Check-ups for poor people Health Care activities, Health awareness camps for primary and preventive Healthcare including diagnositcs	Promoting healthcare including preventive care	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.	113.74	20.39	113.74	Direct

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 of Outlay (Budget) project or program wise ₹ in million	Amount spent on the project or programs ₹ in million	Cumulative Expenditure upto the reporting period ₹ in million	Amount spent directly or through implementing agency*
4.	Free Medical Treatment for children with heart diseases.	Promoting healthcare including preventive care	Tamil Nadu, Chennai	12.83	2.50	12.83	Implementing Agency: Save a Child's Heart Initiative, registered under the Indian Trust Act.
5.	Free Medical Treatment for children with hearing impairment	Promoting healthcare including preventive care	Telengana, Hyderabad	4.00	-	4.00	Implementing Agency: Society to Aid the Hearing Impaired registered under the Indian Trust Act.
6.	Free Medical Treatment to the employees of World Wild Life Fund for Nature India; WWF is focusing on conservation of species through field level activities in 10 locations in India as well as through direct interventions aimed at conserving a particular species	Promoting healthcare including preventive care	Pan India	7.77	5.00	7.77	Implementing Agency: Apollo Hospitals Charitable Trust registered under the Indian Trust Act.
7.	Free Medicines to Geriatric Centers	Promoting healthcare including preventive care	Tamil Nadu, Chennai	41.94	24.25	41.94	Implementing Agency: Direct
8.	Free Medicines	Promoting healthcare including preventive care	Delhi	7.11	6.11	7.11	Implementing Agency: Billion Heart's Beating Foundation registered under the Trust Act.
9.	Research	Research	Tamil Nadu, Chennai	20.20	10.20	20.20	Implementing Agency: Apollo Hospitals Educational and Research Foundation

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 of Outlay (Budget) project or program wise ₹ in million	Amount spent on the project or programs ₹ in million	Cumulative Expenditure upto the reporting period ₹ in million	Amount spent directly or through implementing agency*
10.	Environmental sustainability	Protecting the Environment		1.00	1.00	1.00	Implementing Agency: Donation to Government of India, Ministry of Environment, Forest and Climate Change (Say No To Plastic; Save Our Cows Project
				2.50	2.50	2.50	Implementing Agency: Donation to Isha Foundation Rally for Rivers
				1.00	1.00	1.00	Implementing Agency: Donation to MRT No.1 Chartiable Trust
				0.57	0.57	0.57	Implementing Agency: Donation to Concern India Foundation
		Total		**325.08**	**104.02**	**321.60**	

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.

Sd/-
Dr. Prathap C Reddy
Chairman, CSR Committee

sd/-
Suneeta Reddy
Managing Director

Place : Chennai
Date : May 30, 2018

ANNEXURE - B TO THE DIRECTORS' REPORT
SECRETARIAL AUDIT REPORT

Secretarial Audit Report
for the financial year ended 31st March 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 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, 2018, 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, 2018 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 and the Companies Act, 1956 to the extent applicable;

(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 Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time;

(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 and the uniform listing agreement with the said stock exchanges pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(g) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

It is reported that during the period under review, the Company has been regular in complying with the provisions of the Act, Rules, Regulations, Guidelines, and Standards etc., as mentioned above. The Company has repaid certain loans in full, which was borrowed earlier and now is in the process of filing satisfaction of charges with the Ministry of Corporate Affairs.

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 and the Employees Stock Option Scheme, 2007 approved under the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(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, the Company 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, Death and Marriage Registrations Act, 1886
3.	Blood Bank Regulations under Drugs and Cosmetics Act, 1940
4.	Clinical Thermometers (Quality Control) Order, 2001
5.	The Dentists Act, 1948

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, 2015
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 Rules, 2016
33.	Transplantation of Human Organs Act, 1994, Transplantation of Human Organs and Tissues Rules, 2014
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 mechanism 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, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial auditor and other designated professionals.

We further report that:

The Board of Directors of the Company is well constituted with a proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There is no change in the composition of the Board of Directors during the period under review.

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 Committees 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

- During the year under review, the Company has redeemed 1,000 Non Convertible Debentures of face value of ₹1 million aggregating to ₹1,000 million placed with the Life Insurance Corporation of India and are in the process of filing requisite forms with the Ministry of Corporate Affairs.
- The Company has transferred dividend unclaimed on 368,458 shares of ₹5 each to Investor Education and Protection Fund Account under Section 125 of the Companies Act, 2013 pertaining to the year 2009-2010.

For LAKSHMMI SUBRAMANIAN & ASSOCIATES

Sd/-
Lakshmmi Subramanian
Senior Partner
FCS No. 3534
C.P.No. 1087

Place : Chennai
Date : May 30, 2018

**Note: This report should be read with the letter of even date by the Secretarial Auditors attached herewith.

ANNEXURE

To
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 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. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and occurrence of events etc.,

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 efficiency or effectiveness with which the management has conducted the affairs of the Company.

For LAKSHMMI SUBRAMANIAN & ASSOCIATES
Sd/-
Lakshmmi Subramanian
Senior Partner
FCS No. 3534
C.P.No. 1087

Place : Chennai
Date : May 30, 2018

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.

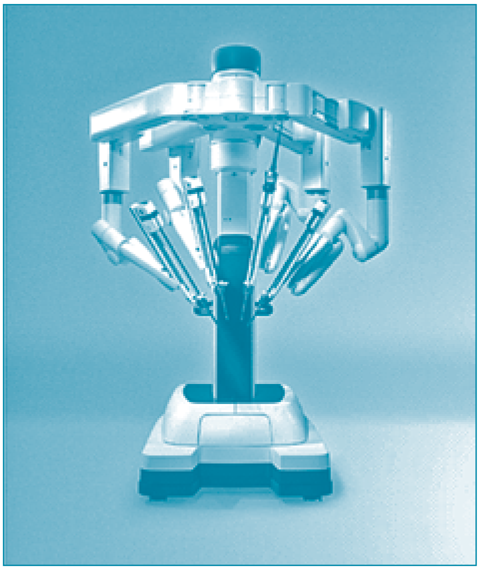
Your Company constantly evaluates and invests in new technology to make its infrastructure more energy efficient. The following energy saving measures were adopted during the year 2017-2018.

- Phasing out of CFL lamps to LED lights.
- Procurement of electricity from alternative source - Wind Electric Generators (WEG).
- Optimization of fuel consumption in boiler operations.
- Introduction of timer based operation of Air handling Units to reduce power consumption.
- Introducing of micro processing energy saver for AHU Motors.
- Energy optimization practices implemented in Transformer operation.
- VFD installation for AHU motor in a phased manner.
- All Lifts and OT AHUs are operated with VFD panels.
- Introduced timer control for AHU motors to reduce running hours.
- Phasing out of split air conditioner units with chilled water FCU to reduce the power consumption and capital cost.
- Using pre heated water for boilers as primary feed from solar energy, thus resulting in fuel savings of 4 litres per hour.
- Optimal utilization of chillers by inter connecting the facilities which resulted in savings of nearly ₹ 5.50 million.
- PPA for buying power which has been produced through solar energy.
- Installation of occupational sensors in OPD consultant's rooms.

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

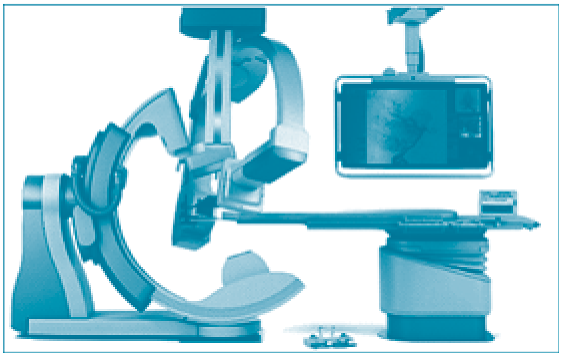
1) The latest model da Vinci Xi® Robotic Surgical System has been acquired to capitalize on its advantages over earlier models being used in Group Hospitals. The new system provides a natural extension of the surgeon's eyes and hands while treating the patient. Highly-magnified 3D HD Vision ensures that surgeons can see the surgical site with true depth perception and crystal-clear vision. Wristed instruments bend and



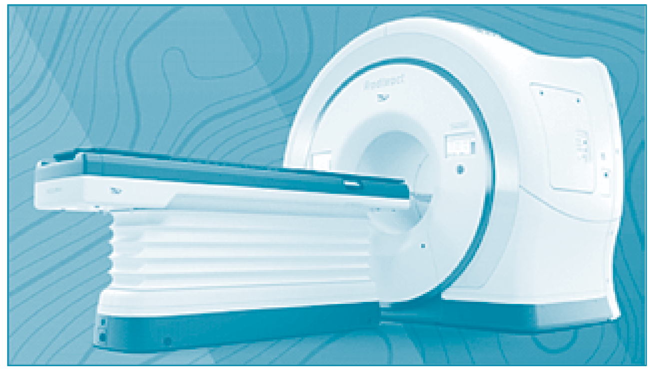
rotate far beyond the human hand. The da Vinci Xi Surgical System is designed to be fluorescence imaging capable. Firefly Fluorescence Imaging provides real-time visualization and assessment of vessels, bile ducts and tissue perfusion. The camera, endoscope, and cable are integrated into one handheld design. At less than half the weight, the scope allows for placement on any of the four arms, providing the increased flexibility for visualizing the surgical site. Tremor filtration and Intuitive® Motion technologies allow the surgeon to operate with steady, natural motion. Surgical cart can be placed at any position around the patient - allowing for four-quadrant access. Redesigned arms offer a greater range of motion. The laser targeting system positions the boom and ensures optimal configuration for the procedure. The da Vinci Xi Surgical System is designed to seamlessly integrate future innovations, such as advanced instrumentation, surgical skills simulation, software upgrades, and other advancements in one dynamic platform.

2) For the first time in India , a dedicated Pediatric Cathlab Suite with state of the art ceiling suspended Azurion Cathlab and integrated 3D Echo has been installed at Apollo Children's Hospital. The new 12" flat panel detector provides high resolution imaging over a large field of view for heart chambers and structural defects. CLARITY IQ enables high quality imaging at ultra low x-ray dose levels for all patients and configurable low dose settings for pediatric patients. 3D rotational angiography is beneficial for managing interventional procedures and optimises radiation dose, contrast dye and procedure time. The unique Echinavigator feature automatically fuses live 3D TEE and fluoroscopic images in realtime adding clinical value in treating structural heart disease.

3) The first biplane interventional suite- Philips Allura Clarity 20/15 in the Apollo Group has been installed at the Main Hospital, Chennai. This latest biplane cathlab with frontal and lateral detectors is ideally suited for advanced 3D imaging for vessel maps, soft tissue and high resolution stent imaging. Unique lateral double C-arc design of the biplane allows for free projections and enables true freedom in viewing any desired projection. CLARITY IQ enables high quality imaging at ultra low x-ray dose levels for all patients and configurable low dose settings for pediatric patients. Unique advanced interventional tools like Aneurysm Flow (industry first interventional tool that visualizes & quantifies flow patterns inside aneurysm sacs), 2D Perfusion, XperCT, VasoCT (important for procedures to re-canalize occluded vessels), StentBoost Subtract make this interventional suite a truly comprehensive solution to meet the needs of different clinicians.



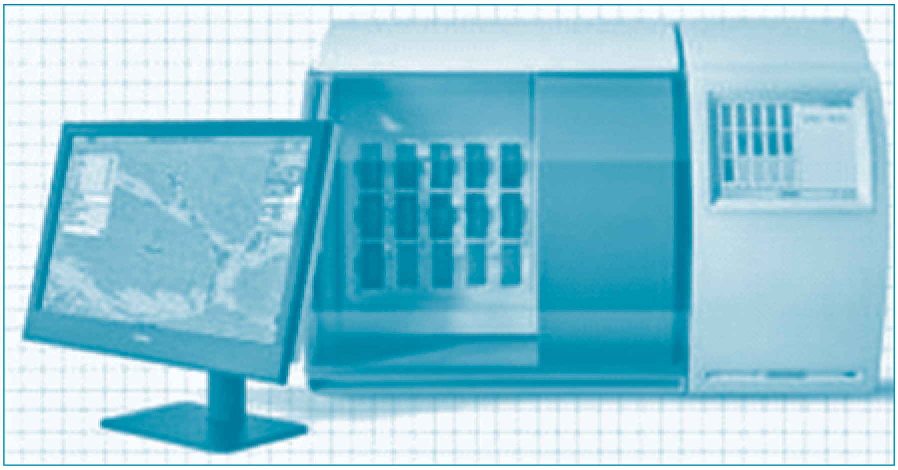
4) In order to augment the multiple radiotherapy technologies available in the Apollo Group, the latest generation Tomotherapy system-Radixact has been ordered for the Apollo Proton Center. This system comes with higher dose rate for better efficiency, higher gantry rotation for quicker imaging and a treatment delivery console for easier navigation through patient treatment and QA for machine and patient. Tomotherapy uses daily CT imaging to guide treatment based on patient anatomy for that day, it customizes radiation delivery for each patient with highly precise radiation from all angles, minimizes radiation exposure to healthy tissue and adapts the treatment plan if necessary at any time. The integrated Precision treatment planning system provides a complete solution for image fusion, contouring, plan comparison and review for different treatment modes. The unique feature of Tomotherapy is the helical treatment delivery and seamless integration of image-guided and intensity modulated radiation therapy. Side effects are often minimized since less radiation reaches healthy tissues and organs.



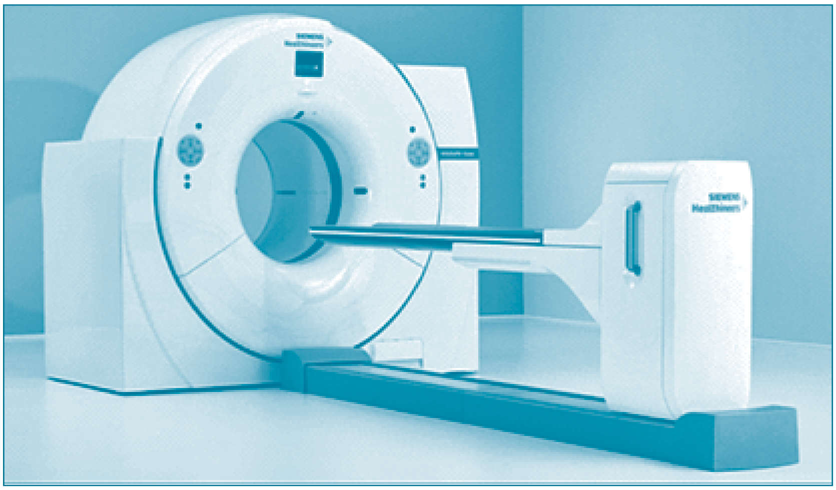
5) Surgical treatment of the spine requires planning and precision; and each patient's anatomy has unique challenges. Spine surgery with Mazor Robotics' Renaissance system provides increased safety and precision for a wide variety of spine procedures, and in some cases, enables minimally invasive surgery. Surgeons plan before entering the operating room and then implement with the utmost precision during the procedure, providing consistent results and optimal outcomes for patients. Minimally invasive surgery with Mazor Robotics technology increases accuracy with less radiation, lowers complication rates, reduces pain and enables faster recovery and return to daily activities. This system has been acquired at Apollo Navi Mumbai and being the only system in Mumbai region, this will be a boon to patients in the western region.

6) In keeping with the latest trends in digital technology, Apollo Hospitals is adapting Philips Digital pathology solutions across the Group. In this emerging technology, glass slides containing specimen samples are converted into digital images for easy viewing, analysis, storage, and management of the collected data. This is enabled in part by virtual microscopy, a technology that enables successful image posting and transmission over a connected network. The data-rich image forms the base for maintenance of electronic health records of the patient population and compile the distributed information to build a central database. Digitization of tissue slides offers the pathologist ease of diagnosis and helps in detection of diseases. Further, digitized tissue can be analyzed by computer algorithms. This results in less human

error and high efficiency. The time required for the diagnostic procedures is also significantly reduced. Minimal chances of error in observation and interpretation makes it the most sought after technology in the pathological segment. Apart from this, the digitized tissue can also be stored and further used for educational purposes.



7) Apollo has ordered the first Digital PET/CT system in the Group for the Proton Center. This system has the highest sensitivity reducing the scan time and injected dose to patients resulting in faster throughput and reduced radiation exposure to patients and lower cost of radioisotope. This system has the fastest time-of-flight for better contrast and signal to noise ratio. The automated self calibration feature does not require an external radioactive source and ensures consistent quantitative accuracy. The system comes with unique flow motion feature for whole body dynamic imaging with continuous bed motion.



Foreign Exchange Earnings & Outgo

Foreign Exchange Earnings	:	₹940.98 million (This is exclusive of rupee payments made by Non-Resident Indian and Foreign Nationals)
Foreign Exchange Outgo	:	₹615.45 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

for the financial year ended 31st March 2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (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 - 600 028, 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 Registry Management Services Private Ltd Kences Towers, II Floor, No. 1 Ramakrishna Street, North Usman Road, Chennai - 600 017 Ph: 91-44 2814 0801 Fax: 91-44 2814 2479

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 & Pharmacies	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 (India) 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.	**Samudra Healthcare Enterprises Limited** No. 13-1-3 Suryaraopeta, Main Road, Kakinada - 533 001	U85110TG2003PLC040647	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.	**Total Health** Aragonda Village, Thavanampalle Mandal, Chittoor District, Andhra Pradesh - 517129	U85100TN2013NPL093963	Subsidiary	100.00	2(87)
6.	**Apollo Hospital (UK) Limited** First Floor, Kirkland House, 11-15, Peterborough Road, Harrow, Middlesex, HA1 2AX, United Kingdom	NA	Subsidiary	100.00	2(87)
7.	**Apollo Hospitals Singapore Pte Limited** 50, Raffles Place, Singapore Land Tower # 30, Singapore-048623	NA	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 Home Healthcare Limited** No. 19, Bishop Gardens, Raja Annamalaipuram, Chennai - 600 028, Tamil Nadu	U85100TN2014PLC095340	Subsidiary	74.00	2(87)
10.	**Apollo Nellore Hospital Limited** No. 16/111/1133, Muthukur Road, Pinakini Nagar, Nellore - 524004	U85110TN1986PLC072193	Subsidiary	79.44	2(87)
11.	**Sapien Biosciences Private Limited** 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)
12.	**Apollo Health and Lifestyle Limited (AHLL)** 1-10-60/62, Ashoka Raghupathi Chambers, 5th Floor, Begumpet, Hyderabad – 500 016.	U85110TG2000PLC115819	Subsidiary	68.64	2(87)
13.	**Assam Hospitals Limited** Lotus Tower, GS Road, Ganeshguri, Guwahati - 781 005, Assam	U85110AS1997PLC004987	Subsidiary	61.24	2(87)
14.	**Apollo Rajshree Hospitals Private Limited** Dispensary Plot, Scheme No. 74C Sector D, Vijay Nagar , Indore, Madhya Pradesh - 452 010	U85110MP2008PTC020559	Subsidiary	54.63	2(87)

Sl No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
15.	**Apollo Lavasa Health Corporation Limited** Plot No.13, Parsik Hill Road, Off Uran Road, Sector 23, CBD Belapur, Navi Mumbai - 400 614, Maharashtra	U85100MH2007PLC176736	Subsidiary	51.00	2(87)
16.	**Apollo Hospitals International Limited (AHIL)** Plot No. 1A, GIDC Estate, Bhat Village, Gandhi Nagar, Gujarat - 382 428	U85110TN1997PLC039016	Subsidiary	50.00	2(87)
17.	**Future Parking Private Limited** 3rd Floor, G Block, No. 55 Greams Road, Chennai - 600 006	U45206TN2009PTC072304	Subsidiary	49.00	2 (87)
18.	**Apollo Healthcare Technology Solutions Limited** No. 19, Bishop Gardens, Raja Annamalaipuram, Chennai - 600 028, Tamil Nadu	U85100TN2012PLC086247	Subsidiary	40.00	2(87)
19.	**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)
20.	**Apollo Speciality Hospitals Pvt Ltd** 1-10-60/62, Ashoka Raghupathi Chambers, 5th Floor, Begumpet, Hyderabad – 500 016.	U85100TG2009PTC099414	Step down Subsidiary; Subsidiary of AHLL	99.92	2(87)
21.	**Alliance Dental Care Limited** No.68/1, Loyal Towers, 4th Floor, East Wing, MNO Complex, Greams Road, Chennai - 600 006	U85120TN2002PLC049414	Step down Subsidiary; Subsidiary of AHLL	70.00	2(87)
22.	**Apollo Dialysis Pvt Limited** No.68/1, Loyal Towers, 4th Floor, East Wing, MNO Complex, Greams Road, Chennai - 600 006	U85100TN2014PTC095571	Step down Subsidiary; Subsidiary of AHLL	70.00	2(87)
23.	**Apollo CVHF Limited** Plot No. 1A, Bhat GIDC Estate, Bhat, Gandhinagar, Gujarat - 382428	U74140GJ2016PLC086449	Step down Subsidiary; Subsidary of AHIL	63.74	2(87)
24.	**Apollo Bangalore Cradle Limited** 1-10-60/62, Ashoka Raghupuli Chambers, 5th floor, Begumpet, Hyderabad - 500 016	U85110TG2011PLC077888	Step down Subsidary of AHLL	100.00	2(87)
25.	**Kshema Healthcare Private Limited** 1-10-60/62, Ashoka Raghupuli Chambers, 5th floor, Begumpet, Hyderabad - 500 016	U85110TG2006PTC119295	Step down Subsidary of AHLL	100.00	2(87)
26.	**Apollo Gleneagles Hospital Limited** No. 58 Canal Circular Road, Kolkata - 700 054	U33112WB1988PLC045223	Joint Venture	50.00	2 (6)
27.	**Apollo Gleneagles PET-CT Private Limited** Apollo Hospitals Complex, Jubilee Hills, Hyderabad - 500 033	U85110TN2004PTC052796	Joint Venture	50.00	2 (6)
28.	**ApoKos Rehab Private Limited** 4th Floor, Apollo Hospitals Building, Jubilee Hills, Hyderabad - 500 033	U85191TG2012PTC084641	Joint Venture	50.00	2(6)
29.	**Family Health Plan Insurance (TPA) Limited** Srinilaya Cyber Spazio, Ground Floor, Road No.2, Banjara Hills, Hyderabad - 500034	U85110TN1995PLC031121	Associate	49.00	2 (6)

Sl No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
30.	**Stemcyte India Therapautics Private Limited** Apollo Hospitals Complex, Plot No. 1A, GIDC Estate, Bhat Village, Gandhi Nagar, Gujarat - 382 428	U85100GJ2008FTC052859	Associate	24.50	2 (6)
31.	**Indraprastha Medical Corporation Limited** Sarita Vihar, Delhi Mathura Road, New Delhi - 110 044	L24232DL1988PLC030958	Associate	22.03	2 (6)
32.	**Apollo Munich Health Insurance Company Limited** iLABS Centre, 2nd & 3rd floor, Plot No.404-405, Udyog Vihar Phase-III, Gurgaon - 122106, Haryana	U66030AP2006PLC051760	Associate	9.98	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 2017)				No. of Shares held at the end of the year (As on 31st March 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual /HUF	20,555,635	-	20,555,635	14.77	20,556,635	-	20,556,635	14.78	0.01
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	27,237,924	-	27,237,924	19.58	27,285,844	-	27,285,844	19.61	0.03
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	**47,793,559**	**-**	**47,793,559**	**34.35**	**47,842,479**	**-**	**47,842,479**	**34.39**	**0.04**
2) Foreign									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FIs	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	**47,793,559**	**-**	**47,793,559**	**34.35**	**47,842,479**	**-**	**47,842,479**	**34.39**	**0.04**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	3,779,557	-	3,779,557	2.72	8,810,184	-	8,810,184	6.33	3.61
b) Banks/FIs	171,247	3,846	175,093	0.13	122,572	3,838	126,410	0.09	(0.04)

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1st April 2017)				No. of Shares held at the end of the year (As on 31st March 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Central Govt. / State Govt.	323,708	-	323,708	0.23	323,708	-	323,708	0.23	-
d) Venture Capital Fund	-	-	-	-	-	-	-	-	-
e) Insurance Companies	2,069,596	-	2,069,596	1.49	2,271,954	-	2,271,954	1.63	0.14
f) FIIs	65,209,910	-	65,209,910	46.87	67,528,546	-	67,528,546	48.54	1.67
g) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
h) Others	-	-	-	-	-	-	-	-	-
Sub Total (B)(1)	**71,554,018**	**3,846**	**71,557,864**	**51.44**	**79,056,964**	**3,838**	**79,060,802**	**56.83**	**5.38**
2) Non Institutions									
a) Bodies corporates	812,444	59,500	871,944	0.62	893,111	51,250	944,361	0.68	0.06
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	4,433,459	1,950,154	6,383,613	4.59	4,426,021	1,684,940	6,110,961	4.39	(0.20)
ii) Individuals shareholders holding nominal share capital in excess of ₹1 lakh	1,028,206	96,650	1,124,856	0.80	1,016,770	96,650	1,113,420	0.80	
c) Others	9,271,685	1,018,866	10,290,551	7.40	2,677,850	951,420	3,629,270	2.61	(4.79)
Sub Total (B)(2)	**15,545,794**	**3,125,170**	**18,670,964**	**13.41**	**9,013,752**	**2,784,260**	**11,798,012**	**8.47**	**(4.93)**
Total Public Shareholding (B) = (B) (1) + (B) (2)	**87,099,812**	**3,129,016**	**90,228,828**	**64.86**	**88,070,716**	**2,788,098**	**90,858,814**	**65.31**	**0.45**
Total (A) + (B)	134,893,371	3,129,016	138,022,387	99.21	135,913,195	2,788,098	138,701,293	99.70	0.49
C. Shares held by Custodian for GDRs & ADRs									
i) Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
ii) Public	1,102,772		1,102,772	0.79	423,866		423,866	0.30	0.49
Total Public Shareholding (C)	**1,102,772**		**1,102,772**	**0.79**	**423,866**		**423,866**	**0.30**	**0.49**
Grand Total (A+B+C)	**135,996,143**	**3,129,016**	**139,125,159**	**100.00**	**136,337,061**	**2,788,098**	**139,125,159**	**100.00**	

(ii) **Shareholding of Promoters**

Sl No.	Name	Shareholding at the beginning of the year (As on 1st April 2017)			Shareholding at the end of the year (As on 31st March 2018)			% 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	5,445,464	3.91	-	5,445,464	3.91	-	-
2.	Smt. Sucharitha P Reddy	569,800	0.41	-	569,800	0.41	-	-
3.	Smt. Preetha Reddy	2,193,915	1.58	1.39	2,193,915	1.58	1.46	-
4.	Smt. Suneeta Reddy	3,381,695	2.43	1.76	3,381,695	2.43	1.92	-
5.	Smt. Shobana Kamineni	2,239,952	1.61	1.61	2,239,952	1.61	1.61	-
6.	Smt. Sangita Reddy	2,432,508	1.75	1.75	2,432,508	1.75	1.75	-
7.	Shri. Karthik Anand	330,600	0.24	-	330,600	0.24	-	-
8.	Shri. Harshad Reddy	320,200	0.23	-	320,200	0.23	-	-
9.	Smt. Sindoori Reddy	517,600	0.37	-	518,600	0.37	-	-
10.	Shri. Aditya Reddy	210,200	0.15	-	210,200	0.15	-	-
11.	Smt. Upasana Kamineni	217,276	0.16	-	217,276	0.16	-	-
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	0.11	-	168,224	0.11	-	-
17.	Shri. P. Vijay Kumar Reddy	8,957	0.01	-	8,957	0.01	-	-
18.	Shri. P. Dwaraknath Reddy	18,000	0.01	-	18,000	0.01	-	-
19.	Shri. Anil Kamineni	20	-	-	20	-	-	-
20.	Shri. K Vishweshwar Reddy	1,577,350	1.13	1.13	1,577,350	1.13	1.13	-
21.	PCR Investments Ltd	27,223,124	19.57	15.67	27,223,124	19.57	15.67	-
22.	Obul Reddy Investments Ltd	11,200	0.01	-	11,200	0.01	-	-
23.	Indian Hospitals Corporation Ltd	3,600	-	-	51,520	0.04	-	0.04
	Total	**47,793,559**	**34.35**	**23.31**	**47,842,479**	**34.39**	**23.54**	**0.04**

(iii) **Change in Promoters' Shareholding**

Sl No.	Name	Shareholding at the beginning of the year (As on 1st April 2017)		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	5,445,464	3.91	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	3,381,695	2.43	3,381,695	2.43
	At the end of the year			3,381,695	2.43
5.	**Smt. Shobana Kamineni**				
	At the beginning of the year	2,239,952	1.61	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	330,600	0.24	330,600	0.24
	At the end of the year			330,600	0.24
8.	**Shri. Harshad Reddy**				
	At the beginning of the year	320,200	0.23	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
	Market purchase	1,000	-	518,600	0.37
	At the end of the year			518,600	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	217,276	0.16	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.	Name	Shareholding at the beginning of the year (As on 1st April 2017)		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	0.11	168,224	0.11
	At the end of the year			168,224	0.11
17.	**Shri. P. Vijay Kumar Reddy**				
	At the beginning of the year	8,957	0.01	8,957	0.01
	At the end of the year			8,957	0.01
18.	**Shri. P. Dwaraknath Reddy**				
	At the beginning of the year	18,000	0.01	18,000	0.01
	At the end of the year			18,000	0.01
19.	**Shri. Anil Kamineni**				
	At the beginning of the year	20	-	20	-
	At the end of the year			20	-
20.	**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
21.	**PCR Investments Limited**				
	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
22.	**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
23.	**Indian Hospitals Corporation Ltd**				
	At the beginning of the year	3,600		3,600	
	Market Purchase 21-Aug-2017	8,500	0.01	12,100	0.01
	Market Purchase 24-Aug-2017	3,200	-	15,300	0.01
	Market Purchase 28-Aug-2017	6,000	0.01	21,300	0.02
	Market Purchase30-Aug-2017	15,000	0.01	36,300	0.03
	Market Purchase 28-Aug-2017	8,100	-	44,400	0.03
	Market Purchase 26-Mar-2018	7,120	0.01	51,520	0.04
	At the end of the year			51,520	0.04

(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters & Holders of GDRs)

Sl No.	Shareholders Name	Shareholding at the beginning of the year (As on 1st April 2017)		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	**Oppenheimer Developing Markets Fund**				
	At the beginning of the year	11,784,285	8.47	11,784,285	8.47
	1-Sep-2017 Market Purchase	33,754	0.02	11,818,039	8.49
	At the end of the year			11,818,039	8.49
2.	**Integrated (Mauritius) Healthcare Holdings Limited**				
	At the beginning of the year	6,654,712	4.78	6,654,712	4.78
	19-May-2017 Market Sale	(6,654,712)	(4.78)	-	-
	At the end of the year			-	-
3.	**Schroder International Selection Fund**				
	Asian Total Return				
	At the beginning of the year	2,729,259	1.96	2,729,259	1.96
	13-Oct-2017 – Market Sale	(169,679)	(0.12)	2,559,580	1.84
	20-Oct-2017 – Market Sale	(325,228)	(0.23)	2,234,352	1.61
	27-Oct-2017 – Market Sale	(147,891)	(0.11)	2,086,461	1.50
	31-Oct-2017 – Market Sale	(53,190)	(0.04)	2,033,271	1.46
	12-Jan-2018 – Market Sale	(342,452)	(0.25)	1,690,819	1.21
	19-Jan-2018 – Market Sale	(6,337)	(0.01)	1,684,482	1.20
	09-Feb-2018 – Market Sale	(278,596)	(0.20)	1,405,886	1.00
	16-Feb-2018 – Market Sale	(346,386)	(0.25)	1,059,500	0.75
	23-Feb-2018 – Market Sale	(1,059,500)	(0.75)	-	-
	At the end of the year			-	-
4.	**Munchener Ruckver sicherung sgesells chaft Aktiengesells chaft In Munchen**				
	At the beginning of the year	2,397,380	1.72	2,397,380	1.72
	At the end of the year			2,397,380	1.72
5.	**Schroder International Selection Fund Asian Opportunities**				
	At the beginning of the year	2,318,904	1.67	2,318,904	1.67
	09-Jun-2017 – Market Purchase	231,277	0.17	2,550,181	1.84
	At the end of the year			2,550,181	1.84
6.	**DB International (Asia) Ltd**				
	At the beginning of the year	1,755,347	1.26	1,755,347	1.26
	07-Apr-2017 – Market Sale	(457,855)	(0.33)	1,297,492	0.93
	14-Apr-2017 – Market Sale	(295,206)	(0.21)	1,002,286	0.72
	21-Apr-2017 – Market Sale	(75,800)	(0.05)	926,486	0.67
	28-Apr-2017 – Market Sale	(221,356)	(0.16)	705,130	0.51
	05-May-2017 – Market Sale	(227,478)	(0.16)	477,652	0.35
	12-May-2017 – Market Sale	(154,377)	(0.11)	323,275	0.24

Sl No.	Shareholders Name	Shareholding at the beginning of the year (As on 1st April 2017)		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	19-May-2017 – Market Sale	(9,373)	(0.11)	313,902	0.24
	26-May-2017 – Market Purchase	1,073,300	0.77	1,387,202	1.01
	02-Jun-2017 – Market Sale	(426,752)	(0.31)	960,450	0.70
	09-Jun-2017 – Market Sale	(541,048)	(0.39)	419,402	0.31
	16-Jun-2017 – Market Sale	(19,850)	(0.01)	399,552	0.30
	23-Jun-2017 – Market Sale	(14,407)	(0.01)	385,145	0.29
	30-Jun-2017 – Market Purchase	249	-	385,394	0.29
	07-Jul-2017 – Market Purchase	819	0.01	386,213	0.28
	14-Jul-2017 – Market Sale	(11,479)	(0.01)	374,734	0.27
	21-Jul-2017 – Market Sale	(77,868)	(0.06)	296,866	0.21
	04-Aug-2017 – Market Sale	(89)	-	296,777	0.21
	18-Aug-2017 – Market Sale	(162,873)	(0.12)	133,904	0.09
	25-Aug-2017 – Market Sale	(6,884)	(0.01)	127,020	0.08
	01-Sep-2017 – Market Sale	(2,138)	-	124,882	0.08
	08-Sep-2017 – Market Purchase	1,520	-	126,402	0.08
	15-Sep-2017 – Market Sale	(3,912)	-	122,490	0.08
	2-Sep-2017 – Market Sale	(7,632)	-	114,858	0.08
	03-Nov-2017 – Market Purchase	1,246	-	116,104	0.08
	24-Nov-2017 – Market Sale	(81,326)	(0.06)	34,778	0.02
	01-Dec-2017 – Market Sale	(10,124)	(0.01)	24,654	0.01
	08-Dec-2017 – Market Sale	(13,776)	-	10,878	0.01
	15-Dec-2017 – Market Sale	(7,300)	-	3,578	0.01
	At the end of the year			3,578	0.01
7.	**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
8.	**Vanguard Emerging Markets Stock Index Fund, A series of Vanguard International Equity Index Fund**				
	At the beginning of the year	1,079,061	0.78	1,079,061	0.78
	28-Apr-2017 – Market Purchase	16,541	0.01	1,095,602	0.79
	05-May-2017 – Market Purchase	11,120	-	1,106,722	0.79
	12-May-2017 – Market Purchase	30,780	0.03	1,137,502	0.82
	19-May-2017 – Market Purchase	36,012	0.03	1,173,514	0.83
	30-Jun-2017 – Market Purchase	31,930	0.03	1,176,572	0.88
	14-Jul-2017 – Market Purchase	15,876	0.01	1,221,320	0.89
	11-Aug-2017 – Market Purchase	7,089	-	1,228,409	0.89
	15-Sep -2017 – Market Purchase	18,487	0.01	1,246,896	0.9
	27-Oct -2017 – Market Purchase	14,595	0.01	1,261,491	0.91
	22-Dec-2017 – Market Sale	(2,353)	-	1,259,138	0.91

Sl No.	Shareholders Name	Shareholding at the beginning of the year (As on 1st April 2017)		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	26-Jan -2018 – Market Purchase	8,507	-	1,267,645	0.91
	02-Feb-2018 – Market Purchase	7,602	-	1,275,247	0.91
	30-Mar-2018 – Market Sale	(8,300)	-	1,266,947	0.91
	At the end of the year			1,266,947	0.91
9.	**Mirae Asset Asia Great Consumer Equity Fund**				
	At the beginning of the year	1,076,628	0.77	1,076,628	0.77
	07-Apr-2017 - Market Sale	(43,871)	(0.03)	1,032,757	0.74
	19-May-2017 - Market Sale	(37,025)	(0.02)	995,732	0.72
	02-Jun-2017 - Market Sale	(12,891)	(0.01)	982,841	0.71
	09-Jun-2017 - Market Sale	(29,475)	(0.02)	953,366	0.69
	16-Jun-2017 - Market Sale	(13,976)	(0.01)	939,390	0.68
	23-Jun-2017 - Market Sale	(11,707)	(0.01)	927,683	0.67
	28-Jul-2017 - Market Sale	(9,580)	(0.01)	918,103	0.66
	04-Aug-2017 - Market Sale	(7,421)	(0.01)	910,682	0.65
	01-Aug-2017 - Market Sale	(14,410)	(0.01)	896,272	0.64
	08-Aug-2017 - Market Sale	(29,115)	(0.02)	867,157	0.62
	22-Sep-2017 - Market Sale	(31,265)	(0.02)	835,892	0.60
	25-Jan-2018 - Market Purchase	18,469	0.01	854,361	0.61
	At the end of the year			854,361	0.61
10.	**Abu Dhabi Investment Authority - Monsoon**				
	At the beginning of the year	940,221	0.68	940,221	0.68
	12-May-2017 – Market Purchase	1,420	-	941,641	0.68
	19-May-2017 – Market Purchase	85,355	0.06	1,026,996	0.74
	26-May-2017 – Market Purchase	113,358	0.08	1,140,354	0.82
	02-Jun-2017 – Market Purchase	42,032	0.03	1,182,386	0.85
	09-Jun-2017 – Market Purchase	32,229	0.02	1,214,615	0.87
	16-Jun-2017 – Market Sale	(68,717)	(0.05)	1,145,898	0.82
	23-Jun-2017 – Market Sale	(156,464)	(0.11)	989,434	0.71
	30-Jun-2017 – Market Sale	(23,131)	(0.02)	966,303	0.69
	01-Sep-2017 – Market Sale	(46,975)	(0.03)	919,328	0.66
	22-Sep-2017 – Market Sale	(46,598)	(0.03)	872,730	0.63
	30-Sep-2017 – Market Sale	(375,635)	(0.27)	497,095	0.36
	06-Oct-2017 – Market Sale	(10,524)	(0.01)	486,571	0.35
	17-Nov-2017 – Market Sale	(51,576)	(0.04)	434,995	0.31
	24-Nov-2017 – Market Sale	(89,374)	(0.06)	345,621	0.25
	01-Dec-2017 – Market Sale	(50,427)	(0.04)	295,194	0.21
	08-Dec-2017 – Market Sale	(295,194)	(0.21)	-	-
	At the end of the year			-	-

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

(v) **Shareholding of Directors and Key Managerial Personnel**

Sl No.	Shareholders Name	Shareholding at the beginning of the year (As on 1st April 2017)		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	5,445,464	3.91	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	3,381,695	2.43	3,381,695	2.43
	At the end of the year			3,381,695	2.43
4.	**Smt. Shobana Kamineni**				
	At the beginning of the year	2,239,952	1.61	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	57,960	0.04	57,960	0.04
	At the end of the year			57,960	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	-	-	-	-

Sl No.	Shareholders Name	Shareholding at the beginning of the year (As on 1st April 2017)		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
13.	**Shri. Vinayak Chatterjee**				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
14.	**Shri. BVR Mohan Reddy**				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
15.	**Dr. T. Rajgopal**				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
	*ceased to be a director wef 14th August 2017				
	Key Managerial Personnel				
16.	**Shri. Krishnan Akhileswaran**				
	At the beginning of the year	4	-	4	-
	At the end of the year	-	-	4	-
17.	**Shri. S.M. Krishnan**				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-

Note : 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)

	Particulars	Secured Loans	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year					
i)	Principal Amount	25,962	1,478	150	27,590
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	10	-	2	12
Total (i+ii+iii)		**25,972**	**1,478**	**152**	**27,602**
Change in Indebtedness during the financial year					
i)	Additions	3,499	1,830	-	5,329
ii)	Reduction	(2,797)	(56)	(55)	(2,908)
iii)	**Net Change**	**702**	**1,774**	**(55)**	**2,421**
Indebtedness at the end of the financial year					
i)	Principal Amount	26,664	3,252	95	30,011
ii)	Interest due but not paid	-	-	-	-
iii)	Interest due but not paid	7	-	2	9
Total (i+ii+iii)		**26,671**	**3,252**	**97**	**30,020**

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.	76.65	38.22	38.22	38.75	37.32	229.16
	(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	NA
3.	Sweat Equity	NA	NA	NA	NA	NA	NA
4.	Commission as % of profit	19.21	-	-	-	-	19.21
	others (specify)	-	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-	-
	Total (A)	**95.86**	**38.22**	**38.22**	**38.75**	**37.32**	**248.37**

Ceiling as per the Act ₹358.90 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

Sl. No	Particulars of Remuneration	Shri. Deepak Vaidya	Shri. N. Vaghul	Shri. G. Venkatraman	Shri. Sanjay Nayar	Shri. Vinayak Chatterjee	Shri, BVR Mohan Reddy	Dr. T. Raj gopal	Shri. Rajkumar Menon	Shri. Rafeeque Ahamed	Shri. Habi bullah Badsha	Total Amount
	Independent Directors											
1.	(a) Fee for attending board committee meetings	0.70	0.45	0.65	0.05	0.30	0.25	0.40	0.20	0.10	0.05	3.10
	(b) Commission	1.25	1.25	1.25	1.25	1.25	0.78	1.04	-	-	-	8.07
	(c) Others, please specify	-	-	-	-	-	-	-	-			-
	Total (1)	**1.95**	**1.70**	**1.90**	**1.30**	**1.55**	**1.03**	**1.44**	**0.20**	**0.10**	**0.05**	**11.17**
	Other Non Executive Directors	Not Applicable										
2.	(a) Fee for attending board committee meetings	-	-	-	-	-	-	-	-			-
	(b) Others, please specify	-	-	-	-	-	-	-	-			-
	Total (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**			**-**
	Total (B) = (1+2)											
	Total Managerial Remuneration	**1.95**	**1.70**	**1.90**	**1.30**	**1.55**	**1.03**	**1.44**	**0.20**	**0.10**	**0.05**	**11.17**

Overall Ceiling as per the Act ₹405.43 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 Act, 1961.	19.07	6.30	25.37
	(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.	Sweat Equity	NA	NA	NA
3.	Commission as % of profit			
4.	Others, please specify	-	-	-
	Total	**19.07**	**6.30**	**25.37**

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)	Appeal 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

1. 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, 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 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 practices and that its resources are utilized for creating sustainable growth and societal wealth. The Board operates within the framework of a well defined responsibility matrix which enables it to discharge its fiduciary duties of safeguarding the interests of the Company, ensuring fairness in the decision making process and 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 has been mandated to operate within a given framework.

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

2. Board of Directors

The Company has an Executive Chairman. As per Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), in case of an Executive Chairman, at least half of the Board should comprise of independent directors. Independent Directors constitute 58 percent 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 and category of the Board of Directors, relationship between directors inter se and shareholding of Directors in the Company

Director	DIN	Category	Designation	Relationship with other Directors	Share holding in the Company
Dr. Prathap C Reddy	00003654	Promoter	Executive Chairman	Father of Smt. Preetha Reddy, Smt. Suneeta Reddy, Smt. Sangita Reddy & Smt. Shobana Kamineni	5,445,464
Smt. Preetha Reddy	00001871	Promoter	Executive Vice Chairperson	Daughter of Dr. Prathap C Reddy, Sister of Smt. Suneeta Reddy, Smt. Sangita Reddy & Smt. Shobana Kamineni	2,193,915
Smt. Suneeta Reddy	00001873	Promoter	Managing Director	Daughter of Dr. Prathap C Reddy, Sister of Smt. Preetha Reddy, Smt. Sangita Reddy & Smt. Shobana Kamineni	3,381,695
Smt. Shobana Kamineni	00003836	Promoter	Executive Vice Chairperson	Daughter of Dr. Prathap C Reddy, Sister of Smt. Preetha Reddy, Smt. Suneeta Reddy & Smt. Sangita Reddy	2,239,952
Smt. Sangita Reddy	00006285	Promoter	Joint Managing Director	Daughter of Dr. Prathap C Reddy, Sister of Smt. Preetha Reddy, Smt. Suneeta Reddy & Smt. Shobana Kamineni	2,432,508
Shri. Deepak Vaidya	00337276	Independent	Director	-	-
Shri. N. Vaghul	00002014	Independent	Director	-	-
Shri.G.Venkatraman	00010063	Independent	Director	-	-
Shri. Sanjay Nayar	00002615	Independent	Director	-	-
Shri Vinayak Chatterjee	00008933	Independent	Director	-	-

Director	DIN	Category	Designation	Relationship with other Directors	Share holding in the Company
Shri. BVR Mohan Reddy	00058215	Independent	Director	-	-
Dr. T. Rajgopal	02253615	Independent	Director	-	-

(b) Board Meetings and Attendance of Directors

Six board meetings were held during the financial year from 1st April 2017 to 31st March 2018. The dates on which the meetings were held are as follows:-

30th May 2017, 14th August 2017, 19th September 2017, 13th November 2017, 14th February 2018 and 16th March 2018.

Attendance details of each Director at the Board Meetings, at the last AGM and details of external directorships and memberships of Board/Committees.

Name of the Director	Number of Board Meetings held	Number of Board Meetings Attended	Last AGM attendance (Yes/No)	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	6	6	Yes	6(5)	-	-
Smt. Preetha Reddy	6	6	Yes	9	1	Member
Smt. Suneeta Reddy	6	6	Yes	4	1	Member
Smt. Shobana Kamineni	6	6	Yes	9	-	-
Smt. Sangita Reddy	6	6	Yes	9	1	Member
Shri. Deepak Vaidya	6	6	Yes	3	2 2	Chairman Member
Shri. N. Vaghul	6	6	Yes	4(1)	3 1	Chairman Member
Shri. G. Venkatraman	6	6	Yes	5	2 2	Chairman Member
Shri. Sanjay Nayar	6	1	No	5	2	Member
Shri. Vinayak Chatterjee	6	6	No	5(1)	1 1	Chairman Member
Shri. BVR Mohan Reddy (appointed wef 14th August 2017)	5	5	Yes	4(1)	2	Member
Dr. T. Rajgopal (appointed wef 30th May 2017)	6	5	Yes	-	-	-

\# 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, 2018, 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 and Chairmanship of more than 5 Committees, across all companies. None of the Independent Directors of the Company serve as an Independent Director in more than seven listed companies and where any Independent Director is serving as whole- time director in any listed company, such director does not serve as an Independent Director in more than three listed companies.

The 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 Meetings 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. provided that requisite quorum is otherwise available through the physical presence of other directors at the meeting.

(c) Availability of Information to Board Members

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 as prescribed under Part A of Schedule II of Sub- Regulation 7 of Regulation 17 of the Listing Regulations 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.

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 of 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/ services sold/rendered by the Company.
9. Any issue which involves possible public or product liability, claims of a substantial nature including judgments or orders 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 payments 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 shareholder services 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

(e) 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 Senior Management Personnel of the Company. This Code helps the Company to maintain the Standard of Business Ethics and ensure compliance with the legal requirements, specifically under Regulation 17(3) of the Listing Regulations. The Code is aimed at preventing any wrongdoing and promoting ethical conduct of the Board and employees.

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 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, Vice President 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.

(f) 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 valuable 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 of 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.

The familiarisation policy including details of familiarization programmes attended by independent directors during the year ended March 31, 2018 is posted on the website of the Company at https://www.apollohospitals.com/ apollo_pdf/board-familiarization-policy.pdf.

(g) Independent Directors' Meeting

During the year under review, the Independent Directors met on September 19, 2017 inter alia, to discuss:

- Evaluation of the performance of 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.

3. 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. G. Venkatraman Chairman	Dr. Prathap C Reddy Chairman
Shri. G. Venkatraman Member	Shri. Deepak Vaidya Member	Smt. Preetha Reddy Member	Smt. Preetha Reddy Member
Dr. T. Rajgopal Member	Shri. G. Venkatraman Member	Smt. Suneeta Reddy Member	Smt. Sangita Reddy* Member
	Shri. BVR Mohan Reddy Member		Shri. N. Vaghul Member
			Shri. G. Venkatraman Member

* appointed as a member w.e.f 13th November 2017

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	Smt. Suneeta Reddy Member
Shri. Vinayak Chatterjee Member	Smt. Suneeta Reddy Member	Shri. G. Venkatraman 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*
4. Dr. T. Rajgopal**

(*) Ceased to be a member w.e.f 14th August 2017, (**) Appointed as a member w.e.f 14th August 2017

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 the Audit Committee

The Audit Committee met five times during the financial year from 1st April 2017 to 31st March 2018. The dates on which the meetings were held are as follows:-

29th May 2017, 13th August 2017, 13th November 2017, 13th February 2018 and 16th March 2018

Sl.No	Name of the Member	Designation	Number of Meetings Held	Number of Meetings attended
1.	Shri. Deepak Vaidya	Chairman	5	5
2.	Shri. G. Venkatraman	Member	5	5
3.	Shri. Rajkumar Menon*	Member	1	1
4.	Dr. T. Rajgopal**	Member	3	3

(*) Ceased to be a member w.e.f 14th August 2017 (**) Appointed as a member w.e.f 14th August 2017

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 the auditors, including cost auditors of the Company;
3. Approval of payments to the statutory auditors, including cost 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 the financial statements.

f. Disclosure of any related party transactions.

g. Modified opinion(s) 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 internal audit function, if any, 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 on 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 payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

18. To review the functioning of the Whistle Blower mechanism;

19. Approval of appointment of the CFO 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 the 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 and such other matters as prescribed.

vi) Statement of deviations:

(a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchanges as per the relevant stock exchange listing regulations

(b) Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice.

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 & Remuneration Committee

a) Composition and Scope of the Nomination & Remuneration Committee

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

1. Shri. N. Vaghul, Chairman
2. Shri. Deepak Vaidya
3. Shri. G. Venkatraman
4. Shri. Rafeeque Ahamed*
5. Shri. BVR Mohan Reddy**

(*) Ceased to be a member w.e.f 14th August 2017, (**) Appointed as a member w.e.f 14th August 2017

b) Meetings of the Nomination & Remuneration Committee

Two meetings were held on 30th May 2017 and 14th August 2017 during the financial year from 1st April 2017 to 31st March 2018.

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	2	2
2.	Shri. Deepak Vaidya	Member	2	2
3.	Shri. G. Venkatraman	Member	2	2
4.	Shri. Rafeeque Ahamed*	Member	1	1
5.	Shri. BVR Mohan Reddy**	Member	-	-

(*) Ceased to be a member w.e.f 14th August 2017, (**) Appointed as a member w.e.f 14th August 2017

c) Scope of the Nomination & Remuneration Committee

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 formulate the criteria for evaluation of performance of independent directors and the board of directors.

4. The Committee shall ensure that the 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.

5. Review the policy from time to time for selection and appointment of Directors, Key Managerial Personnel and senior management employees and their remuneration;

6. 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.

7. 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.

8. Recommendation to the Board with regard to retirement of directors, directors liable to retire by rotation and appointment of Executive Directors.

9. 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

10. To determine the need for key man insurance for any of the Company's personnel

11. To carry out the evaluation of performance of Individual Directors and the Board.

12. 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.

d) Policy for selection of Directors and their remuneration

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

1. Criteria for selection of Non-Executive Directors and Independent Directors

a. The Non-Executive 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 manufacturing, 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. Qualifications, 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 fulfills 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 main aim 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 & 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 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 practice. Also, the annual increments relating to the fixed pay components will be decided by the Nomination & 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 with reference to the profit targets and the balance is payable with reference to the 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 & 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 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 & 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 2018.

   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**

In determining the remuneration of Senior Management Employees (ie 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 hereinabove, whilst recommending the annual increments and performance incentives to the N&R Committee for its review and approval.

e) Performance Evaluation of the Board and the Directors

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

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

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

Evaluation of Directors was based on criteria such as participation and contribution in Board and Committee meetings, representation of shareholder interests and enhancing shareholder value, experience and expertise to provide feedback and guidance to top management on business strategy, governance and risk, understanding of the organization's strategy, risk and environment, etc.

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

f) Remuneration of Directors

The details of the remuneration paid to the Directors for the year ended 31st March 2018 is given below:

(₹in million)

Name of the Director	Remuneration paid for the year ended 31st March 2018				
	Sitting Fee	Remuneration		Commission	Total
		Fixed pay	Variable Pay		
Dr. Prathap C Reddy	-	64.15	12.50	19.21	95.86
Smt. Preetha Reddy	-	29.16	9.06	-	38.22
Smt. Suneeta Reddy	-	29.16	9.06	-	38.22
Smt. Shobana Kamineni	-	29.16	9.59	-	38.75
Smt. Sangita Reddy	-	29.16	8.16	-	37.32
Shri. Deepak Vaidya	0.70		-	1.25	1.95
Shri. N. Vaghul	0.45		-	1.25	1.70
Shri. G. Venkatraman	0.65		-	1.25	1.90
Shri. Sanjay Nayar	0.05		-	1.25	1.30
Shri Vinayak Chatterjee	0.30		–	1.25	1.55
Shri. BVR Mohan Reddy	0.25		-	0.78	1.03
Dr. T. Rajgopal	0.40		-	1.04	1.44
Shri Rajkumar Menon *	0.20		-	-	0.20
Shri Rafeeque Ahamed *	0.10		-	-	0.10
Shri Habibullah Badsha *	0.05		-	-	0.05

*ceased to be a director wef 14th August 2017

Notes:

(i) The term of the executive directors & independent 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) 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.

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

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.

3. Stakeholders Relationship Committee

a) Composition and Scope of the Stakeholders Relationship Committee

The Stakeholders Relationship Committee specifically looks into issues such as redressal 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
3. Smt. Suneeta Reddy
4. Shri. G. Venkatraman**, Chairman

(*) Ceased to be a chairman w.e.f 14th August 2017,

(**) Appointed as a chairman w.e.f 14th August 2017

b) Meetings of the Stakeholders Relationship Committee

The Committee met four times during the year on 12th April 2017, 8th July 2017, 12th October 2017 and 11th January 2018 respectively.

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

(*) Ceased to be a chairman w.e.f 14th August 2017, (**) Appointed as a chairman w.e.f 14th August 2017

Name and designation of the Compliance Officer

Shri. S.M. Krishnan, Vice President – Finance and Company Secretary.

c) 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	95	95	-
2.	Revalidation and issue of duplicate dividend warrants	111	111	-
3.	Share transfers	74	74	-
4.	Split of Shares	3	3	-
5.	Stop Transfers	-	-	-
6.	Change of Bank Mandate	102	102	-
7.	Correction of Name	10	10	-
8.	Dematerialisation Confirmation	371	371	-
9.	Rematerialisation of shares	24	24	-
10.	Issue of duplicate share certificates	30	30	-
11.	Transmission of shares	53	53	-
12.	General enquiry	334	334	-

The Company usually attended to the investor grievances/correspondences 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.

d) Legal Proceedings

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. Corporate Social Responsibility Committee

The composition of the Corporate Social Responsibility Committee as at March 31, 2018 and the details of Members' participation at the Meetings of the Committee are as under

Sl. No	Name of the Member	Designation	No. of Meetings Held	No.of Meetings attended
1.	Dr. Prathap C Reddy	Chairman	2	2
2.	Smt. Preetha Reddy	Member	2	2
3.	Smt. Sangita Reddy*	Member	1	1
4.	Shri. N. Vaghul	Member	2	2
5.	Shri. G. Venkatraman	Member	2	2

* appointed wef 13th November 2017

The terms of reference of the Committee 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 on 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.

  d. Research in Healthcare.

During the financial year the Company contributed a total amount of ₹104.02 million to CSR activities as against the amount of ₹ 82.47 million calculated as per the Companies Act, 2013, being 2% of the average net profits of the company for the preceding three financial years and constituted a team to monitor its progress. The report on CSR activities is annexed as Annexure A to the Directors 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. The objectives and scope of the Risk Management Committee broadly comprises:

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

The composition of the Risk Management Committee as at March 31, 2018 and the details of Members' participation at the Meetings of the Committee are as under:

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

6. Investment Committee

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, Chairman
2. Smt. Preetha Reddy
3. Smt. Suneeta Reddy
4. Shri. Deepak Vaidya
5. Shri. Vinayak Chatterjee

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

7. Share Transfer Committee

Composition and Scope of the Share Transfer Committee

The Share Transfer committee comprises of the following directors:

1. Smt. Preetha Reddy
2. Smt. Suneeta Reddy
3. Shri. Rajkumar Menon*
4. Shri. Rafeeque Ahamed*
5. Shri. G Venkatraman**

(*) Ceased to be a member w.e.f 14th August 2017,

(**) Appointed as a member w.e.f 14th August 2017

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

4. General Body Meetings

Details of 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
2014-2015	11th August, 2015	The Music Academy, Chennai	10.30 A.M.	No special resolution was passed.
2015-2016	12th August 2016	Kamaraj Arangam Chennai	10.15 A.M.	a. Revision in the borrowing limits of the Company upto a sum of ₹35,000 million. b. Mortgaging the assets of the Company in favour of Financial Institutions, Banks and other lenders for securing their loans up to a sum of ₹35,000 million. c. Offer/Invitation to subscribe to NCDs on a private placement basis
2016-2017	20th September 2017	The Music Academy, Chennai	10.15 A.M	a. Appointment of Dr.Prathap C Reddy as a wholetime Director designated as Executive Chairman b. Offer/Invitation to subscribe to NCDs on a private placement basis

Postal Ballots

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

5. 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 news 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 sixty days from the end of the last quarter as stipulated under the Listing Agreement with the Stock Exchanges. For the financial year ended 31st March 2018, the audited annual results were announced on 30th May 2018. The audited annual results are taken on record by the Board of Directors and are communicated to the Stock Exchanges where these results are 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 quarterly, half-yearly and annual results of the Company are published in leading newspapers in India which include the Economic Times, Business Standard, The Hindu Business Line and Makkal Kural. The results are also posted on the Company's website "www.apollohospitals.com". Press Releases made by the Company from time to time are also posted on the Company's website. Presentations made to the institutional investors and analysts after the declaration of the quarterly, half-yearly and annual results are also posted on the Company's website.

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

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

NSE Electronic Application Processing System (NEAPS) : BSE Corporate Compliance & Listing Centre : The NEAPS/ BSE's listing centre is a web-based application, designed for corporates. All periodic compliance related filings and other material information is filed electronically on the designated portals.

SEBI Complaints Redress System (SCORES): Investor Complaints are processed in a centralised web based complaints redress system. The salient feature of this system are a 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.

6. Other Disclosures

a) Related Party Transactions

There were no materially significant related party transactions or 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. The details of transactions are disclosed in the notes forming part of the Accounts as required under Indian Accounting Standard (IND AS) 24 notified by the Ministry of Corporate Affairs. 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 on 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: www.apollohospitals.com

b) Vigil Mechanism/Whistle Blower Policy

The Apollo Hospitals Group believes in the conduct of affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour 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 involves serious malpractice, impropriety, abuse or wrong doing within the Company without fear of reprisal or victimization. Further, assurance is also provided to the 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 to:

The Chairman, Group Compliance Committee
Apollo Hospitals Enterprise Limited
Mezzanine Floor, Ali Towers, 55, Greams Road, Chennai – 600 006
Tel : 91-44-2829 6716, Email:gcc@apollohospitals.com

c) Subsidiaries

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

d) Accounting Treatment

The Financial Statement of the company for FY 2017-18 have been prepared in accordance with the applicable accounting principles in India and the Indian accounting standards (Ind As) prescribed under section 133 of the Companies Act, 2013 read with the rules made thereunder.

e) 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.

f) Risk Management

Business Risk Evaluation and management of such risks is an ongoing process within the organization. The Board has constituted a Risk Management Committee headed by the Managing Director which reviews the probability of risk events that adversely affect the operations and profitability of the Company and suggests suitable measures to mitigate such risks.

A Risk Management Framework is already in place and the Executive Management reports to the Board periodically on the assessment and minimization of risks.

g) Proceeds of Public, Rights and Preferential Issues

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

h) Management

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

i) 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 which atleast one third are required to retire every year.

Except the Chairman, Managing Director and 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 detailed profile of the Director is provided as part of the Notice of the Annual General Meeting.

2) 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 this Report.

For matters regarding shares transferred in physical form, share certificates, dividends, change of address etc., shareholders should send in their communications to Integrated Registry Management Services Private Limited, our Registrar and Share Transfer Agent. Their address is given in the section on Shareholders Information.

j) 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.

k) Compliance with Corporate Governance Norms

(a) Mandatory Requirements

The Company has complied with all the mandatory requirements of Corporate Governance norms as enumerated in the Listing Regulations. The requirements of Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations to the extent applicable to the Company have been complied with as disclosed in this report.

(b) Discretionary Requirements

The Company has duly fulfilled the following discretionary requirements as prescribed in Schedule II Part E of the SEBI Listing Regulations.

1. The Board

There is no Non-Executive Chairman of the Company.

2. Shareholder Rights

Details are given under the heading 'Communication to Shareholders'

3. **Modified opinion(s) in Audit Report**

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

4. **Separate post of Chairman and CEO**

   The Company has appointed separate persons for the offices of Chairman and Managing Director

5. **Reporting of the Internal Auditor**

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

7. CEO/CFO Certification

The Managing Director and the Chief Financial Officer have issued a certificate pursuant to Regulation 17 of the Listing Regulations certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate from Smt. Suneeta Reddy, Managing Director and Shri. Krishnan Akhileswaran, Chief Financial Officer was placed before the Board of Directors at its meeting held on 30th May 2018.

8. Auditors Report on Corporate Governance

The auditors' certificate on compliance of Corporate Governance norms is annexed to this Report.

9. General Shareholders' information

(i)	**AGM date, time and venue**	27th September 2018 at 10.15 a.m.
		The Music Academy, TTK Salai, Chennai-600 014
(ii)	**Financial Year**	1st April to 31st March
(iii)	**Dividend Payment**	on or before 4th October 2018
(iv)	**Listing of**	
	(1) Equity Shares	**(i) Bombay Stock Exchange Ltd (BSE)** PhirozeJeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Tel :91-22-2272 1234, 1233, Fax : 91-22-2272 3353/3355 Website : www.bseindia.com **(ii) National Stock Exchange of India (NSE)** 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

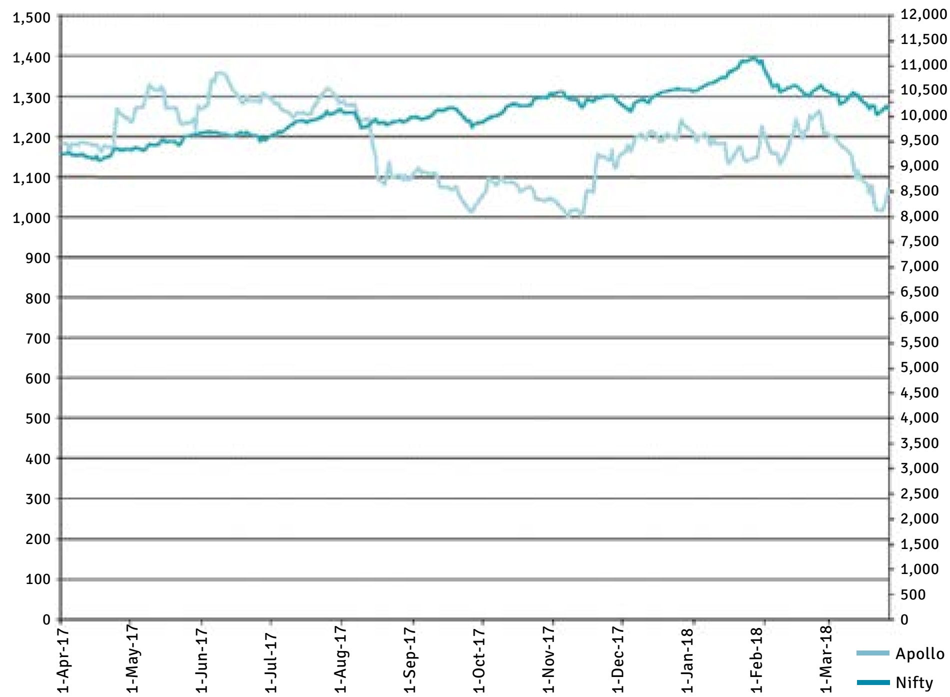
	(2) GDRs	**Euro MTF of Luxembourg Stock Exchange, BP** 165 L-2011 Luxembourg Traded at : Nasdaq – Portal Market
	(3) Non-Convertible Debentures	**Wholesale Debt Market Segment of National Stock Exchange of India** Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051 Tel : 91-22-2659 8100 - 8114 Fax : 91-22-26598237/38 Website : www.nseindia.com
	(4) Listing Fees	Paid for all the above stock exchanges for 2017 - 2018 and 2018 - 2019.
(v)	**Address of Registered Office**	No. 19 Bishop Gardens, Raja Annamalaipuram, Chennai – 600 028.
(vi)	**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	
	National Stock Exchange of India Limited, Mumbai	APOL28, APOL26, APOL22
	b) Corporate Identity Number (CIN) of the Company	L85110TN1979PLC008035
	c) Demat ISIN Numbers in NSDL & CDSL for Equity Shares	INE437A01024
	d) ISIN Numbers of GDRs	Reg. S GDRs - US0376082055
		Rule 144a GDRs – US0376081065

e) ISIN Numbers of Debentures	INE437A07104, INE437A07112 & INE437A07120
f) Overseas Depositary for GDRs	The Bank of New York Mellon 240, Greenwich Street, New York, NY 10286, USA
g) 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
h) Trustee for Debenture Holders	Axis Trustee Services Limited 2nd floor, Axis Bank Building, Bombay Dyeing, Pandurang Budhkar Marg, Worli, Mumbai - 400025 Tel. +91-22- 24255212

(vii) Monthly High and Low quotations along with the volume of shares traded in NSE & BSE during the year 2017-2018

Month	National Stock Exchange (NSE)			The Bombay Stock Exchange (BSE)		
	High	Low	Volume	High	Low	Volume
	(₹)		Numbers	(₹)		Numbers
Apr-17	1,270.00	1,131.20	7,257,982	1,268.50	1,132.00	411,505
May-17	1,330.33	1,183.00	15,411,551	1,329.45	1,184.00	511,511
Jun-17	1,358.00	1,201.10	7,649,874	1,356.75	1209.90	243,215
Jul-17	1,319.95	1,226.00	4,279,637	1,319.15	1,223.00	217,450
Aug-17	1,290.00	1,049.90	10,055,605	1,289.45	1,049.00	846,953
Sep-17	1,122.20	985.90	7,617,732	1,121.00	988.50	343,542
Oct-17	1,097.25	1,011.50	5,383,003	1,107.00	1,017.20	234,578
Nov-17	1,167.15	957.15	18,865,017	1,167.90	959.00	1,000,804
Dec-17	1,242.00	1,116.10	9,411,102	1,238.80	1,119.95	604,318
Jan-18	1,216.00	1,105.90	5,624,022	1,215.00	1,104.00	201,762
Feb-18	1,263.40	1,086.35	10,630,369	1,262.00	1,085.05	808,361
Mar-18	1,210.00	993.40	6,254,558	1,207.00	995.65	416,478

(viii) Apollo Price Vs Nifty



(ix) Registrar & Share Transfer Agent

Integrated Registry Management Services Private 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

(x) 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

	2017-2018	2016-2017
Shares Transferred	11,040	21,463
Total No. of Shares as on 31st March	139,125,159	139,125,159
% on Share Capital	0.01	0.02

The Company obtains from a Company Secretary in Practice a half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI (LODR) Regulations, 2015 and files a copy of the certificate with the Stock Exchanges.

2) 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 Agent, Integrated Registry Management Services Private Ltd. 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.

3) Unclaimed Dividend

The Ministry of Corporate Affairs notified provisions relating to unpaid / unclaimed dividends under Sections 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules. As per the new Rules, dividends not encashed / claimed seven years from the date of declaration are to be transferred to the Investor Education and Protection Fund (IEPF) Authority. The Rules mandate companies to transfer shares of shareholders whose dividends remain unpaid/ unclaimed for a continuous period of seven years to the demat account of the IEPF Authority. The shareholders whose dividend / shares are transferred to the IEPF Authority can now claim their shares / dividend from the Authority.

In accordance with the IEPF Rules, the Company sent a notice to all shareholders whose shares are due to be transferred to the IEPF Authority and published the requisite advertisement in the newspaper.

In terms of the provisions of the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 / Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, an amount of ₹2.76 million of unclaimed dividend was transferred to the Investor Education and Protection Fund during the year.

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the Company's website https://www.apollohospitals.com /investor relations.

4) Distribution of Shareholdings as on 31st March 2018

No. of Equity Shares		Shares				Holders			
		Physical		Electronic		Physical		Electronic	
		Nos.	%	Nos.	%	Nos.	%	Nos.	%
1	500	679,704	0.49	2,270,331	1.63	4,389	9.97	36,644	83.19
501	1,000	308,402	0.22	790,996	0.57	405	0.92	1,047	2.38
1,001	2,000	315,376	0.23	656,340	0.47	187	0.42	427	0.97
2,001	3,000	251,730	0.18	359,125	0.26	94	0.21	142	0.32
3,001	4,000	244,542	0.18	295,284	0.21	69	0.16	83	0.19
4,001	5,000	60,854	0.04	154,877	0.11	13	0.03	33	0.07
5,001	10,000	502,561	0.36	761,017	0.55	63	0.14	103	0.23
10,001	above	424,929	0.30	131,049,091	94.20	16	0.04	335	0.76
Total		**2,788,098**	**2.00**	**136,337,061**	**98.00**	**5,236**	**11.89**	**38,814**	**88.11**
Grand Total				**139,125,159**				**44,050**	

5) Categories of shareholders as on 31st March, 2018

Category code	Category of Shareholder	No. of Shareholders	Total number of shares	Percentage to total no. of shares
(A)	**Shareholding of Promoter and Promoter Group**			
1	Indian			
(a)	Individuals/ Hindu Undivided Family	20	20,556,635	14.78
(b)	Bodies Corporate	3	27,285,844	19.61
	Sub Total (A) (1)	**23**	**47,842,479**	**34.39**
	Total Shareholding			
	Group of Promoter and Promoter	**23**	**47,842,479**	**34.39**
(B)	**Public shareholding**			
1	**Institutions**			
(a)	Mutual Funds/ UTI	45	8,810,184	6.33
(b)	Financial Institutions / Banks	8	126,410	0.09
(c)	Central Government/ State Government(s)	1	323,708	0.23
(d)	Insurance Companies	10	2,271,954	1.63
(e)	Foreign Institutional Investors	275	67,528,546	48.55
	Sub-Total (B)(1)	**339**	**79,060,802**	**56.83**
B2	**Non-Institutions**			
(a)	Bodies Corporate	664	944,361	0.68
(b)	Individuals			
	i. Individual shareholders holding nominal share capital up to ₹1 lakh	40,657	6,110,961	4.39
	ii. Individual shareholders holding nominal share capital in excess of ₹1 lakh.	10	1,113,420	0.80
(c)	Any Other (Specify)			
	Trusts	23	136,345	0.10
	Employees	2	125	-
	Foreign Nationals	1	5	-
	Non Resident Indians	1,449	1,292,030	0.93
	Overseas Corporate Bodies	1	16,099	0.01
	Clearing Member	145	207,084	0.15
	Hindu Undivided Families	730	98,082	0.07
	Foreign Portfolio Investors	3	1,298,958	0.93
	IEPF	1	368,458	0.27
	Unclaimed or Suspense Account	1	212,084	0.15
	Sub-Total (B)(2)	**43,687**	**11,798,012**	**8.48**
(B)	**Total Public Shareholding (B)= (B)(1)+(B)(2)**	**44,026**	**90,858,814**	**65.31**
	Total (A)+(B)	**44,049**	**138,701,293**	**99.70**

Category code	Category of Shareholder	No. of Shareholders	Total number of shares	Percentage to total no. of shares
(C)	**Global Depository Receipts (GDRs)**			
(1)	Promoter and Promoter Group	Nil	Nil	Nil
(2)	Public	1	423,866	0.30
(C)	Total Public Shareholding (C)= (C)(1)+(C)(2)	1	423,866	0.30
	Grand Total (A)+(B)+(C)	**44,050**	**139,125,159**	**100.00**

6) Top Ten Shareholders (other than Promoters) as on 31st March 2018.

S. No.	Name	No. of Shares	%
1.	Oppenheimer Developing Markets Fund	11,818,039	8.49
2.	Nordea 1 SICAV-Emerging Stars Equity Fund	2,789,444	2.00
3.	Schroder International Selection Fund Asian Opportunities	2,550,181	1.83
4.	MunchenerRuckversicherungsgesellschaft Akliengesellschaft in Munchen	2,397,380	1.72
5.	Sanford C Bernstein Fund Inc Tax Managed International Portfolio	1,609,580	1.16
6.	Morgan Stanley Investment Funds Emerging Leaders Equity Fund	1,506,302	1.08
7.	International Finance Corporation	1,290,149	0.93
8.	Life Insurance Corporation of India	1,289,102	0.93
9.	Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Fund	1,266,947	0.91
10	Vanguard Total International Stock Index Fund	1,257,935	0.90
	Total	**27,775,059**	**19.95**

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 2017-2018 are as under

Month	Reg. S			Rule 144 - A		
	High ($)	Low ($)	Closing ($)	High ($)	Low ($)	Closing ($)
Apr-17	19.42	17.72	19.17	19.44	17.73	19.20
May-17	20.51	18.65	18.77	20.52	18.71	18.76
Jun-17	21.05	19.42	19.72	20.97	19.45	19.74
Jul-17	20.24	19.07	19.63	20.11	19.16	19.58
Aug-17	20.28	16.40	16.94	19.97	16.42	16.86
Sep-17	17.25	15.14	15.39	17.34	15.19	15.45
Oct-17	16.71	15.78	16.03	16.76	15.78	16.00
Nov-17	17.70	15.07	17.16	17.65	15.13	17.19
Dec-17	19.22	17.81	18.88	19.29	17.76	18.91
Jan-18	18.88	17.45	18.28	18.80	17.50	18.30
Feb-18	19.17	17.43	18.47	19.10	17.50	18.40
Mar-18	18.14	15.49	16.32	18.10	15.40	16.10

Note : 1 GDR = 1 equity share.

(xi)

1) Dematerialization of Shares

As on 31st March 2018, 98.00% 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 an Audit to reconcile the total admitted capital with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) with the total listed and paid up capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges and is also placed before the Board of Directors. The audit, 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.

(xii) 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 2018 are given below :

Particulars	Nos.	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	
2015-2016	22,114	
2016-2017	384,562	
2017-2018	83,784	8,631,082
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	
2015-2016	259,856	
2016-2017	83,138	
2017-2018	762,690	26,207,216
Outstanding GDRs as on 31st March 2018		**423,866**

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

(xiii) Equity Shares in the unclaimed suspense account

In accordance with the requirement of Regulation 34(3) of and Schedule V Part F of the SEBI Listing Regulations, the Company reports the following details in respect of equity shares lying in the suspense account.

The list of unclaimed shares is being 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 2018 shall remain frozen till the rightful owner of such shares claims the shares.

Aggregate Number of Shareholders relating to the shares lying in the unclaimed suspense account	1,570
Aggregate Number of the outstanding equity shares lying in the unclaimed suspense account	404,598
Number of shareholder who approached the Company for transfer of shares from the unclaimed suspense account during the financial year 2017-2018	26
Number of shares transferred from the unclaimed suspense account during the financial year 2017-2018	4,006
Number of shareholder whose shares transferred to IEPF account during the financial year 2017-2018	1,225
Number of shares transferred to IEPF Account during the financial year 2017-2018	188,508
Aggregate Number of Shareholders relating to the shares lying in the unclaimed suspense account at the end of the financial year 2017-2018	319
Aggregate Number of the outstanding equity shares lying in the unclaimed suspense account at the end of the financial year 2017-2018	212,084

(xiv) Investors Correspondence

a. **For queries relating to shares**

Shri. Suresh Babu, Sr. Vice President,
Integrated Registry Management Services Private 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

c. **Designated Exclusive email-id**

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

(xv) 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 Shafee Mohammed Road, Chennai – 600 006 Tel : 044 2829 8282, 2829 6262
	Apollo Women Hospital, Shafee Mohammed Road, Chennai – 600 006 Tel :044 2829 6262
	New No. 6, Old No. 24, Cenotaph Road, Chennai – 600 018 Tel : 044 2433 6119
	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 1111
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. Tel : 0452 2526810, 2520153
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.045-65223700
Tiruchirappalli	Varaganeri Village, Chennai Madurai Bypass Road, Tiruchirappalli, Tel: 0431 3307777, 2207777
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

	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
Visakhapatnam	No.10-50-80 Waltair Main Road Visakhapatnam – 530 002 Tel.No.0891-272 7272
	APIIC Health City, Near Hanumanthvaka Junction, Visakhapatnam - 530 040, Tel. No. 0891 - 2867777
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 : 07752–248300
Bhubaneswar	#251, Sainik School, Unit 15, Bhubaneswar – 751 003 Tel.0674 6661016/1066/0413
Nashik	Swamy Narayan Nagar, Off Mumbai Agra Highway, Near Lunge Mangal Karyalaya, Panchavati, Nashik – 422 003, Tel : 0253-2510350/2510450
Navi Mumbai	Plot # 13, Sector 23, Parsik Hill Road, Off Uran Road, CBD Belapur, Navi Mumbai, 400 614, Tel : 022-3350 3350
Indore	Scheme No. 74C, Sector D, Vijay Nagar, Indore - 452 010 Madhya Pradhesh Tel. No. 0731 - 2445566
Bangalore	154/11 Bannerghatta Road, Opp. IIM, Bangalore – 560 076 Tel. No. 080-4030 4050
	#1533, 9th Main Road 3rd Block, Jayanagar, Bangalore – 560 011 Tel. No. 080-4020 2222
	New No. 1, old No. 28 Platform Road, Seshadripuram, Bangalore – 560 020 Tel. No. 080-4668 9999/8888
Lavasa	7th Dasve Circle, Darve Village Post, Mulshi Lalukka, Pune - 412 112 Tel No. 020 - 6677 1111
Assam	Lotus Towers, 175 GS Road, Guwahati – 781 005 Tel. No. 0361-2347700
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

Other Health Centres	Woodhead Tower, No. 12 CP Ramaswamy Road, Alwarpet, Chennai – 600 018 Tel. No. 044-24672200/24988866
	Apollo Personalised Health No. 20 Wallace Garden, 1st Street, Thousand Lights Chennai - 600 006 Check Centre Tel. No. 044-28291066
Apollo Heart Centre	# 156, Greams Road, Chennai – 600 006 Tel : 044 28296903
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 24618028, 8079
	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 235669

Declaration under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 they have affirmed compliance with the said code of conduct.

For APOLLO HOSPITALS ENTERPRISE LIMITED

Place : Chennai
Date : May 30, 2018

Suneeta Reddy
Managing Director

Independent Auditors' Certificate on Corporate Governance

TO THE MEMBERS OF APOLLO HOSPITALS ENTERPRISE LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter reference no. VB/AHEL/EL/001A/2017-18 dated November 3, 2017.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Apollo Hospitals Enterprise Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2018.
9. We 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.

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

Vikas Bagaria
Partner
(Membership No. 060408)

Place: Singapore
Date: May 30, 2018

Management Discussion and Analysis

Industry Structure & Developments

Healthcare Services in India

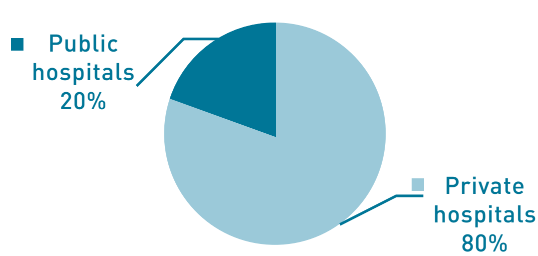
General Overview

People in developing countries have lower access to health services than those in developed countries, and even within all countries, the poor tend to have lower access to health services. Deprivation to health care access of even a basic standard leads to disease and illness that could otherwise be contained or avoided altogether, which then impacts health metrics of the populace in turn stunting growth parameters – a phenomenon which is more pronounced in developing countries. The primary challenge remains to improve access to healthcare, and to aim for universal health care which will ensure that the health care needs of the vulnerable and under-privileged population are also addressed.

India inherited basic and limited health care infrastructure which was inadequate to meet the demands of a large and diverse population. Even currently, Public healthcare facilities do not cover the country extensively, have inadequate quality standards in several facilities, are understaffed and are not properly equipped in terms of basic infrastructure and equipment. There has been a significant gap in the supply of healthcare services compared to the demand.

The large unmet opportunity combined with the strong fundamentals in the market, has led to the emergence of private healthcare service providers giving thrust to the country's healthcare system. In the past three decades, the Indian healthcare sector has become one of the largest sectors in the country and has achieved several milestones. Today, private healthcare service providers offer world class facilities, highly skilled and globally recognized professionals and advanced technology facilities largely in the Tier I urban areas of the country. However, there are many more milestones yet to be achieved in the Indian healthcare space largely in terms of overall healthcare reach and accessibility.

Share in The Total Healthcare Market



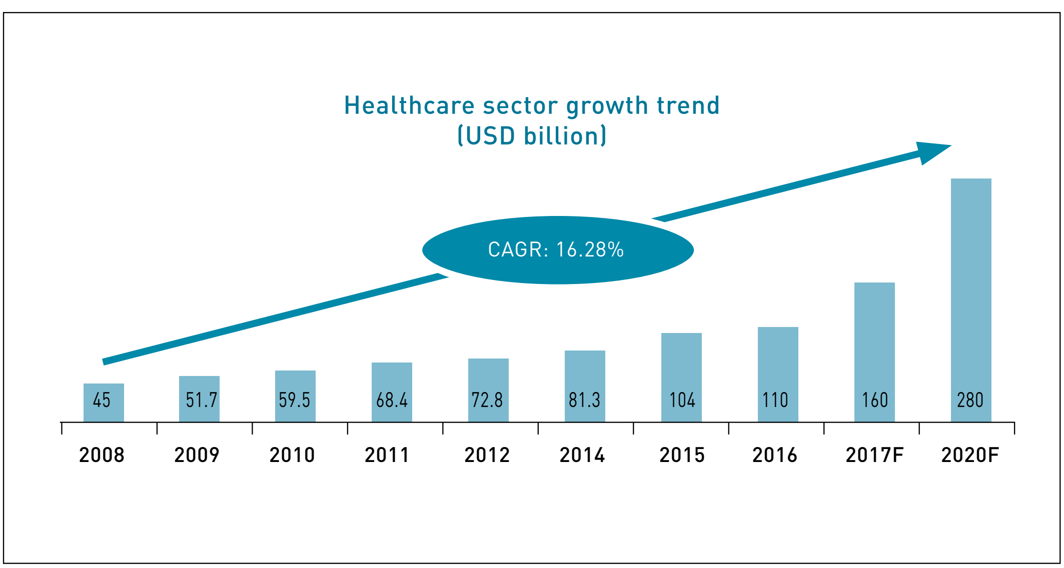
Source: A report on 'Indian Hospital Services Market Outlook' by consultancy RNCOS, Grant Thornton, LSI Financial Services, OECD

The Indian healthcare delivery segment is largely driven by private sector players who occupy a major share of nearly 80% of the country's total healthcare market. They also account for almost 74% of the country's total healthcare expenditure. The private sector has done a commendable job in creating pockets of excellence and has been able to realize significant value. The enduring success has led to the emergence of multiple players and spawned industry diversification and deep specialization enhancing verticalization and reach of offerings. Today, the Indian Healthcare industry has become a preferred Sector for strategic and financial investments.

It is pertinent to mention that the Country's healthcare sector is strongly supported by the Indian Government which has been undertaking commendable work to develop India as a global healthcare hub.

In the Union Budget 2018, the Government of India announced the 'Ayushman Bharat - National Health Protection Mission' (AB-NHPM), under which over 100 million poor and vulnerable families of the country will get access to quality healthcare through an insurance model. The Ayushman Bharat Scheme is considered as the biggest ever Government-sponsored health scheme launched by any country so far. The beneficiaries will be able to get free and cashless health insurance benefit upto ₹5 lakh per family per year at empanelled public and private hospitals across the country.

It is worth mentioning how India's health system has undergone a major transformation in the last two decades. The overall Indian health care industry revenue currently stands at an estimated size of USD 160 billion and is expected to touch a size of USD 372 billion by 2022. These statistics indicate that the Indian Healthcare sector is growing at a tremendous pace owing to its strengthening coverage, services and increasing expenditure by public and private players. Today, Healthcare has become one of India's largest sectors both in terms of revenue and employment.. All of these developments signify positive trends for the sustained expansion and progress of the Indian healthcare industry as a whole.



Source: Frost & Sullivan, LSI Financial Services, Deloitte, TechSci Research

The Healthcare Service Delivery Landscape in India

The Healthcare sector in India broadly includes Hospitals, Pharmaceutical companies & Standalone Pharmacies, Diagnostic services, Medical equipment and supplies, Health Insurance, Telemedicine, Medical Tourism and Retail healthcare.

Healthcare

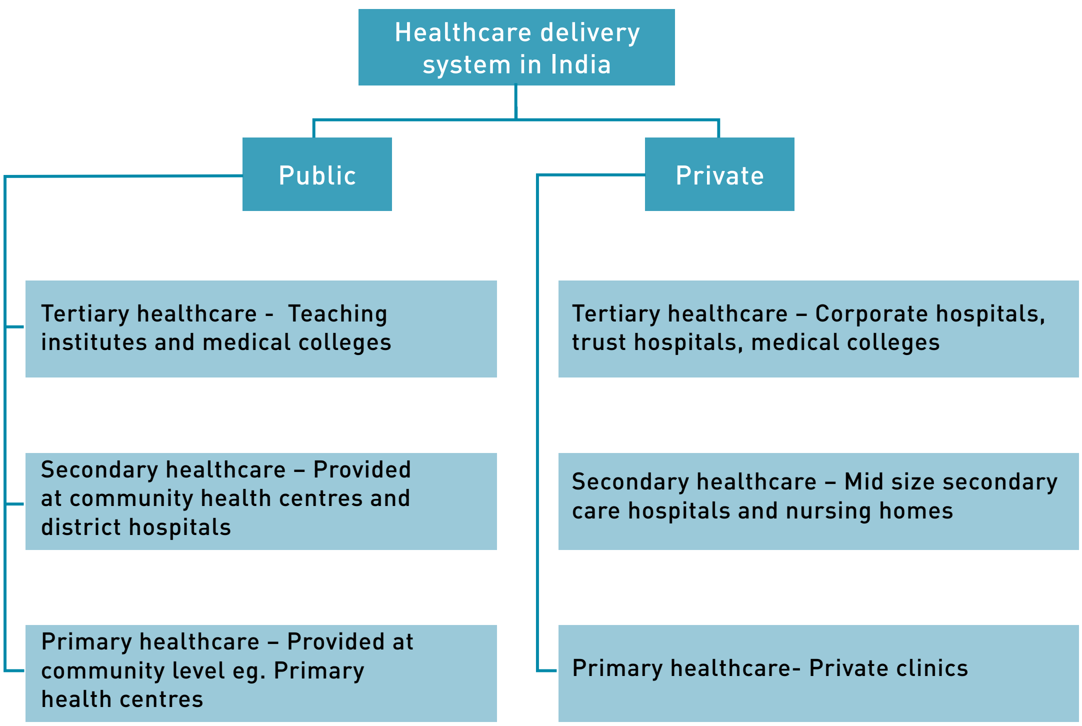
Hospitals	Government hospitals – Includes primary Healthcare centers, district hospitals and general hospitals
	Private hospitals – Includes nursing homes and mid-tier and top-tier private hospitals
Pharmaceutical companies & StandalonePharmacies	Includes manufacturing, extraction, processing, purification and packaging of chemical materials for use as medications for humans or animals. Standalone pharmacies include both organized and unorganized standalone pharmacies in India.
Diagnostics Services	Comprises of businesses and laboratories that offer analytical or diagnostic services, including body fluid analysis.
Medical Equipment and Supplies	Includes establishments primarily manufacturing or importing medical equipments and supplies, e.g. surgical, dental, orthopedic, ophthalmologic, laboratory instruments, etc.
Health Insurance	It includes health insurance and medical reimbursement facility, covering an individual's hospitalization expenses incurred due to sickness.
Telemedicine	Telemedicine has enormous potential in meeting the challenges of healthcare delivery to rural and remote areas besides several other applications in education, training and management in the healthcare sector.
Medical Tourism	Indian medical tourism is enhancing the prospects of the Indian healthcare market substantially, benefiting its healthcare services players and in increasing the inflow of foreign exchange into India.
Retail Healthcare	The Retail Healthcare business primarily include Primary Care Clinics, specialized birthing centers, single specialty clinics, primary health centers and diagnostic chains, apart from Dental, Daycare and Home Healthcare formats.

Source: Hospital Market – India by Research on India, Aranca Research

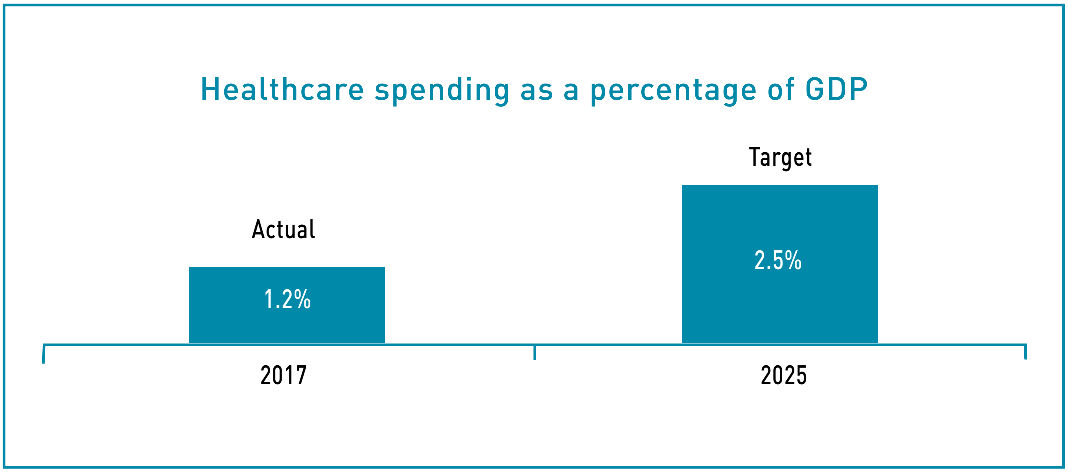
Given India's vast population and the complex nature of healthcare delivery, there remain huge challenges in ensuring equitable and quality healthcare for the entire population. India's existing infrastructure is just not enough to cater to the growing demand. The country's underlying healthcare system and outcomes fall significantly behind those of even regional and peer nations. India continues to report large number of incidences of communicable and water-borne disease and also ranks poorly on Child and Maternal mortality rates portraying an unsatisfactory picture of the country's general medical and public health conditions.

Structure of Healthcare Delivery in India

The Healthcare sector is majorly divided into three categories: primary, secondary and tertiary. The primary sector which mainly operates at the grass-root level has minimal involvement of private players. A major portion of secondary and tertiary healthcare institutions comes from the private sector with a concentration in metros, tier I and tier II cities.



Currently, the Government of India's expenditure on healthcare is 1.2% of GDP and the Government is targeting to increase that to 2.5% by 2025. However, the country's healthcare expenditure is also disproportionately distributed between urban and rural areas which have resulted in sharp disparity in healthcare availability across the country. Rural India, which accounts for over 70% of the population, is set to emerge as a potential demand source. Today, India offers vast opportunities for investment in healthcare infrastructure in both urban and rural India.

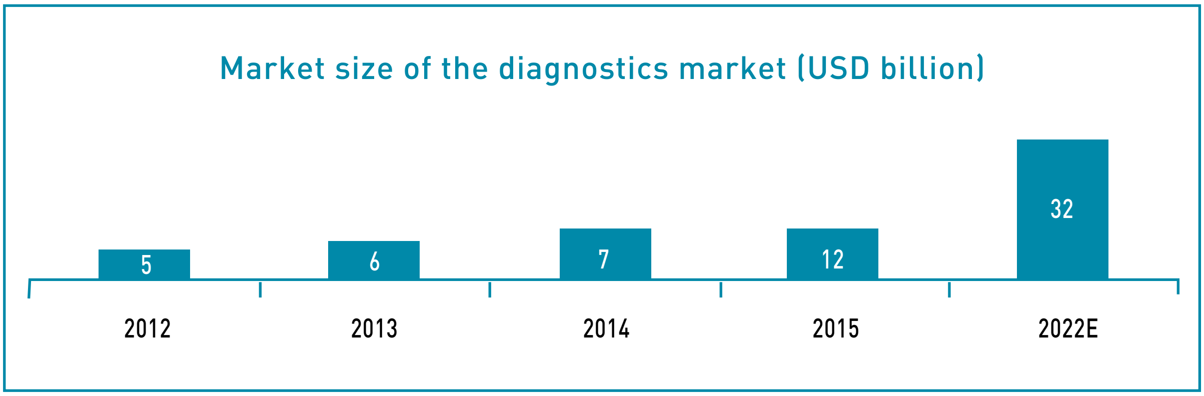


Source: WHO World Health Statistics 2015, E&Y, LSI

Even though the country is witnessing rapid expansion in the healthcare sector the shortage of medical workforce remains a big challenge. The WHO prescribes a doctor population ratio of 1:1000 whereas India's doctor-population ratio stands at 0.62:1,000 as per the current population figure which is estimated to be of around 1.33 billion. It is estimated that India will require 2.07 million more doctors by 2030 in order to achieve a doctor-to-population ratio of 1:1,000.

Additionally, hospital bed density in India is merely 0.9 per 1,000 persons, while the minimum advocated by the WHO is 3.5 beds per 1000 people. It is estimated that an additional 3 million beds would be needed to achieve the target of 3 beds per 1,000 people by 2025. These statistics reflect the huge healthcare infrastructure gap existing in the country and the overall tremendous growth potential for the Indian healthcare industry.

The diagnostics market in India has grown significantly in the past few years. The diagnostics market is split between imaging and pathology with 30 % and 70 % share respectively. The overall diagnostics industry is growing exponentially owing to its extended coverage, range of services and increasing expenditure by public and private players. Today, foreign hospital chains are increasingly outsourcing their pathology and laboratory tests due to the high costs differential in India. The diagnostic market is expected to witness a CAGR of 20.4 % and reach a size of USD 32 billion by 2022, rising exponentially from USD 5 billion in 2012.



Key Characteristics of the Healthcare Industry

This industry in India is broadly characterized by the following:

Increase in population and demographic trends

India's growing population and other socio-demographic factors are expected to boost healthcare services demand in future. India is the second most populous country in the world and is predicted to become the most populous in the future. With steady economic growth, the per capita income of the population as well as the economic stability of the expanding middle class population of India is on the rise. Moreover, changing demographics will also contribute to greater health care spending. While the population of India is considerably young, there is a parallel growing elderly population of more than 60 years of age. This segment is vulnerable to various chronic diseases.

Therefore, Healthcare service providers in India have immense growth potential due to the country's sheer population size and due to its changing demographic trends.

Rising per capita income and widening of income inequalities

According to the International Monetary Fund, the Indian economy is poised to be one of the top five economies by 2020, following the robust GDP growth supported by a strong industry base. The last decade has witnessed remarkable economic development with a corresponding rise in per capita income. The rise in per capita income has improved affordability and access to better healthcare facilities to millions of Indians who have progressed economically. Due to increasing affordability, consumers are demanding and willing to pay for superior health care services. However, even as India continues to develop, to the country is witnessing widening of income inequalities. Given its vast population, there are several million citizens in various income slab categories and each category forms a different market in terms of addressable value proposition.

Under-served, Under-Consumed

The healthcare service delivery landscape lags behind with regard to accessibility and still has miles to go in order to improve its overall capacity and geographical reach to meet the requirements of the nation's population of 1.3 billion people, almost 70 percent of whom live in rural areas. Public health care institutions — ranging from primary health centers that form the backbone of the system in rural areas to larger district-level hospitals are hampered by a lack of manpower and inadequate resources such as diagnostics, pathology services and stock-outs.

In terms of global comparison, with only 1 bed per 1,050 population, as compared to a global average of approximately 2.9 beds per 1,000 population, the current hospital infrastructure in India is inadequate.It would be required to add approximately 1.7 million beds by 2025 to meet the rising demand and address the current shortage of beds.

Changing nature of diseases

With the bulk of the populace living in sub optimal sanitation conditions, without access to safe drinking water and in a largely tropical climate, communicable diseases will remain a constant threat. There is also a deep gap in some of the basic primary care services across the country.

As regards the segment of the population with increasing incomes, the disease profiles are changing. Rising pollution levels, rich diets, sedentary lifestyles and rising stress levels are leading to an increase in the incidence of non-communicable diseases (NCDs). Currently about 50% of spending on in-patients beds account for lifestyle diseases due to problems related to modern-day living in urban-settings. India needs to be well prepared to tackle the serious challenge being posed by the threat of NCDs and the healthcare sector needs to gear up to tackle the requirements of such a large populace. Vast opportunities are therefore foreseen for investment in health care infrastructure in both urban and rural India.

Health Infrastructure skewed towards urban areas

The progress in health care infrastructure has been concentrated largely in the urban areas. As a result, the current healthcare facilities in Tier II and Tier III centres still remain far behind in comparison to the main urban centres with many rural areas lacking even basic amenities. Rural areas have largely been supported by public health facilities which though are ill equipped to deal with the need for healthcare access .

Low per capita income, low expenditure on healthcare, less number of doctors coupled with poor insurance penetration in rural areas are reasons for the vast disparity in offerings when compared with urban and semi-urban areas. Currently, there exists a substantial demand for high-quality and specialist healthcare services in tier-II & tier-III cities.

Changing Nature of Cities and Towns

Earlier, patients were found travelling from various parts of the country to access healthcare services at known healthcare centers which were pre-dominantly concentrated in certain pockets within key urban cities. Even within the same city, a popular healthcare facility would attract patients from all corners. With the increasing sizes of cities and metros in the country, large standalone multi-specialty hospitals are facing a disadvantage as patients even from the same city prefer neighborhood facilities as they offer greater convenience. Competitive intensity is further heightened as these centers are less intimidating to customers and require lower capital to set up. Further, with increase in economic migration, the traditional doctor-patient relationship dynamic has waned. Therefore, patients are found accessing healthcare services which are conveniently located nearer to their residing locations and are refraining from traveling large distances to access healthcare services.

Medical Value Travel

The presence of world-class hospitals and skilled medical professionals has strengthened India's position as a preferred destination for medical value travel. Superior quality healthcare, coupled with highly cost competitive treatment costs in comparison to other countries is benefitting the cause of medical value travel to India. Today, the country has become a very attractive destination for foreign patients which has in turn, enhanced the prospects of the Indian healthcare sector.

Statistics reveal that treatment of major surgeries in India costs approximately 10% of that in developed countries. Indian healthcare has immensely benefitted by consistently improving its track record and by being able to successfully deliver world class healthcare facilities as well as being highly reputed for the skill sets of its medical professionals.

The presence of state-of-the-art hospitals, India's cultural diversity, attraction as a tourist destination and accomplished medical professionals coupled with lower cost of healthcare services has strengthened India's position as a preferred destination for medical value travel. In addition to this, several initiatives undertaken by the Government towards supporting the medical value travel segment is playing a substantial role in strengthening India's position as a preferred destination for medical value travel.

Medical tourists from European nations and the Middle East are attracted by major healthcare service offerings of India like Yoga, meditation, Ayurveda, allopathy and other traditional methods of treatment in large numbers. The Ministry of AYUSH, Government of India has been implementing various initiatives to promote Ayurveda, yoga and other AYUSH systems of medicine on an International level and has allocated ₹15.28 crore (US$ 2.36 million) in 2017-18 for this purpose.

The medical value travel market in India which was at a size of around USD 3.0 billion as of 2017 is further expected to grow and reach a size of USD 6 billion by 2020. India's medical tourism market witnessed CAGR growth of 27 %, during 2013-2016. The number of foreign tourists coming to India for medical purposes rose by almost 50 per cent to 201,333 in 2016 from 134,344 in 2015.

Rising Investments in the Indian Healthcare space

India needs to invest more in public healthcare and build a robust health delivery system in all aspects, including infrastructure and human resources, with special focus on rural areas. Dr. Henk Bekedam, WHO Representative to India said "We know that nations need a healthy population to prosper. Stepping up investment in public healthcare is pivotal to sustaining India's economic growth. Investing in health is investing in India's growth story."

Today, Indian healthcare funding is witnessing a dynamic growth of venture capital and private equity funds. Investors interest in the healthcare space has significantly risen in the past few years.

Multinational players have consistently been focusing on the Indian health care market and trying to enlarge their presence through partnerships and investments.These trends indicate the rising investor confidence in the Indian healthcare space and the perception of India as an attractive healthcare investment destination.

Standalone Pharmacies

The pharmacy sector in India has been rapidly growing in the past few years. Standalone pharmacies including both organized and unorganized standalone pharmacies constitute about 93 percentage of the retail pharmacy market in India. It is pertinent to mention that the pharmacy market is largely dominated by unorganized players and organized players have recently started venturing into the business. The organized segment is scaling up its presence through the setting up chains of retail pharmacy stores across India. These organized retail chains which are changing the face of the pharmacy business in India operate either as Company owned or managed stores or as franchisee units.

The organized pharmacy retail market in India offers a wide range of pharmaceutical products. The professionally run organized pharmacies bring specialized focus on the quality of retail services and offer several 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. Consumers have appreciated and rapidly accepted offerings such as improved retail formats, better warehousing and supply chain infrastructure and digitizing of prescriptions.

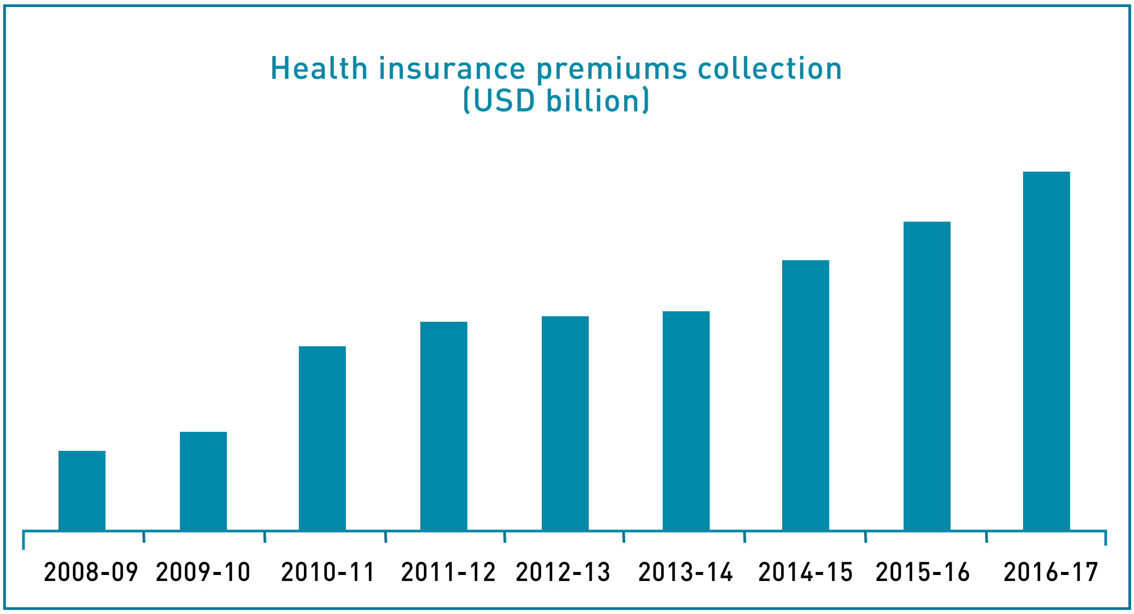
The Indian pharmacy retail market which is evolving at a brisk rate is well poised for a compelling opportunity because of the increased Government spending on the healthcare sector along with initiatives to increase health related awareness in the rural regions of the country.

The online purchase of medicines in India is gaining momentum due to its inherent advantages. The advent of online pharmacy retailers in the Indian market will further the penetration of organized pharmacy segment in the Indian market. According to market sources, it is expected that the online pharmacy model could account for 5 to 15 % of the total pharma sales in India, largely by attracting discerning customers and enhancing access to a part of the under-served population.

Health Insurance

India's health insurance sector remains highly under-penetrated and offers significant headroom for growth. As of end-FY17, it is estimated that less than 15 % of the Indian population was covered by any kind of health insurance. This underscores the fact that there is significant headroom for growth in the health insurance sector.

Today, many companies are offering health insurance coverage to employees, driving market penetration of insurance players. In addition to a growing number of insurers, the health insurance business in India is also witnessing increased focus and attention from healthcare providers and related entities associated with the ecosystem. With increasing demand for affordable and quality healthcare, penetration of health insurance is poised to grow exponentially in the coming years. Industry reports state that the gross healthcare insurance premiums collected in India stood at at a figure of USD 4.78 billion as on 2016-2017 and witnessed a CAGR growth of 21% during the period 2008-2017.



Source: (Insurance Regulatory and Development Authority) IRDA, Hospital Market India – By Research on India, LSI Financial Services, World Bank, TechSci Research

Indian private health insurance providers are providing technology-enabled solutions and offering innovative product development, in order to increase the overall health insurance penetration. Increased competitiveness on costs and improvement in features and terms of policies in order to become more relevant to consumers are essential to drive the next wave of penetration in the sector. Schemes providing health insurance coverage to corporate employees are further helping market penetration of insurance players. As the market evolves and the market structure emulates progress as witnessed in the developed world, health insurance is moving towards becoming a specialized business. The relatively lower attractiveness of Government-funded health insurance makes the market attractive for private players in India and it is expected that private insurance coverage will grow by approximately 15 % annually till 2020.

Going ahead, consumers will have to increasingly rely on insurance to pay for medical care. Educating the population at large of the benefits of health insurance and providing fiscal incentives while enhancing the value proposition will increase market penetration of health insurance. It is also expected that the changing nature of diseases, enhanced life-spans, and an increasing demand for quality healthcare along with increased awareness will be the key factors leading to an exponential rise in the demand for health insurance in the coming years.

Retail Healthcare

While quality of care and specialist skill levels are key, convenience is also a critical factor for consumers in selecting health care providers. Increasingly, consumers are demanding proximity, reduced waiting time, same-day scheduling and extended opening hours (including weekends) from their providers.

Globally, healthcare is shifting towards a retail model and this change is primarily driven by consumer preferences and evolving technology. Retail Healthcare begins with a focus on preventive health and can extend to treatment of lower complexity. Retail healthcare aims to move as many services as possible out of the Hospital into high-quality but lower-costs opportunities. Consumers prefer more seamless healthcare delivery to treat their minor illnesses within a relaxed atmosphere when compared to a hospital.

Retail healthcare enables clinical service offerings to be located in a market place other than a regular hospital. It primarily focuses on vaccination, patient education, information sharing, specimen collection and reports, wound dressing and aftercare, injections and tele-consultations. The Retail Healthcare business primarily include Primary Care Clinics, specialized birthing centers, single specialty clinics, primary health centers and diagnostic chains, apart from Dental, Daycare and Home Healthcare formats.

Globally, Retail healthcare has grown substantially over the last decade. The retail healthcare industry in India is likely to increasingly contribute to furthering the penetration of the healthcare sector. All of the verticals under the Retail Healthcare umbrella are emerging as a significant opportunity in the healthcare landscape and providing sizable untapped avenues which will further drive the penetration of healthcare service providers in the country.

The single specialty healthcare centers operating under the Retail Healthcare delivery formats have already experienced growing popularity over the past few years in India. The Retail Healthcare delivery format is in for very exciting times with multiple treatment categories such as fertility, maternity, ophthalmology, dental health, dialysis and diabetic care coming under its umbrella.

SWOT Analysis

Strengths

Trusted and Preferred Brand

The "Apollo" brand has emerged as a trusted and preferred brand in the healthcare sector in India and in the Asian region. Apollo is recognized as the first corporate hospital network in India which has played a key role in initiating various developments in the healthcare sector. 'Apollo' has become a symbol of best-in-class health care service in diversified healthcare spheres. The company has been able to garner several tangible and intangible benefits due to its overall positive brand image. It has attracted the best healthcare professionals and consciously set higher standards in terms of providing service to patients from all age groups, geographic locations, budgets and treatment intensity.

Wide Network

Apollo Hospitals is the largest and most diversified healthcare service provider in the country. Today, Apollo is equipped with around 10,000 beds, 3,021 pharmacies and around 500 retail healthcare centres including clinics, cradles etc. and has an increasingly deeper online presence as well. As a major pan-India player in the domestic market, we have in place multiple touch points which enable the customers to avail the best of the benefits. The economies of scale have resulted in cost efficiencies and wider reach, enabling Apollo to attract the best talent and incubate new businesses.

Integrated business model with presence across the healthcare value chain

In order to improve the country's overall healthcare standards, we aim to offer integrated healthcare services in every possible healthcare delivery format. We aspire to play a key role in providing quality service at different touch points and satisfactorily fulfill every patient's basic healthcare requirement. The objective is to ensure that the patient receives the highest possible quality of care, right at the inception so as to arrest the increasing complexity of the ailment at the earliest possible opportunity. Today patients are not only considering our 'hospital' format but also accessing other Apollo delivery formats to fulfill their basic healthcare requirements. Thus, the integrated offering enables us to handle the patient care processes in multiple stages resulting in better outcomes. This also goes a long way in resulting in an enhanced value proposition both for the patient as well as the service provider.

Technological expertise

Apollo Hospitals has been at the forefront in technology adoption in the Indian Healthcare industry and continues to introduce the latest treatment technologies in its hospitals in order to provide top quality healthcare services and improve healthcare outcomes. We therefore, make significant budget allocations towards upgrading our technology consistently as we do not believe in compromising on the quality of healthcare. We attach utmost importance to upgrade technology in terms of enhancing treatment techniques and protocols, reducing recovery times and elevating healthcare outcomes.

Professional management team with rich industry experience

Apollo is renowned for having a professional and dedicated medical team who have abundant industry expertise and proven track record. They serve as a great driving force to the Company's success. Many of the doctors associated with us continue to receive accolades and awards at different healthcare forums due to their vast expertise Further, our management team of senior professionals has extensive industry expertise and a proven track record. They are also instrumental towards driving Apollo's strategy.

Weaknesses

Intensive Regulatory requirements

Healthcare service providers incur huge capital costs in terms of infrastructure, medical equipment and talent. The regulatory requirements for private healthcare providers are cumbersome and this matter needs to be addressed by regulatory authorities in view of the Government of India's objective of ease of doing business. In the present scenario, the licensing and accreditation requirements are not hassle-free. There are multiple onerous requirements, some of which are not relevant in the present context of the industry. There appears to be a lack of understanding between various regulatory authorities and healthcare service providers. The private healthcare service providers cannot be equated with other businesses. They need to be perceived in the proper perspective in the interest of healthcare services towards the society.

Capital intensive

The healthcare sector is highly capital-intensive due to high costs of land and building, construction costs for specialized interiors, costs of regularly upgrading medical equipment and due to various licenses & approvals costs. In addition to this, maintenance of healthcare equipment also requires considerable expenditure and significant resources are expended on skilled manpower which includes doctors, nurses and para-medical staff comprising lab technicians, radiographers and therapists. This escalates the basic cost of setting up and running a hospital with acorresponding increase in break-even levels which stretches economic viability.

Limited availability of Skilled Professionals

Skilled professionals in the healthcare industry enjoy attractive entrepreneurial opportunities in India and are in demand in overseas markets. In spite of having some of the best educational institutes in the country, there exists a systematic shortcoming in medical education in India. This has resulted in sub-optimal numbers of qualified healthcare professionals which causes a shortage of skilled manpower including doctors, nurses and para-medical staff across the industry. Further, there is intensive competitiveness in urban areas leading to an unsustainable rise in remuneration levels. The shortage of skilled professionals further poses constraints on growth prospects for the industry. In order to deliver the best of services, it is imperative to attract and retain skilled professionals which is highly challenging in today's environment.

Heterogeneous Markets

Healthcare is an extremely dynamic industry and the requirements differ even in markets which are in close proximity. 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 or hospitals located in a city and in its suburbs would operate under a different set of conditions. Due to the complexities involved, significant management overview is required in sustaining clinical standards, balancing case mix, ensuring adequate volumes and regularly upgrading technology.

Opportunities

Increased incidence of lifestyle diseases

Increased consumption of fast foods, sedentary lifestyle, lack of physical activity, long working hours, prevalence of night shifts, increase in stress levels, and increase in consumption of tobacco and alcohol are some of the rising negative trends occurring due to increased urbanization and problems related to modern-day living in the urban environment. This is compounded by rising pollution levels. These unhealthy trends have given rise to various lifestyle diseases and non-communicable diseases such as diabetes, high blood pressure, high cholesterol levels, heart disease and cancer which have reached alarming levels. India in fact, has the largest population of patients identified with these diseases and will require sustained expansion of its healthcare infrastructure to meet the grave challenge posed by the increased incidence of lifestyle diseases. This also serves as a growth opportunity for the healthcare sector.

Medical Value Travel

An increasing number of globally accredited facilities have strengthened India's position as a preferred destination for medical value travel. The inherent cost advantage, high clinical success rates, presence of top quality medical professionals and rapid adoption of technology has contributed immensely to evolve India as a leading destination for the International cost-conscious medical traveler. It is a fact that healthcare in developed countries is unaffordable for many. Moreover, Indian doctors are highly regarded for competencies and expertise. In addition to this, developing countries which lack advanced medical facilities are also leading to a drastic increase of patient inflows into India. Today,medical value travel is enhancing the prospects of the Indian healthcare market substantially, benefiting healthcare services players and increasing the inflow of foreign exchange into India in a big way.

Increased affordability

Accelerated growth in the Indian economy coupled with rising income levels, steps taken for improving ease of doing business is projected to lead to sustained growth in per capita income and increased insurance penetration . Consequently, many citizens with steady increase in disposable incomes and growing health awareness are willing to pay for high quality care and undergo discretionary treatments.

Ageing Population & Higher life expectancy

Currently, around 50% of the Indian population is below 25 years of age. Further, the life expectancy of an Indian has risen from 62-63 years (year 2000) to 68.3 years (year 2017). India is expected to be home to around 168 million elders by 2026, which will undoubtedly accelerate the demand for healthcare services in the country. While the overall population is relatively young, it will also have a very large number of ageing citizens in absolute terms.

Under-served and poorly served markets

There is a huge difference between the quality of healthcare services available in metro cities and large urban areas compared to the facilities available in the rural areas in the country. Access to healthcare services is critical to good health, yet our rural population experience a variety of access barriers. Ideally, residents should be able to conveniently access services such as primary care, dental care, emergency care and public health services. Even persons with better resources and financial means have to commute to metro / urban areas to gain access to medical treatment or related health care services. Health care service providers who are willing to penetrate into semi urban and rural areas will benefit from a ready market place for their services.

We have established a strong presence in Tier II markets through the 'APOLLO REACH' initiative to meet the demand in some of these areas.for quality healthcare services.

Changing formats and consumer preferences

The general perception is that some hospitals tend to be intimidating to patients who respond better to a more relaxed atmosphere. Today, patients largely prefer accessing single specialty centers and other healthcare delivery formats for critical and serious ailments. Most of the alternative healthcare delivery formats are economically viable as they require less capital investments, have faster breakeven and a better returns profile. Some of these new formats have demonstrated greater specialization and ability to create significant value as compared to larger multi-specialty hospitals.

Threats

Heightened Competitive Intensity

The competitive intensity from unorganized as well as organized players continues to remain high. Given the growing demand, the emergence of private players and huge investment needs in the health care sector in recent years, there has been interest among foreign players and NRIs to enter the Indian health care market. There is a growing interest among domestic and international financial institutions and consortiums to explore investment opportunities across a wide range of health care segments.

These factors have contributed to an increase in the pace of setting up of greenfield facilities, joint ventures and heightened activity in the Mergers and Acquisitions space. There are even pockets of overcapacity in certain metros and this scenario could lead to competitors resorting to unfair practices in order to survive which may hamper growth and profitability of our business.

Increasing cost of resources

The emergence of several domestic hospital chains combined with the entry of International players is leading to an increasing number of competitors chasing finite resources such as land, quality medical professionals and potential acquisition targets. It is expected that the demand growth will outpace improved supply of these resources. The single most important constraint is the high cost involved, the long gestation period and relatively low returns on investment.A failure to acquire resources at fair and reasonable rates 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

Land prices are too high. Availability of land has been a big challenge. 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 weighted 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. With effect from the financial year ending March 31, 2017, this incentive was reduced to 100%. Going ahead, any further reduction would result in reduced returns to the business.

Risk of regulatory interventions in the healthcare sector

Over the course of the last 18 months, there have been regulatory headwinds for the sector such as price caps on stents and implants, demonetisation, and higher incidence of GST on input goods and services, without the ability to avail input credit.

We have initiated service pricing and cost optimisation mechanisms to insulate the business model from further regulatory changes, and believe that the effects of these changes are largely behind us.

Company Overview

Apollo Hospitals Enterprise Limited (AHEL) was founded by Dr. Prathap C. Reddy in 1979 as a public limited company. A leading private sector healthcare service provider and pioneer of corporate healthcare services in India, AHEL embarked on a journey to become a comprehensive healthcare services provider by launching its first facility, a 150-bed hospital at Chennai, in 1983. From that humble beginning three decades back, it has emerged as the pre-eminent private sector healthcare provider in India.

Our diversified operations include multiple subsidiaries, joint ventures and associates. Today, our presence includes around 10,000 beds across 70 Hospitals, 3,021 Pharmacies, around 500 retail healthcare centers including clinics, cradles etc. and over 148 telemedicine units across 13 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.

The Group's Healthcare framework operates with a mix of primary, secondary and tertiary care facilities. Our tertiary care hospitals provide advanced levels of care in over 55 specialties, including cardiac sciences, oncology, critical care, neurosciences, orthopedics, gastroenterology and transplants. To leverage our expertise and enhance our services to our customers we also provide various other services such as project consultancy services, health insurance services, education and training programmes and research services.

We are also strengthening our retail healthcare footprint by including primary care clinics, day surgery, birthing centers and dental clinics. These facilities are housed under Apollo Health & Lifestyle Ltd, which is the retail healthcare arm of Apollo Hospitals.

The Apollo Hospitals Group with its headquarters in Chennai, has continuously excelled and maintained leadership in medical innovation, world-class clinical services and cutting-edge technology. Our hospitals are consistently ranked amongst the best hospitals globally for advanced medical services and research.

Healthcare Services

Our Healthcare services segment consists of hospitals, hospital based pharmacies and projects and consultancy services.

Hospitals

As of March 31, 2018 we had a capacity of 9,844 beds in 70 hospitals located in India and overseas. Of the 9,844 beds, 8,353 beds are located in 43 owned hospitals, 298 beds in 11 cradles, 259 beds in 11 day care/ short surgical stay centers and 934 beds are in 5 hospitals under our management through operations and management contracts.

Particulars	31.03.2018	31.03.2017
Number of owned hospitals at end of the period	65	63
Number of owned beds at end of the period	8,910	8,850
Number of operating beds at end of the period	7,176	6,940
In-patient discharges	427,661	398,894
Adjusted discharges	605,605	553,633
Average length of stay (days)	3.99	4.06
Average daily census	4,670	4,441
Bed occupancy rate (%)	65%	64%
Average revenue per occupied bed per day	31,963	31,377

Clinical Excellence

Clinical Excellence is the edifice around which our healthcare operations are structured. We consistently endeavour to deliver the highest standards of clinical outcomes across various specialties. We benchmark ourselves against institutions with the best clinical performance in the world in their respective specialties. We have set internal standards for ourselves, with the intention to match or surpass the performance of the best global institutions thereby elevating the standards of healthcare services delivered across the network.

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 our entire network of hospitals. ACE @ 25 assesses performance based on 25 clinical parameters which are critical to delivering the very best clinical outcomes.

These initiatives are further supplemented by the adoption of the International Consortium for Health Outcomes Measurement (ICHOM). ICHOM measures help us to provide evidence based quality care and provide a safe environment to our patients. In addition, ICHOM standards help us to further strengthen the overall functional efficiency of our hospitals.

This sustained focus of Apollo Group on Clinical Excellence has enabled it to continuously assess the quality of care provided to its patients and allowed it to objectively measure the consistency and success of its healthcare delivery services. It is a key contributor to the rich track record of the group and has helped it to achieve high success rates even in surgeries of high complexity such as transplants, cardiac care and oncology.

Training and continuing Medical Education

Apollo encourages its medical professionals and other staff to opt for continuing medical education and upgradation of skills on a periodical basis. The Group ensures that the professionals and staff get acquainted with the newest techniques and procedures in the medical field in order to enhance the offerings to patients. We have partnered with some of the most renowned institutes in the world for knowledge sharing and for deepening our repositories of medical know how and literature.

Going ahead, it will be our constant endeavour to deepen our expertise to improve overall patient care.

Accreditations

Eight of our hospitals have received accreditations from the Joint Commission International, USA for meeting international healthcare quality standards for patient care and management. JCI is the world's premier accreditation body for patient safety and provision of quality healthcare. Until last year we had JCI accreditations for six of our hospitals namely Chennai, Bengaluru, New Delhi, Dhaka, Hyderabad and Kolkata; this year our hospitals at Navi Mumbai and Ahmedabad have also received JCI accreditations.

In developing countries like India, where healthcare are majorly delivered by private healthcare providers, regulation is a vital instrument and function of Government policy. The Government has set up the National Accreditation Board for Hospitals & Healthcare Providers ("NABH") to establish and operate accreditation programs for healthcare organizations in India. It is a constituent board of the Quality Council of India. Nineteen of our hospitals including Apollo Specialty Hospitals in Madurai, Chennai, Ahmedabad, Noida and Secunderabad have received accreditation 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:

1. Strengthening our presence in key strategic markets

Apollo Hospitals is present in Chennai, Hyderabad, Kolkata, Bengaluru, New Delhi, Kolkata, Ahmedabad, Mumbai, Pune, Bhubaneshwar, Madurai and Mysore among others. We aspire to strengthen our presence in existing clusters while simultaneously establishing centers in important urban markets that we are not currently present in.

We intend to increase the overall bed capacity in our existing hospitals and establish new healthcare centers and formats in multiple locations within existing clusters. We are also focused on strengthening our presence and increasing our market share. The cluster approach enables us to have a more comprehensive market presence through multiple touch points and centers enriching our offering to patients.

Today our presence is significantly felt in all the four metropolitan cities of India. We believe that these key metropolitan cities in which we are currently present, would continue to have strong demand for high quality tertiary services including transplants, robotics and complex procedures under cardiac, oncology and orthopedic specialties.

Our plans to establish new healthcare facilities are at various stages of implementation and are expected to be completed over the next two to three years. We expect to increase existing bed capacities by 765 beds upon completion of these projects. The Company considers factors such as location, demographics, demand, revenue potential, and the cost of setting up new facilities while exploring new opportunities in existing as well as new markets.

2. Geographic expansion through setting up hospitals in Tier II and in TIER III cities

Our 'Apollo REACH' hospitals initiative aims to make high quality healthcare services and advanced medical technology in semi-urban and rural areas. Hospitals established under this initiative are located outside of metros and Tier I cities in India.

These hospitals are a combination of both new or acquired facilities as well as expansion of some existing facilities. The 'Apollo REACH' initiative is helping us to expand our market and penetrate in different markets of Tier II and Tier III cities. Major demographics characteristics of these areas are high population, sufficient spending potential and a largely underserved segment with respect to healthcare services.

Setting up healthcare centers in these cities brings along an added advantage of lower capital cost per hospital bed compared to a Tier I city. Also, as the per capita income of the people in Tier II and Tier III cities continues to rise, we expect a significant revenue potential opportunity to be generated in this market. We have established Apollo Hospitals in Tier II and Tier III cities namely Aragonda, Bhubaneshwar, Bilaspur, Guwahati, Indore, Kakinada, Karur, Lavasa, Madurai, Nashik, Nellore, , Trichy, Visakhapatnam, Karaikudi and Karimnagar.

3. Increasing patient touch points by way of multiple formats

We aim to enhance patient touch points and optimize reach in our markets by leveraging on multiple formats. In addition to our network of tertiary and secondary care centers as well as the largest network of organized pharmacies in India, we offer additional touch points to patients through our retail healthcare subsidiary- Apollo Health and Lifestyle Limited (AHLL). In order to address the changing needs of patients, we have made vigorous efforts to build additional formats for healthcare services delivery through this subsidiary which includes primary clinics, lifestyle birthing centers, sugar clinics and short stay surgery centers. We additionally have a strong presence in health insurance, medical education, telemedicine and projects & consultancy services. We have covered the entire gamut of the healthcare services business enabling higher points of interactions with patients, better brand equity and referrals into our main hospitals.

4. Focus on a portfolio of high value clinical specialties

Today, the overall changing demographics, increasing population of India, increase in lifestyle related diseases like diabetes and heart disease, greater health awareness, increasing health insurance coverage, etc. are some of the multiple factors that will lead to an increase in the demand for quality healthcare services.

We have designated our focus areas as "Centers of Excellence" wherein we mainly focus on cardiology, neurology, orthopedics, spine, gastroenterology, oncology and transplants.

To strengthen our position in the market, we plan to undertake a number of initiatives so as to ensure that we provide best quality healthcare services including:

- Offering high quality healthcare services to our patients by constantly investing in the latest medical technologies and equipment.
- Enhancing each Center of Excellence practice area to provide comprehensive sub-specialties and treatment services.
- Enabling knowledge sharing and the adoption of best practices for each Center of Excellence across the network through dedicated service line managers.
- Implementing well-defined clinical guidelines and protocols in order to ensure strong focus on the clinical outcomes.

5. Focus on life enhancing procedures and elective surgeries

With increasing health awareness and disposable incomes, there is a growing demand for elective or planned surgeries. Therefore, apart from focusing on 'Centers of Excellence', we also plan to focus on and build a strong presence in the growing elective and life enhancing procedures market.

Our hospitals are well-equipped to offer various elective procedures like knee replacements, hip replacements, cosmetic surgeries, dental services and other similar procedures. We plan to increase the volume of such procedures performed in our hospitals by recruiting more surgeons specializing in such procedures, creating specialized centers for such procedures and investing in the latest medical technologies to improve our clinical outcomes in these areas.

6. Optimization of asset utilization in mature facilities, compressing time-to-maturity of new facilities and increase in capital efficiency

We have established service standards and created value differentiators to intensify patient satisfaction in terms of time-to-serve. We will also leverage on our personalized health checks and other OP services to target superior topline contribution from out patients. This will ensure higher market share in select acute care services.

We are extremely focused on stabilising and compressing time-to-maturity at the new facilities. Our focus is 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.

Lastly, in order to remain competitive and to increase the capital efficiency, the Company continues to chalk out strategies to manage leaner operations. We are amenable to using long-term leases instead of outright purchase of real estate which is capital intensive and on optimising asset turnover.

7. Improving operating efficiencies and profitability

Maximizing our operating efficiency and profitability across our network continues to be a key component of our growth strategy. We intend to actively focus on the following key areas to improve our operating efficiencies and profitability.

We strive to improve the average revenue per occupied bed per day through a combination of various initiatives. These include a continuous focus on investing in the latest medical technologies and attracting skilled physicians and surgeons. This will also be achieved by seeking to specialize in high end complex surgeries and to drive volumes and success rates of high growth tertiary areas including sophisticated clinical care and procedures.

We are also focused on reducing our Average Length of Stay (ALOS). Improvements in medical technology and the advent of minimally invasive surgeries have reduced surgical trauma and resultantly shortened patient recovery time. Enhancing minimally invasive surgeries and day care surgeries which reduce surgical trauma to patients and patient recovery time will help us to reduce the ALOS at our hospitals. It will also help us turnaround beds faster allowing us to treat more patients from the existing capacity as well as result in increased patient turnover rate and the revenue per occupied bed per day.

We seek to maximize efficiencies through greater integration, better supply chain management and human resource development: We plan to maximize efficiencies at our hospitals and pharmacies through greater integration across our network. Our hospitals and pharmacies are large consumers of drugs and medical consumables like stents, implants, sutures and other surgical materials. To ensure cost optimization, we intend to focus on standardizing the type of medical and other consumables used across our network, optimizing procurement costs, consolidating our suppliers and optimizing the use of medical consumables by establishing guidelines for medical procedures across our network.

To improve productivity of our employees, we plan to place greater emphasis on training our employees in best practices and implement programs to provide incentives for performance.

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 around 10,000 beds across 70 hospitals as on March 31, 2018, we plan to add another 765 beds (brownfield & greenfield) in the coming 5 years across 3 hospitals which will expand the overall network of hospitals to 73.

Towards this expansion, we have an additional capital expenditure commitment of ₹6,210 million. Additionally, we are also planning to add oncology facilities at the group's already existing hospitals at places like Vizag and Bhubaneshwar. We hope to become a national leader in this field both in terms of clinical differentiation and volumes.

As part of the expansion plans, we are coming up with a Proton Therapy Centre as part of a Comprehensive Oncology Referral Campus at South Chennai which we expect will become operational over the end of FY 2018-2019. This project is planned in two phases where the first gantry is scheduled to be installed by December 2018 and the second and the third gantry will take another six months before getting commissioned. It is important to note that currently, this treatment facility is only available in two countries in the Asia-Pacific region i.e. in China and Japan and India will become the third country in the Asia Pacific region to have this facility for treatment of cancer patients. It will provide treatment access to a population segment of around 3 billion people across the globe.

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. This initiative would enable patients from these areas to avail our advanced healthcare services at their home locations and eliminate the need for travel in search of quality healthcare.

Apollo "REACH" is our sincere effort to improve access to the healthcare of larger segments of society. Our journey to fulfill this objective will simultaneously extend the Apollo Brand across the length and breadth of the country.

The expansion of population in these Tier II and Tier III cities and improved purchasing power indicates that these micro-markets have a great potential for development. We have observed good demand for good quality healthcare services from these areas. The model also allows for moderation of capital intensity when setting up a hospital as it only undertakes secondary care in the initial stages. Setting-up these centers command a much lesser capital deployment due to lower manpower, land, operations costs of Tier II and Tier III locations than in the cities. Therefore, a reduction in the capital deployment and the break-even point allows operational flexibility.

We have REACH hospitals in Tier II cities including Kakinada, Karaikudi, Karimnagar, Bhubaneshwar, Karur, Madurai, Trichy, Nellore, Nashik and Vanagaram, a suburb of Chennai.

Medical Value Travel

India is among the top three medical value travel destinations in Asia along with Thailand and Singapore, and the Apollo Hospitals Group is at the forefront of Medical Value Travel to make India the Global Healthcare destination. Over the years, Apollo Hospitals has been able to attract International patients in large numbers due to its state-of-the-art medical facilities and cutting-edge technologies. Apollo Hospitals has established a well-established track record of providing clinical outcomes comparable to the best in the world at a fraction of the international costs.

The Group undertakes several camps in overseas markets to build the doctor connect for patients. Further, overseas patients can now easily make appointments for personal consultations for their treatment in India across our website and dedicated messaging service. The Group will continue to undertake new initiatives to boost medical value travel in India.

We have been successful in attracting a large number of patients from neighbouring countries as well as from Middle East and Africa.

The Indian Government is facilitating the entry of International patients into the country by providing special medical visas and undertaking a number of initiatives to encourage Medical value travel in the country. In order to gain significant market share of the growing Medical Value Travel segment in India, we have stepped up our marketing efforts in International centers and are driving in-person consultations with senior specialists.

Having served patients from over 120 countries, we continue to offer a wide range of high quality services including preventive health checks, Organ transplantation (kidney, liver and cornea transplantation), Robotic Surgery, Cancer Treatment, Joint Replacement Surgery, cosmetic procedures, eye procedures, brain and spine surgeries, etc. We strongly believe that Apollo Hospitals is extremely well positioned to address the needs of the growing Medical Value Travel segment in the country.

Standalone Pharmacies

Apollo has been strategically present in the Standalone pharmacy business for over 2 decades. Upon attaining critical mass, it has driven growth at an accelerated pace which resulted in a phenomenal performance in the last few years. This business considerably grew at a CAGR of 32% over the last ten years. During the year we added 475 stores to expand our standalone pharmacy network and also closed some of our non-performing pharmacies. Net additions during the year were 465 stores.

Right from its inception, Apollo Pharmacies has seen a promising trend in its product mix through the introduction of wellness and its own self-branded products. Initially when we commenced our operations, we were primarily selling only pharmaceutical products which have now evolved to include wellness products.

Our product mix is tailored for each pharmacy. We have a cluster analysis mechanism and each cluster is managed by an independent manager. Our systems are standardized for tracking the viability of each store in terms of its real estate costs, supply chain, cost-benefit ratios and various other operating metrics. We endeavour to expand our customer base for each store by providing better additional services like home deliveries and refill reminder programs.

Our Company has consolidated its market position, especially in and around the states of Andhra Pradesh, Telangana and Tamilnadu consequent to the acquisition of the "Hetero Pharmacy" stores . This move has helped us in ramping up our revenues and operational synergies.

It is projected that in the next one year, we will augment our private labels in Apollo Pharmacy.In this context, some of the activities such as repackaging, putting SKUs in place etc. are already in progress. Going ahead, we aspire to increase the contribution of private labels in our pharmacy business. Adding new products to the private label portfolio with a focus on health and wellness products and increased tie ups with International brands are some of the strategies we plan to implement.

Factors such as maturity of stores, increasing proportion of private label products and rationalization of the store network through the discontinuation of unviable stores has helped to steadily improve the profitability profile of this business. We believe there is a high potential for growth in this sector for large organized players like us with superior scale of operations.

Given the fragmented nature of the industry and the opportunity to gain market share through differentiated and value added offerings, we believe that the business holds further potential to grow tremendously. Apollo has created a unique and distinctive position for itself in this space which is hard to replicate for any new entrant today.

Accolades, Achievements & Partnerships

During the year Apollo Hospitals won a number of prestigious awards at various forums. These awards & accolades are a testimony to the Apollo Hospital Group's achievements. Some of the important awards & accolades are listed below:

- Times Research conducted a survey to arrive at a list of Top Super Speciality Hospitals. The survey considered healthcare institutions across multiple platforms in their research and ranked Apollo Hospitals, Chennai as India's No. 1 Multi Speciality Hospital in India.
- At the Hospital Management Asia (HMA) 2017 award forum, Apollo Hospitals won awards across seven categories. It is important to note that Apollo Hospitals won the highest number of awards at this forum which witnessed participation from 102 hospitals across 17 countries.

- Dun & Bradstreet, the world's leading provider of global business information, knowledge and insight, presented the 'Dun & Bradstreet Corporate Awards 2017' to Apollo Hospitals Enterprise Limited in the Healthcare sector.
- Apollo Health City, Hyderabad, won the coveted National Tourism Award for "Best Medical Tourism Facility" for the year 2015-16. This is the fourth time 'Apollo Health City' has won this prestigious award.
- Apollo Hospitals, Navi Mumbai become the 1st JCI accredited hospital in Navi Mumbai. Maintaining International performance standards and high patient safety standards has helped our Navi Mumbai hospital to garner this seal of ultimate approval.
- In the WEEK-Nielsen Best Hospital Survey, 2017 three facilities (Chennai, Kolkata and Ahmedabad) of the Group were included among the Best Private Hospitals in India – the most by any single healthcare group in the country. Hospitals at Kolkata, Chennai and Bengaluru were rated as the number one facility in their respective cities while the Ahmedabad hospital was ranked 3rd in the West Zone.
- Apollo Remote Healthcare has received the 'Best Public Health Initiative' award at the Healthcare Leadership Awards 2017.
- Apollo Munich Health Insurance was conferred an award in the 21st Asia Insurance Industry Awards (AIIA) event in the "General Insurance Company of the Year" category. We are extremely delighted and humbled to be the first standalone health insurer in Asia-Pacific region to win the General Insurance Company award of the Year at AIIA.

  It is also pertinent to mention that Apollo Hospitals entered into various strategic partnerships during the year. Some of the important partnership tie-ups are mentioned below:
- Apollo Hospitals partnered with RMS Regrow to launch the first of its kind innovative cell therapy treatment for Orthopaedic Patients in India.
- Apollo Hospitals successfully entered into a partnership with Bengaluru-based Air Aviators Rescue to launch a round-the-clock dedicated Air Ambulance Service Network in tier-2 cities and towns.
- Apollo Hospitals partnered with Godrej HIT; to launch India's first online Platelet Donor Community for patients suffering from dengue.
- Apollo Hospitals partnered with Samsung India to jointly run Samsung-Apollo technology backed Mobile Medical Care with an aim to reach out to the less-privileged communities at the grassroots level to fight non-communicable diseases.
- Apollo Hospitals collaborated with Australia's Macquarie University to facilitate long-term, mutually beneficial academic exchanges.
- Apollo Sugar Clinic partnered with 'GlucoMe - digital diabetes care solution' with an aim to benefit thousands of diabetes patients and clinics across India.
- Apollo Hospitals partnered with 'Mobile ODT', a medical devices company, which deploys the Enhanced Visual Assessment (EVA) System at primary cervical cancer screenings.
- Apollo Hospitals collaborated with Microsoft's 'Healthcare NExT' to predict and manage heart disease through path-breaking artificial intelligence (AI) and cloud computing technologies. The partnership between Microsoft and Apollo will work to develop and deploy new machine learning models to predict patient risk for heart disease and assists doctors on treatment plans.

An unique online clinical opinion service for cancer patients was launched by Apollo Hospitals to offer patients online advice on treatment plans and modalities for cancer.

It is a patient-centric service that gives patients the option to consult the best oncologists in Asia at their convenience. Through Apollo Cancer Opinion, a patient can get personalized treatment plans that include knowing whether surgery, chemotherapy or radiation therapy is an option. The treatment plan includes complete details of the patient-specific regimen most suitable at that time given all considerations especially patient preferences.

Apollo Hospitals also signed an agreement with IBM for deployment of the IBM Watson tools for Oncology and Genomics. The two cognitive computing platforms developed by IBM help in providing personalised and evidence-based cancer care and would be deployed in 10 Apollo Hospital locations.

IBM Watson for Oncology, trained by Memorial Sloan Kettering, complements the work of oncologists by supporting them in clinical decision-making by providing them access to evidence-based, personalised treatment options from more than 300 medical journals, over 200 textbooks, and nearly 15 million pages of text providing insight and comprehensive details on different treatment options, including key information on drug treatment selections. IBM Watson for Genomics, analyses massive bodies of genomic, clinical and pharmacological knowledge to help uncover potential therapeutic options to target genetic alterations in a patient's tumour.

Given that each person's cancer journey is unique and hence each patient's treatment plan must be unique too, the deployment of these tools would help clinicians and oncologists at Apollo Hospitals to deliver unparalleled and personalised patient care .

The Apollo Hospitals group made an investment of ₹25 million in social-impact crowd funding platform, Impact Guru Technology Ventures Private Limited, in a Series A funding round .

Impact Guru would be the preferred crowd funding platform for all of Apollo's patients nationwide. Impact Guru's platform combines social or donation crowd funding with investment crowd funding, fund raising for individuals, non-profits, social enterprises, and startups. It had recently won the TechCircle Award for the best social-impact startup .

This partnership with Impact Guru is expected to provide the best and most cost-effective patient financing solution in the market today and is in line with the Group's philosophy that no one should be denied access to quality care. Healthcare crowd funding is an alternative method of raising funds online for medical expenses, with the patient or his/her friends or family primarily relying on social media networks to mobilise donors to finance medical bills.

Apollo Hospitals has signed an agreement with Bajaj Finance Limited for providing patient financing solutions for 150+ procedures

Projects & Consultancy

Apollo Global Projects and Consultancy services is among the largest hospital consultancy services in the world. We provide extensive support and services to the healthcare delivery industry. Our services can be categorized into five broad areas namely setting up a healthcare facility, hospital operations management, strategic consultancy, training and hospital quality consulting. We provide these services to third party organizations globally for a fee.

Our healthcare consulting assignments across the globe are a testimony to our ability to work effectively with the "local" people, respecting their social, cultural and traditional ways. We are part of a world-class institution which has many firsts to its credit in India and the Asian region. We have a domain expertise of over a quarter of a century in healthcare.

Health Insurance – Apollo Munich Health Insurance

Apollo entered the insurance market through a joint venture with Munich Health and Apollo Munich Health Insurance came into existence. Apollo Munich Health Insurance was one of the first standalone health insurance companies to enter the market after liberalization of the Indian insurance industry. Apollo Munich Health Insurance Company is dedicated to provide a wide range of affordable health insurance plans to cater to the needs of individuals, families and senior citizens.

Apollo Munich insurance products are very popular amongst the market participants and are very highly rated by them. Apollo Munich grew its Gross Written Premium (GWP) from ₹13 Billion in FY 2016-17 to ₹17.2 Billion in FY 2017-18, reflecting a growth of around 32% year-on-year. It is the fastest insurance company to reach a break-even point and the Company made profits in the last four years. The profit for the year was ₹152.4 million in comparison to ₹1,322.9 million during FY 2016-17. The Company has achieved an impressive growth rate over last eight years, a CAGR of 40.2%.

Today, Apollo Munich has over 158 branches pan India and are privileged with 9.82% share in the health segment amongst the private players and 20.07% share in the health segment amongst standalone health insurers. Apollo Munich enjoys one of the best claims ratios in the industry. Apollo Munich is known to serve its customers with high quality services and also to have a very strong customer loyalty base and is confident of ensuring sustainable and profitable growth in the years ahead.

Retail Healthcare – AHLL

Apollo Health & Lifestyle Limited (AHLL) is a subsidiary of the Company which is in the Retail Healthcare space. As healthcare markets grow and evolve, we expect AHLL to play a defining role in the transformation of healthcare bringing it closer to every individual to make it more accessible and convenient in a friendly user-centric kind of environment. The company has grown significantly in size and scale over the past few years and we have served nearly 1.90 mn patients in FY 18. AHLL is also playing a major role in taking the Apollo brand closer to a large number of patients.

AHLL was introduced with an intention to take healthcare services purely from a 'hospital' setting closer to the home within the neighbourhood and with a goal to serve the community through multiple touch points. Today, healthcare services are continuously evolving and we can see that there is a shift in some procedures in select environments from the hospital into clinics or into specialty hospitals. The overall positive consumer sentiments which AHLL has received so far have further affirmed our belief that AHLL is well placed to address this requirement.

AHLL has seven primary care and specialty hospital formats – Apollo Clinics, Apollo Diagnostics, Apollo Sugar, Apollo White, Apollo Cradle, Apollo Spectra and Apollo Dialysis. Apollo Clinics was the first offering from AHLL which has achieved the maturity stage of its business cycle. Our experience with running Apollo Clinics helped us understand the selection of geographies, the right doctor mix, product mix and franchising. Today, in each of the formats, we look at the network size, patients served and growth prospects in that particular format. We run these formats like strategic business units (SBU) as it helps us to get very specialized in our ability to handle customers, appreciate their requirements, build a range of specialized brands, create visibility for customers within those brands, and ensure accessibility as well as high quality of services.

Apollo Clinics

This represents a very large opportunity with the private primary care market estimated to be more than ₹900 bn with a major part of it still unorganized. There are no integrated care models currently even though these are well established in the U.S. The Apollo Clinic is a trusted brand when it comes to family medicine and primary care. It creates the bridge between patients and Apollo Hospitals. The Apollo Clinics will become a platform to address future healthcare challenges in India, particularly as we see a growth in non-communicable, lifestyle and chronic diseases. Finally, we believe that the low penetration of preventive healthcare is a key area to address, driving adoption of preventive health checks and vaccination. Apollo Clinics has owned clinics in hospital centric clusters, e.g., Chennai, Hyderabad, Bangalore, Delhi, Pune. Franchise clinics are being established in Tier 2 and Tier 3 centres where only 1- 2 clinics per centre are feasible. These will act as feeder markets for the tertiary care hospitals. This will increase the reach and presence of Apollo Clinics as a brand as well as address the glaring issue of inadequate healthcare accessibility.

With growing awareness around preventive healthcare, the growing Apollo Clinic network is well poised to serve the preventive, chronic as well as acute healthcare needs of customers and with a plan to expand through various formats, Apollo Clinic is set to increase the accessibility of quality primary care to the customers.

Apollo Diagnostics

The Diagnostics market represents a significant opportunity with the market size estimated at ₹140 bn and around 80% of the same being unorganized. With the organised sector growing at > 30% pa, the opportunity to create a retail diagnostics brand is significant. Apart from being a large market, there is a strong synergy with our other businesses such as Apollo Clinics and other business units of the group.

There are currently 4 large national players in Indian market, but they are primarily North and West India focused; leaving large opportunity for us in the south and east India markets. Apollo Diagnostics is building a large network in its geographies and plans to be amongst the top players in this market.

The business model at Apollo diagnostics is focused on building a pathology lab business with a consumer centered approach. The model will be to create network of company owned labs with a frontend franchisee collection centers model; building networks up to tier II and tier III towns in each state. The aim is to build a network of around 2,000 collection points in 5 years with a processing lab present to serve the geographies efficiently.

Within the first 3 years of operations, Apollo Diagnostics has already created a network of more than 400 touch points across 50+ cities in over 10 states. At the end of March 2018, it runs 29 laboratories and 20 Hospital Lab Management centers with a network of more than 250 collection centers around them.

Apollo Sugar Clinics

With a rapidly changing health care delivery model, treatment offerings for diabetes is also changing. Apart from the traditional modes of personalised treatment offered by doctors, digital solutions targeted at monitoring patient lifestyles and remote monitoring of patient vitals is also poised to assume significance as far as health care delivery modes are concerned. Apollo Sugar clinics limited is well positioned in offering health care delivery solutions in the digital space as well with its connected Glucometer devices & call centres both focused on a patient centric approach.

Apollo Cradle

Apollo Cradle, a hospital for women and children, offers services of International standards in a premium environment while creating an unforgettable experience for the mother and her family. The Apollo Hospitals Group was the pioneer in establishing boutique birthing hospitals in India with the first Apollo Cradle opening in New Delhi in 2002. The concept is well accepted in urban markets and is indeed another stride towards the emergence of specialized hospitals.

Apollo Cradle has been able to differentiate itself by bringing the best clinical care to patients while adding to it all the luxury and experience components which women are looking for today. It is focused on ensuring holistic care for Women, right from her early 20's to the late 50's and comprehensive care for the child in the initial years of life. Today, the country presents a huge opportunity for the premium maternity / delivery market. Apollo Cradle has successfully grown the network in the last few years and will continue to plan to grow with a clear focus on the top 27 to 30 Indian cities.

Apollo Spectra Hospitals

The market for short stay surgeries has grown in India over time, with Apollo Spectra leading the way as being the largest chain of hospitals proving short-stay surgical services across departments – Orthopedics, General Surgery, Urology, ENT and Bariatric. The ease of access, faster discharge, access to top-end infrastructure, lower susceptibility to infections within the premise of a much less intimidating environment has made patients chose short-stay format over traditional tertiary care hospitals. At the same time, from a provider perspective the model is working due to lesser overhead costs, faster turnaround, and higher utilization. For the same reasons and the backing of Apollo brand name, Apollo Spectra continues to maintain its stronghold in the field with 12 centers spread across 9 major cities of India. The advantages have attracted a number of leading hospitals to open separate departments for short stay service but no other institution offers these services on the same scale as the Apollo Spectra chain.

Apollo Dialysis

Apollo Dialysis continues to provide high quality dialysis services through its small network of centres. In this year, the company put in effort to reduce the cost of delivery and hence enable it to effectively compete for government sponsored Public – Private partnership opportunities. It won a tender to establish and operate for 5 years fourteen dialysis units in the state Andhra Pradesh.

Apollo White

Apollo White, our dental business, is a single specialty business offering complete dental services in all areas including general care, cosmetic dentistry and dental implants. We have seen the emergence of a number of chains in this space which we believe has strong growth potential. We aspire to create a profitable network, position ourselves in metro cities, tier I towns and grow this network through clusters.

Apollo White centers exist in both hospitals and clinics. We have imported and introduced the latest dental technology into our dental care centers to provide the best of services. We also run standalone clinics and we have high-end centers which are known as Apollo White Spas.

Discussion on Consolidated Financial Performance and Results of Operations

The following table present summaries of results of operations for the years ended March 31, 2017 and 2018:

(₹in million)

Particulars	31.03.2018	%	31.03.2017	%
Operating Revenues	82,435		72,557	
Add: Other Income	322		225	
Total Income	82,756	100	72,782	100
Operative expenses	40,327	48.73	35,989	49.45
Salaries and benefits	14,044	16.97	11,965	16.44
Administration & other expenses	20,132	24.33	17,317	23.79
Financial expenses	2,951	3.57	2,573	3.54
Depreciation and amortization	3,590	4.34	3,140	4.31
Profit before Income Tax – Exceptional & Extraordinary items	1,712	2.07	1,797	2.47
Add: Share of Profit of equity accounted Investee	2	0.00	424	0.58
Profit before tax	1,715	2.07	2,221	3.05
Provision for taxation	1,119	1.35	910	1.25
Profit after Tax (including minority interest)	596	0.72	1,311	1.80
Other Comprehensive Income	(172)	(0.21)	(219)	(0.30)
Total Comprehensive Income for the period	424	0.51	1,092	1.50
Less: Minority Interest	(580)	(0.70)	(899)	(1.23)
Profit after minority interest	1,003	1.21	1,991	2.74

For the years ended March 31, 2018 and 2017

Revenues

The total operating revenue grew 14% from ₹72,559 million in FY17 to ₹82,435 million in FY18 with healthcare revenues growing by 11% from ₹44,632 million to ₹49,642 million as a result of 6% growth in volumes at existing facilities as well as contribution from new facilities. Revenues at existing hospitals were also supported by case mix improvements and pricing. The standalone pharmacy business witnessed 17% revenue growth from ₹27,852 million to ₹32,689 million in FY18. The number of stores within the network of Standalone Pharmacies was 3,021 in 2018 as compared to 2,556 stores as at March 31, 2017.

The following table shows the key drivers of our revenues for the periods presented Year ended March 31, 2018

(₹in million)

Particulars	31.03.2018	31.03.2017	Increase (Decrease)	% Increase (Decrease)
Discharges	427,661	403,483	24,178	6.0
Revenues per patient (₹)	99,603	98,574	1,029	1.0
Average length of stay (days)	3.99	4.04	(0.05)	(1.20)
Out-patients	3,772,878	3,574,840	198,038	5.5
Revenue per bed day (₹)	32,219	31,529	690	2.2

Expenses

Salaries and Benefits

Our salaries and benefits expense of ₹11,965 million during 2017 increased by17.38% to ₹14,044 million in 2018. This increase was a result of annual compensation increases for our employees, plus the impact of an increasing number of employed physicians within our hospitals and pharmacists for the SAPs and also the compensation increases for our employees during the year.

Year ended March 31, 2018

(₹in million)

Particulars	31.03.2018	% of Revenue	31.03.2017	% of Revenue	Increase (Decrease)	% Increase (Decrease)
Salaries, wages and benefits (excluding managerial remuneration)	14,044	16.97	11,965	16.44	2,079	17.38
No. of employees	54,698		49,747			

Operative Expenses

During 2018, our material cost of ₹40,327 million increased 12%, as compared to a figure of ₹35,989 million in 2017. The increase in material cost was in line with the growth in operating revenues.

Administrative Expenses

The following table summarizes our operating and administrative expenses for the periods presented Year ended March 31, 2018.

(₹in million)

Particulars	31.03.2018	% of Revenue	31.03.2017	% of Revenue	Increase (Decrease)	% Increase (Decrease)
Repairs and maintenance	1,697	2.05	1,790	2.46	(93)	(5.2)
Rents and leases	3,190	3.85	3,142	4.32	48	1.5
Outsourcing expenses	2,310	2.79	1,964	2.70	346	17.6
Marketing and advertising	1,743	2.11	1,320	1.81	422	32.0
Legal and professional fees	939	1.13	938	1.29	1	0.1
Rates & taxes	186	0.23	164	0.22	23	13.9
Provision for doubtful debts & Bad debts written off	588	0.71	269	0.37	319	118.8
Other administrative expenses	9,479	11.45	7,730	10.62	1,749	22.6
Total	**20,132**	**24.33**	**17,317**	**23.79**	**2,815**	**16.3**

Depreciation and Amortization

Our depreciation and amortization expense increased to ₹3,590 million during 2018, as compared to ₹3,140 million during 2017. The increase is largely due to capital improvement projects completed during the year and normal replacement costs of facilities and equipment. On new facilities we were eligible for higher depreciation under section 35AD of the Income-tax act, 1961.

Financial Expenses

Our financial expenses increased to ₹2,951 million during 2018, compared to ₹2,573 million during 2017. The increase is largely due to interest on funds deployed in commissioning of new hospital projects as well as for construction in progress at other facilities.

Provision for Income Taxes

The provision for taxes during the year ended March 31, 2018 is ₹1,119 million compared to ₹910 million in the previous year ended March 31, 2017.

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

In addition to the continued investments in new hospital facilities, there have also been investments made in new clinics, cradles and dental centres . These investments would help in our efforts to attract and retain physicians and to get more patient footfalls at our hospitals.

Risk Management Framework

Given the multi-fold increase in scale and the expanded area of operations since inception, our organization is automatically exposed to a wider range of risks and uncertainties than earlier. These internal and external factors may affect achievements of the organization's objectives – whether they are strategic, operational, or financial.

Apollo Hospitals operates in a business environment that is characterized by increasing competition and market unpredictability. It is exposed to a number of risks in the ordinary course of business. This is inevitable, as there can be no entrepreneurial activity without the acceptance of risks and associated profit opportunities.

At Apollo Hospitals, we identify business sustainability risks and opportunities on an ongoing basis and integrate these into our existing risk management framework. We have adopted certain processes which continuously enhance risk awareness and promote a culture of risk management across the Group.

The practice of Risk Management is undertaken by Senior Management of each business unit under the guidance of the Risk Management Committee of the Board of Directors. As risks cannot be totally eliminated, adequate measures are taken to mitigate areas of significant risks that have been identified. Our risk management systems also ensure that risks are contained within defined tolerance levels.

In the areas of operational risks, the management continuously monitors and reviews various units by using an elaborate system of metrics and operational updates. These are reviewed on a periodic basis and urgent attention is given to metrics even before they approach levels which require escalation and corrective action. Multiple platforms have been established to help employees manage, monitor and mitigate risks appropriately.

Risk management programs are run by individual units and centers and these are integrated with the Risk Management Programs of business units and of regional control centers. Finally, the risk management programs at the overall entity levels encompass the detailed risk management protocols at the initial layers . This gives rise to a multi-layered risks management system which comprehensively addresses risks. In the event of failure to identify risk at the primary level, the risks can be identified and contained at subsequent levels. These comprehensive risk management practices ensure sustainability and longevity of the business. .

Internal Controls

Apollo Hospitals is committed to maintaining a high standard of internal controls throughout its operations. Our internal controls mechanisms deploys a well-designed robust system which allows optimal use and protection of assets, facilitate accurate and timely compilation of financial statements and management reports, ensures compliance with statutory laws, regulations and company policies.

While no system can provide absolute assurance against material loss or financial misstatement, our robust internal control systems which are reviewed periodically provide reasonable assurance that all of our assets are safeguarded and protected.

The internal control system is designed to ensure that all transactions are evaluated, authorized, recorded and reported accurately. In addition to this, an extensive budgetary control process helps in regular monitoring and comparison of actual performance with forecasts.

Our management is responsible for assessing the business risks in all aspects of its operation and for implementing effective and efficient processes and controls whilst ensuring compliance with internal and external rules and regulations. While reviewing our internal controls, sufficient regard is given to the risks to which the business is exposed, the likelihood of such risks occurring and the costs of protecting against them.

Human Resources

Our people form the nucleus of what we do at Apollo Hospitals and we acknowledge the contribution of all our employees in our journey towards touching a billion lives. As on March 31, 2018 the Apollo Group comprised a total employee strength of 54,698 (including our subsidiaries, joint ventures and associates). Together, these diverse employees bring their experience, culture and commitment to the work they do every day to improve the health of our patients. Every employee of the Apollo family has embraced our philosophy of "Tender Loving Care" and is a testimony of our commitment to our vision to touch a billion lives.

We understand the value of diversity in culture, language, religious beliefs, gender and have been a key supporter to nurture the same in the company. Therefore, the Group strives to build a conducive work environment which embraces diversity and fosters inclusion.

We are committed to nurture and develop potential leaders that can continue to uphold our values and cultural ethos.

We believe that the foundation of outstanding quality care is a highly skilled, caring workforce that is proficiently trained to provide personalized and evidence-based care. Therefore, our success largely depends on the high level of skills, commitment and professionalism of our people. Continuous learning is our integral component of the HR system which empowers our employees to be well-prepared in providing superior patient care. The human resource systems, procedures and an enabling environment within the organisation have been created to encourage creativity and innovation whilst driving dedication and efficiency amongst the employees.

At Apollo, we are aware that commitment and competence of employees are key drivers of overall organizational performance and thus we endeavour to strengthen the organizational culture and retain the best talent.

At Apollo, we have built an effective human resources department which supports our business in achieving sustainable and responsible growth by building the right capabilities in the organization. It continues to focus on progressive employee relations policies, creating an inclusive work culture and a strong talent pipeline as well.

As we plan for the future, our workforce continues to grow and we continue to focus on attracting the best talent in the country with a focused and comprehensive approach to Human Resources Management. We are pleased to share that multiple HR endeavours at Apollo Hospitals have been recognized and appreciated.

Cautionary Statement

Some of the statements in this Management Discussion & Analysis describing the Company's objectives, projections, estimates, expectations and predictions contain certain 'forward looking statements' within the meaning of applicable laws and regulations. These statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances that may occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts. 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.

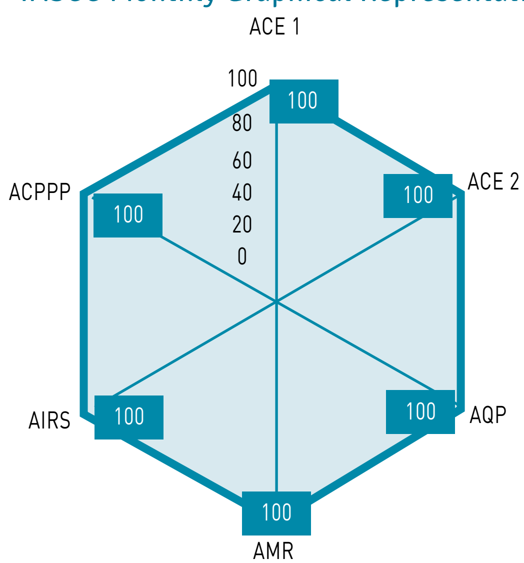
CLINICAL GOVERNANCE

The Apollo Standards of Clinical Care (TASCC)

Apollo Hospitals has established the highest standards of clinical care and patient safety for all its hospitals irrespective of their location and size. The Apollo Standards of Clinical Care (TASCC) were implemented across Apollo Hospitals to standardize processes and measurement of outcomes in 2012.

TASCC seeks to improve patient care and outcomes through systematic review of care against clearly defined criteria. TASCC comprises of six components that include clinical dashboards ACE 1 and ACE 2, Apollo Quality Plan (AQP), Apollo Mortality Review (AMR), Apollo Incident Reporting System (AIRS) and Apollo-Critical-Policies-Plans-and Procedures (ACPPP).

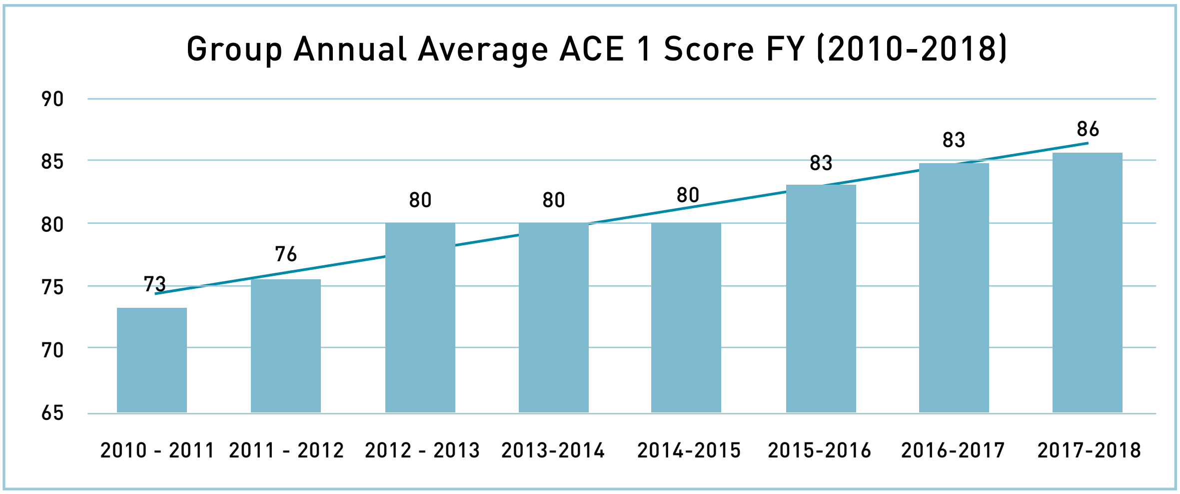
TASCC Monthly Graphical Representation



ACE 1

ACE 1 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, covering all major specialities. Also included are hospital acquired infection rates, pain management and medication errors. Parameters have been benchmarked against the published bench marks of the world's best hospitals. The weighted scores for outcomes are colour coded green, orange and red as per performance. 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.

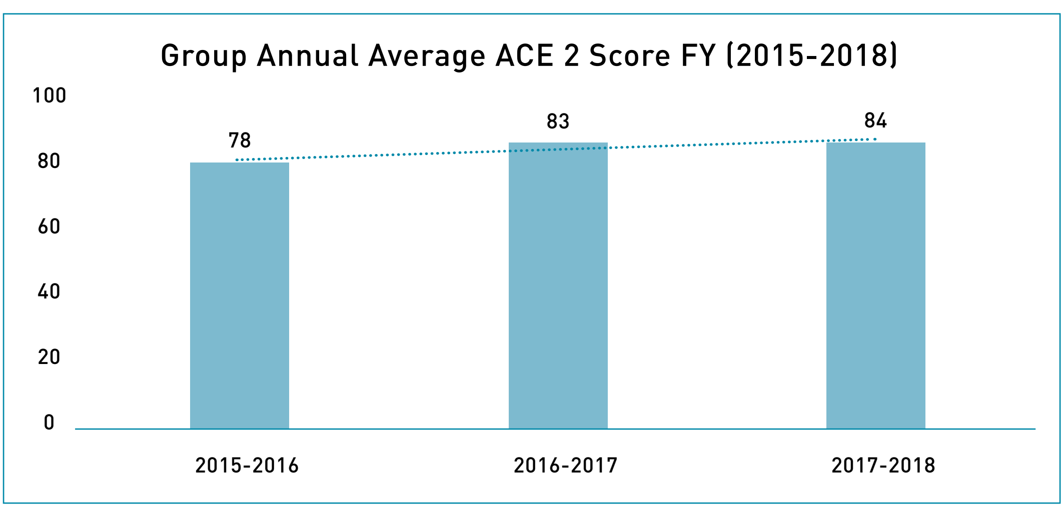
Ahmedabad, Bangalore, Chennai, Delhi, Hyderabad, Kolkata and Dhaka reported data for Group A parameters. Bilaspur, Madurai, Mysore, Pune, Vizag, Bhubaneshwar, Karimnagar, Secunderabad, Hyderguda, Trichy, Vanagaram, Indore, ASH OMR, Nashik and Nellore Seshadripuram, Health City Vizag reported data for Group B parameters. Aragonda, Apollo First Med Hospitals, Apollo Speciality Cancer Hospital Teynampet, Tondiarpet, Sowcarpet, Kakinada, NMDC Bacheli, Noida, Ranipet, Apollo Children's Hospital, Ambavadi, DRDO, Karur, ASH Jayanagar, Karaikudi and AMC Karapakkam reported data for Group C parameters.



The hospital scoring the highest is awarded the ACE 1 Champion Award. Apollo Hospitals, Hyderabad reporting Group A parameters, Apollo Hospitals, Seshadripuram, reporting Group B parameters and Apollo Hospitals, Noida reporting Group C parameters were declared ACE 1 Champions and were awarded the trophies along with cash prizes.

ACE 2

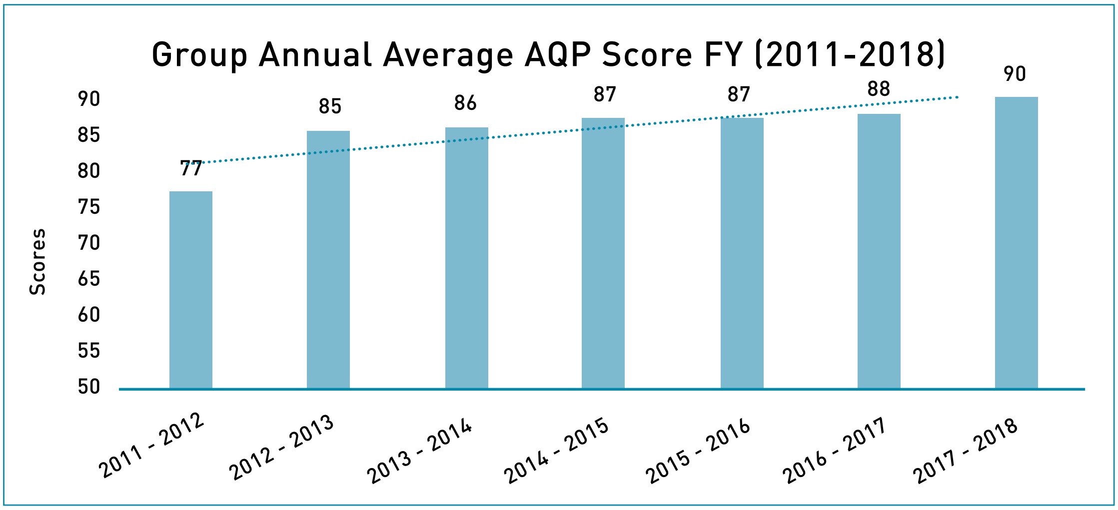
ACE 2 earlier known as RACE, for centers of excellence; Cardiac Sciences, Oncology, Transplantation, Neuro sciences and Orthopedics. A set of 25 clinical parameters other than those covered under ACE 1, was created to assess the outcomes. All parameters were again benchmarked against the best published outcomes of the world's best institutions.



Apollo Quality Program

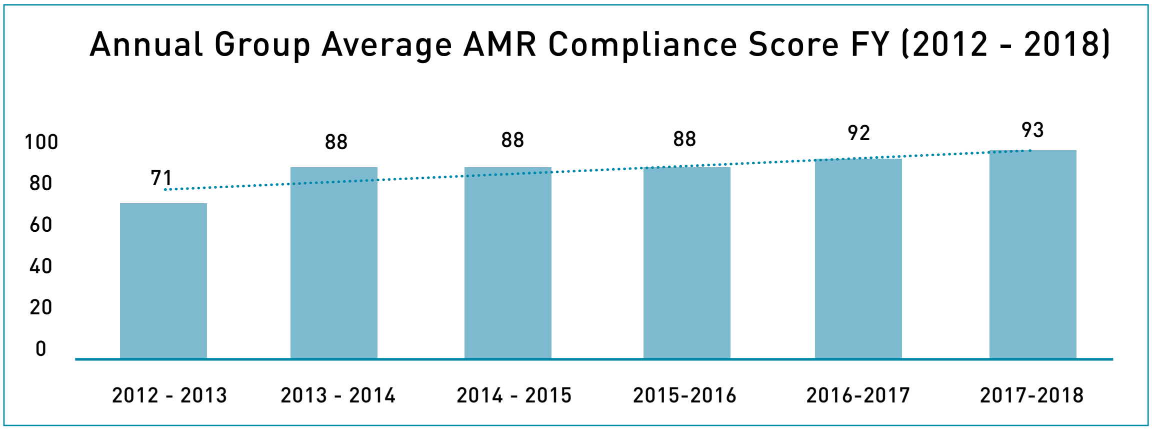
The Apollo Quality Program was started in December 2010 to implement patient safety practices in all Apollo Hospitals irrespective of the accreditation status.

It covers five broad areas: Safety during Clinical Handovers, Surgical Safety, Medication Safety, the Six International Patient Safety Goals of JCI and Standardisation of Minimum Content of Medical Records.



Mortality Review

The mortality review in all Apollo Hospitals is standardized with trigger criteria, checklists, peer review processes and mortality meeting formats. Formal, structured review of deaths (not just unexpected deaths) help detect quality issues around every day processes of care.



360 Degree Reviews

The 360 Degree reviews were conducted across the Apollo Hospitals. The objectives of these reviews was to identify any fraudulent or unsafe practices, patient specific concerns and assessment of the readiness of quality processes and outcomes 24/7. The review also included spotting behaviors associated with insufficient knowledge, misrepresentation of information and lack of objectivity.

The review included the evidences of everything that was implemented as a part of the Annual Operating Plan (AOP), validation of the data reported and also actual implementation of accreditation standards as applicable.

The review was done for the following disciplines namely- Clinical, Quality, Non-Clinical, Risk management and Financial.

Checklists

The WHO Safe Surgery checklist is a proven tool that promotes surgical safety. Having piloted this at some of the Apollo hospitals, inputs were obtained from these locations to standardize the Apollo Safe Surgery Checklist. The checklist comprises of 3 components; sign-in, time-out, sign-out. This forms a part of the patient file and fulfils all accreditation requirements. It has now been implemented across the Group.

The ICU checklist is used in all the ICUs for every patient. The checklist augments the daily, multidisciplinary rounds and alerts the doctor so that important issues are not missed. This is an evidence-based tool to achieve care goals. Both the Safe Surgery Checklist and the ICU Checklist implementation across the Apollo Group are closely monitored using defined indicators.

The 7th International Congress on Patient Safety

The 7th International Patient Safety Congress was held at JW Marriott Mumbai, Sahar, on the 1st and 2nd of December 2017. The forum was a congregation of thought leaders, patient safety experts, eminent speakers and panelists, from across the world, who enriched the audience with their experiences, knowledge and innovative practices on Patient Safety.

This biggest Patient Safety event in India, witnessed the presence of over 1500 delegates and 40 innovative exhibitors. There were 60 scientific sessions conducted by 150 international and national faculties.

The conference was inaugurated by the Chief Guest, Dr Deepak Sawant, Honorable Minister of Public Health and Family Welfare, Government of Maharashtra. Honorable Health Secretary, Government of Maharashtra, Dr Pradeep Vyas, graced the occasion as the Guest of Honor.

7th International Congress on Patient Safety, 2017 at Mumbai

The knowledge partners who supported the 7th IPSC included the Joint Commission International (JCI, USA), International Society of Quality in Healthcare (ISQUA), Macquarie University, Australia, NUHS, Singapore, Sime Darby Healthcare, Malaysia, Accreditation Canada, National Accreditation Board for Hospitals (NABH), India, Association of Healthcare Providers India (AHPI) and the Dabbawalas amongst the many others.

The Joint Plenary Session was presided by Honorable Minister of State, Ministry of Health and Family Welfare, Government of India, Ms. Anupriya Patel.

In the Joint Plenary Session, many organizations were recognized for their excellent work in patient safety and technology through the very prestigious Asian Patient Safety Awards and CHIME RHIT Awards. Dr Prathap C Reddy, Founder and Executive Chairman, Apollo Hospitals, Group delivered the Presidential Address.

Bollywood actress Ms.Sridevi, Boney Kapoor graced the Valedictory Session and interacted with the participants. The 7th IPSC also affirmed "The Mumbai Declaration on Patient Safety".

The Mumbai Declaration on Patient Safety was endorsed by almost all the delegates and organizations who attended the conference. 7th International Congress on Patient Safety, 2017 at Mumbai.

Recognition

Numerous accolades at various national and international fora, adorned the Apollo Hospital Group, in the year 2017

- Dun & Bradstreet tracks the performance of India Inc. and showcases the performance of the leading corporates in India through profiles and listings in its premier publication. Apollo Hospitals Enterprise Limited was conferred the Dun and Bradstreet 11th Edition Corporate Award 2017.
- The Asian Hospital Management Awards recognizes and honours hospitals in Asia that implement best practices. It is the accepted hospital management awards program for the Asia Pacific region. For the HMA Awards 2017, held at Manila, Philippines, there were 418 entries from 102 hospitals in 17 countries. Apollo Hospitals Group won 7 awards, the highest number of awards won by any organisation.
- The Best Hospital Survey 2017, conducted by THE WEEK in association with Nielsen India, ranked Apollo Hospitals, Chennai as the best corporate multi – speciality hospital in the country in 2017. Indraprastha Apollo Hospitals, Delhi was ranked as fifth best corporate multispeciality hospital.
- All India Critical Care Hospital Ranking Survey 2017 by The Times of India ranked Apollo Hospitals, Chennai as the best hospital for the specialties of Gastroenterology and Hepatology, Emergency and Trauma, Urology in India. Indraprastha Apollo Hospitals Delhi was ranked as the best hospital for the specialities of Neurosciences, Nephrology, Oncology, Paediatrics, Gynaecology and Obstetrics.
- CMO Asia Healthcare Excellence Awards 2017 was conferred to Apollo Hospitals, Chennai for the following categories: Best Multispecialty Hospital, Best Quality Initiative in Healthcare.
- National Business Leadership and Service Excellence Award (PRAXIS MEDIA) 2017 was conferred to Indraprastha Apollo Hospitals, Delhi for Outstanding contribution in 2017.
- National Quality Excellence Awards, 2017 was conferred to Indraprastha Apollo Hospitals, Delhi.
- FICCI Medical Value Travel Awards 2017 was conferred to Indraprastha Apollo Hospitals, Delhi for the category, Best Super Specialty Hospital for Kidney Transplant and Liver Transplant.
- Meditravel Awards 2017 was conferred to Indraprastha Apollo Hospitals, Delhi for the category Best Indian Hospital for Medical Travel and Best Organ Transplant Centre.
- BW Healthcare Awards- 4th Edition 2017 was conferred to Indraprastha Apollo Hospitals, Delhi for the category Best Multi Speciality Hospital.

- CII National HR Excellence Award 2017 was conferred to Apollo Hospitals, Hyderabad.
- CII Industrial Innovation Awards 2017 were conferred to Apollo Tele Health Services (ATHS) for the categories: - Leader in Service Sector (SME), TOP 26 Most Innovative Company.
- CAHOCON Awards 2017 were conferred to Apollo Hospitals, Ahmedabad for Energy Conservation. They also won an award for Poster Presentation.
- CIMS Excellence Healthcare Awards 2017 was conferred to Apollo Telehealth Services (ATHS) for being the Innovative Telemedicine Solution Provider of the year.
- 3rd ABP News- Healthcare Leadership Awards 2017 was conferred to Apollo Telehealth Services (ATHS) for the Best Public Health Initiative.
- Healthcare Achievers and Leaders Award 2107 was conferred to Apollo Hospitals, Chennai for the category Best Multispecialty Hospital.
- Frost and Sullivan Awards 2017- Apollo Hospitals, Chennai was conferred the India Comprehensive Emergency Care Service Provider of the Year Award.
- Six Sigma Health Care Excellence Awards 2017 were conferred to Apollo Hospitals, Bhubaneswar for the categories – Best Hospital for the Year, Best Hospital for Optimum Green Healthcare Initiative, Best Patient Care Provider of the Year.
- Indian Express Healthcare Award 2017, Apollo Telehealth Services (ATHS) bagged this award for the category Most Effective Technology System by a State Government for their 'Himachal Telemedicine Project'.
- Times of India–Innovation in Healthcare Award 2017 was conferred to Apollo Homecare.
- Golden Peacock Award 2017, instituted by the Institute of Directors (IOD), India in 1991, and considered the hallmark of excellence worldwide. Apollo Hospitals, Hyderabad was conferred the Golden Peacock Award for National Training, Apollo Munich was conferred the Golden Peacock Award for Risk Management.
- Asia Insurance Industry Award for General Insurance Company of the Year (AIIA) 2017 recognised as the most coveted awards of the insurance industry. With more than 400 entries received for the awards, the judging panel consisted of 23 industry leaders from around the world. Apollo Munich was conferred with 21st Asia Insurance Industry Awards (AIIA) in the category "General Insurance Company of the Year".
- Great Place to Work- India's Best Insurance Company to Work for' 2017 evaluate 8,000 organizations from over 50 countries. The Great Place to Work Institute's methodology is considered as the gold standard for defining great workplaces across business, academia and government organizations. Apollo Munich has been ranked as 'India's Best Insurance Company to Work For'. The company also featured in the list of top 100 'Great Place to Work' organisations across sectors for the 7th time in a row this year.
- Skill India Fellowship Program Awards 2017, the vision of this fellowship is to celebrate excellence in skills training. Apollo Medskills was conferred the prestigious award.
- Best PIA award 2017, Apollo Medskills was conferred this award for 'Implementation of projects in Multiple States'
- Worldwide Achievers International Healthcare Awards honours India's top Doctors, Clinics and Hospitals, Healthcare Providers, Nursing Homes, Medical Devices and Hospital Equipment Companies, Diagnostic Laboratories, Medical Educational Institutions, Nursing Training Centres, Health Insurance Companies. Apollo Medskills was conferred the awards for Best Paramedical Technical Skill Provider for the year 2017 for their outstanding services and contribution to the healthcare sector.

- The Silicon Review is the world's most trusted online and print community for business and technology professionals. Medvarsity has been acknowledged as amongst the 30 Fastest Growing Companies in Asia 2017 by the Silicon Review.
- Healthcare Express Award 2017 were conferred to Apollo Hospitals, Hyderabad for the Best citation in Pharmacy and Patient care.
- Times Healthcare Achievers Award 2017 was conferred to Apollo Hospitals, Hyderabad.
- AHPI Awards for Excellence in Healthcare 2017 was conferred to Apollo Hospitals, Hyderabad for the category of Quality beyond Accreditation.

ACCREDITATION

Joint Commission International (JCI) Accredited Apollo Hospitals

The following eight Apollo Hospitals are JCI Accredited:

Sl.No.	Hospitals	Locations
1.	Indraprastha Apollo Hospitals	Delhi
2.	Apollo Hospitals	Hyderabad
3.	Apollo Hospitals	Chennai
4.	Apollo Hospitals	Bangalore
5.	Apollo Hospitals	Kolkata
6.	Apollo Hospitals	Dhaka
7.	Apollo Hospitals	Ahmedabad
8.	Apollo Hospitals	Navi Mumbai

National Accreditation Board for Hospitals and Healthcare Providers (NABH) Accredited Apollo Hospitals

The following 19 Apollo Hospitals are NABH Accredited:

Sl.No.	Hospitals	Locations
1.	Apollo Hospitals	Ahmedabad
2.	Apollo Hospitals	Bilaspur
3.	Apollo Speciality Hospitals	Madurai
4.	Apollo BGS Hospitals	Mysore
5.	Apollo Jehangir Hospital	Pune
6.	Apollo Hospitals	Bhubaneswar
7.	Apollo Hospitals	Secunderabad
8.	Apollo Hospital	Hyderguda
9.	Apollo Specialty Hospitals	Vanagaram
10.	Apollo Hospitals	Kakinada
11.	Apollo Hospitals	Noida
12.	Apollo Specialty Cancer Hospital	Chennai
13.	Apollo Hospitals	Trichy
14.	Apollo Hospitals	Indore
15.	Apollo Hospitals	Nashik
16.	Apollo Medical Centre	Karapakkam
17.	Apollo HospitalsNavi	Mumbai
18.	Apollo Hospitals	Seshadripuram
19.	Apollo Hospitals	Jayanagar

DNB/FNB Program at Apollo Hospitals

The National Board of Examinations (NBE) has accredited Apollo Hospitals for training and examinations in 15 Broad Specialities, 18 Super Specialties and 7 Postdoctoral Fellowship (FNB) programs. There are 452 DNB/FNB seats and 804 trainees are pursuing the DNB/FNB programs in 11 Apollo Hospitals.

Sl.No.	Broad Specialities (DNB)
1.	Anaesthesiology
2.	Emergency Medicine
3.	ENT
4.	Family Medicine
5.	General Medicine
6.	General Surgery
7.	Nuclear Medicine
8.	Obstetrics and Gynaecology
9.	Orthopaedics
10.	Pathology
11.	Paediatrics
12.	Radio diagnosis
13.	Radiotherapy
14.	Respiratory Diseases
15.	Transfusion Medicine

Sl.No.	Postdoctoral Fellowships (FNB)
1.	Critical Care Medicine
2.	Infectious Diseases
3.	Interventional Cardiology
4.	Minimal Access Surgery
5.	Paediatric Gastroenterology
6.	Paediatric Haemato Oncology
7.	Paediatric Intensive care

Sl.No.	Super Specialties (DNB)
1	Cardiac Anaesthesia
2	Cardio Thoracic Surgery
3	Cardiology
4	Endocrinology
5	Gastroenterology
6	Genito Urinary Surgery
7	Medical Oncology
8	Nephrology
9	Neuro Anesthesia and Critical Care
10	Neurosurgery
11	Neurology
12	Paediatric Cardiology
13	Paediatric Surgery
14	Plastic Surgery

Sl.No.	Super Specialties (DNB)
15	Rheumatology
16	Surgical Gastroenterology
17	Surgical Oncology
18	Vascular Surgery

Sl.No.	DNB/FNB programs proposed to NBE for 2018
1	Anaesthesiology for Minimal Access
2	Bariatric and Metabolic Surgery
3	Paediatric Urology
4	Organ Transplantation
5	Fetal Medicine
6	Molecular Biology
7	Clinical Immunology
8	Genetics
9	Disaster Management
10	Geriatrics

Clinical Fellowship of AHERF

Apollo Hospitals Education and Research Foundation (AHERF) had started, Clinical Fellowship in the year 2013 in various disciplines.

These fellowships are being offered in those specialities where no or limited training programs exist in India.

44 seats have been approved in the following 28 specialties across 13 Apollo Group locations to run the Clinical Fellowship of AHERF:

Stroke in Neurology, Cardiac/CTVS Anaesthesia, Endoscopy in Gastroenterology, Nephrology, Clinical Nephrology, Renal Dialysis, Transplant Nephrology, Interventional Pulmonology, Hyperbaric Medicine, Endocrinology, Head and Neck Oncologic surgery, Liver Transplant Anaesthesia, Liver Transplant and HPB surgery, Genitourinary surgery, Renal Transplant surgery, Interventional Cardiology, Radiation Oncology, Emergency Neurology, Transfusion Medicine, Developmental Paediatrics, Arthroscopy & Sport Medicine, Anaesthesiology, Implantation Otology, Paediatric Endocrinology, Minimal access and robotic surgery in Gynaecology, Hepatology, IVF, Clinical Genetics.

Apollo Group locations where Clinical Fellowship of AHERF has been approved:

Delhi, Bangalore, Bilaspur Pune, Kolkata, Bhubaneswar, Kakinada, Secunderabad, Chennai, ASH Chennai, Hyderabad, Guwahati, Navi Mumbai

Adjunct Titles of Professorships and Associate Professorships of AHERF

Policy of grant of Adjunct Title of Professor and Associated Professor of AHERF was implemented in the year 2012 in order to boost the state of academics and research across Apollo Group.

Senior faculty members from Apollo Hospitals Group, who have an active interest in academics and research are nominated for the grant of these Adjunct Titles.

106 consultants have been conferred with Adjunct Title of Professor and Associate professor of AHERF in various specialities covering Anaesthesiology, Biochemistry, Cardiology, Critical Care Medicine, Dermatology, Endocrinology and Diabetology, ENT and Head and Neck Surgery, Gastroenterology and Hepatology, Minimal Access surgery, Gynecology, Genetic Medicine, Hand and Microvascular Reconstructive Surgery, Head and neck oncology, Hematology, Infectious Disease, Internal and Hyperbaric Medicine, Interventional Cardiology, Liver Transplant, Internal Medicine, Nephrology, Neuroanesthesia, Neurology, Neurosurgery, Nuclear Medicine, Oncology, Oncosurgery, Orthopedics, Orthopaedics and Joint Replacement Surgery, Pediatrics, Pediatric Gastroenterology, Pediatric Neurosurgery, Pediatric Cardiology, Pediatric Cardiac Surgery, Pediatric Surgery, Pediatric Intensive Care, Radiology, Respiratory Medicine, Emergency Medicine, Rheumatology, Surgical Gastroenterology, Transfusion Medicine, Urology and Transplant Surgery.

Adjunct Titles of Clinical Tutorship, Distinguished Clinical Tutorship and Emeritus Clinical Tutorship of AHERF

Policy of grant of Adjunct Title of Clinical Tutorship, Distinguished Clinical Tutorship and Emeritus Clinical Tutorship of AHERF was implemented in the year 2017 in order to boost the state of clinical training across Apollo Group.

Senior faculty members from Apollo Hospitals Group, who have an active interest in clinical training is nominated for the grant of these Adjunct Titles.

45 consultants have been conferred with Adjunct Title of Clinical Tutors, Distinguished Clinical Tutors and Emeritus Clinical Tutors of AHERF in various specialities covering Critical Care Medicine, Dentistry, Endocrinology, ENT and Head and Neck Surgery, Hand and Microvascular Reconstructive Surgery, Infectious Disease, Interventional Cardiology, Hepatobiliary and Liver Transplant, Internal Medicine, Heart - Lung Transplant Surgery, Maxillofacial Surgery, Neuroanesthesia, Neurology, Neurosurgery, Nuclear Medicine, Spine surgery, Oncology, Oncosurgery, Orthopedics, Joint Replacement Surgery, Paediatrics, Gastrointestinal and Bariatric Surgery, Plastic and Aesthetic Surgery, Radiology, Rheumatology, Transfusion Medicine and Urology.

Recognition of Published Papers

Apollo Hospitals encourages consultants, junior Medical staff and DNB trainees to undertake research activities in their areas of expertise. Apollo supports the effort of its staff and recognizes their achievements in publishing research papers.

296 papers of Apollo Group consultants received recognition from the Chairman, either with a cash award along with citation or only citation during 2017.

Apollo Innovation and Quality Awards

Apollo Innovation and Quality Awards is a platform to highlight the distinctive initiatives and unrelenting efforts undertaken at each of our hospitals for improving quality and safety for our patients. Nominations for Apollo Innovation and Quality Awards 2017 were invited from all locations in six categories. In 2017, 110 nominations were received from 21 locations. The nominations are judged by an esteemed panel of independent jury members. The top three winners in each category were felicitated on the Founders' Day.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF APOLLO HOSPITALS ENTERPRISE LIMITED, CHENNAI

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Apollo Hospitals Enterprise Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income),the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 including other comprehensive income,changes in equity and the cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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 standalone 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 standalone financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the standalone financial statements 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 standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us,the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows 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 Indian Accounting Standards prescribed under section 133 of the Act.

    e) On the basis of the written representations received from the directors of the Company as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

    g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Vikas Bagaria
(Partner)
(Membership No. 060408)

Place: Singapore
Date: 30th May, 2018

ANNEXURE "A"

TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

We have audited the internal financial controls over financial reporting of Apollo Hospitals Enterprise Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the "internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the "criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

Vikas Bagaria
(Partner)
(Membership No. 060408)

Place: Singapore
Date: 30th May, 2018

ANNEXURE "B"
TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed / title deeds pledged with banks, we report that, the title deeds, comprising all the immovable properties of land and buildings,are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and buildings that have been taken on lease in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 in respect of healthcare services rendered. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax,Customs Duty, Value Added Tax, Goods and Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax,Customs Duty, Value Added Tax, Goods and Service Tax,cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, and Value Added Tax which have not been deposited as on March 31, 2018 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (₹ million)
Income Tax Act, 1961	Income Tax	Honorable Supreme Court	Assessment Year 2000-2001	136.76
Customs Act, 1962	Customs Duty	Honourable Madras High Court	1996, 1997	99.70
Finance Act, 1994	Service Tax	CESTAT, New Delhi, CESTAT Raipur	July 2010 to July 2015	22.50
		Commissioner of Central Excise (Appeals), Vizag		
Value Added Tax Act, 2004	Value Added Tax	Joint Commissioner, Kolkata	2011-2012	0.04

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and financial institutions and dues to debenture holders. The Company has not taken any loans from government.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Vikas Bagaria
(Partner)
(Membership No. 060408)

Place: Singapore
Date: 30th May, 2018

BALANCE SHEET AS AT MARCH 31, 2018

Standalone Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ millions unless otherwise stated)

Particulars	Note	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	5	36,301.27	34,843.37
(b) Capital work-in-progress	5	6,983.04	3,275.48
(c) Goodwill	6	948.30	948.30
(d) Other Intangible assets	7	366.31	208.46
(e) Financial Assets			
(i) Investments	8	8,551.68	8,473.24
(ii) Investments in Debentures and Preference Shares	9	426.40	1,303.90
(iii) Other financial assets	11	2,160.28	2,673.70
(f) Income Tax Asset (Net)	22	1,129.74	689.71
(g) Other non-current assets	14	1,456.17	2,071.08
Total Non - Current Assets		**58,323.19**	**54,487.24**
Current Assets			
(a) Inventories	12	5,386.83	4,425.04
(b) Financial assets			
(i) Investments	8	20.06	860.52
(ii) Trade receivables	10	8,046.93	6,635.92
(iii) Cash and cash equivalents	13	2,469.38	1,924.75
(iv) Bank balances other than (iii) above	13.1	476.22	802.73
(v) Other financial assets	11	2,172.41	1,710.88
(c) Other current assets	14	1,225.71	1,084.43
Total Current Assets		**19,797.54**	**17,444.27**
Total Assets		**78,120.73**	**71,931.51**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	15	695.63	695.63
(b) Other equity	16	36,239.37	35,094.51
Total Equity		**36,935.00**	**35,790.14**
Liabilities			
Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	25,471.02	26,198.11
(ii) Other financial liabilities	18	97.93	102.84
(b) Deferred tax liabilities (Net)	20	2,466.06	2,336.74
Total Non - Current Liabilities		**28,035.01**	**28,637.69**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	3,495.27	489.06
(ii) Trade payables	21	4,733.88	3,920.18
(iii) Other financial liabilities	18	3,557.50	1,672.34
(b) Provisions	19	675.15	618.38
(c) Other current liabilities	23	688.91	803.72
Total Current Liabilities		**13,150.72**	**7,503.68**
Total Liabilities		**41,185.73**	**36,141.37**
Total Equity and Liabilities		**78,120.73**	**71,931.51**

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-10018

Vikas Bagaria
Partner
Membership No. 060408

Place : Singapore
Date : May 30, 2018

For and on behalf of the Board of Directors

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
Vice President - Finance
& Company Secretary

Place: Chennai
Date : May 30, 2018

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Executive Vice Chairperson

Suneeta Reddy
Managing Director

STATEMENT OF PROFIT AND LOSS

Standalone Financial Statements for the year ended March 31, 2018
(All amounts are in ₹ millions unless otherwise stated)

Particulars	Note	Year ended March 31, 2018	Year ended March 31, 2017
Income			
Revenue from Operations	24	71,830.10	63,012.59
Other Income	25	125.89	258.86
Total Income		**71,955.99**	**63,271.45**
Expenses			
Cost of materials consumed	26	12,680.01	11,824.30
Purchases of Stock-in-trade		26,142.19	22,285.24
Changes in inventory of stock-in-trade	27	(809.26)	(469.91)
Employee benefit expense	28	11,188.06	9,417.79
Finance costs	29	2,401.74	2,003.88
Depreciation and amortisation expense	30	2,720.04	2,405.92
Other expenses	31	14,331.84	12,215.04
Total expenses		**68,654.62**	**59,682.26**
Profit before tax		**3,301.37**	**3,589.19**
Tax expense			
(1) Current tax	32	743.50	756.58
(2) Deferred tax	32	225.87	(18.85)
		969.37	**737.73**
Profit for the year		**2,332.00**	**2,851.46**
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit plans	32.2	(279.01)	(331.37)
(b) Income tax effect	32.2	96.56	114.68
Total Other Comprehensive Income		**(182.45)**	**(216.69)**
Total comprehensive income for the year		**2,149.55**	**2,634.77**
Earnings per equity share of par value of ₹ 5 each			
Basic (in ₹)	34	16.76	20.50
Diluted (in ₹)	34	16.76	20.50

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-10018

Vikas Bagaria
Partner
Membership No. 060408

Place : Singapore
Date : May 30, 2018

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
Vice President - Finance
& Company Secretary

Place: Chennai
Date : May 30, 2018

For and on behalf of the Board of Directors

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Executive Vice Chairperson

Suneeta Reddy
Managing Director

Statement of changes in Equity

a. Equity share capital

Balance at April 1, 2016	695.63
Changes in equity share capital during the year	-
Balance at March 31, 2017	695.63
Changes in equity share capital during the year	-
Balance at March 31, 2018	695.63

b. Other Equity

Particulars	Reserves and Surplus					Items of OCI	Total Other Equity
	General reserve	Securities premium reserve	Capital Reserves	Other reserve #	Retained earnings	Remeasurements of net defined benefit plans	
Balance at April 01, 2016 (A)	**11,256.85**	**17,138.52**	**18.26**	**664.41**	**3,479.56**	**(97.86)**	**32,459.74**
Profit for the year	-	-	-	-	2,851.46		2,851.46
Remeasurement benefit of Defined Benefit Plan recognised in Other comprehensive income for the year, net of income tax	-	-	-	-	-	(216.69)	(216.69)
Total comprehensive income for the year 2016-17 (B)	**11,256.85**	**17,138.52**	**18.26**	**664.41**	**6,331.02**	**(314.55)**	**35,094.51**
Payment of dividends	-	-	-	-	-	-	-
Transfer to Reserves	-		-	-	-	-	-
Balance at March 31, 2017 (C = A + B)	**11,256.85**	**17,138.52**	**18.26**	**664.41**	**6,331.02**	**(314.55)**	**35,094.51**
Profit for the year	-	-	-	-	2,332.00	-	2,332.00
Remeasurement benefit of Defined Benefit Plan recognised in Other comprehensive income for the year, net of income tax	-	-	-	-	-	(182.45)	(182.45)
Total comprehensive income for the year 2017 - 18 (D)	**11,256.85**	**17,138.52**	**18.26**	**664.41**	**8,663.02**	**(497.00)**	**37,244.06**
Payment of dividends (including dividend distribution tax)					(1,004.69)	-	(1,004.69)
Transfer to Reserves				452.50	(452.50)	-	-
Balance at March 31, 2018 (E = C + D)	**11,256.85**	**17,138.52**	**18.26**	**1,116.91**	**7,205.83**	**(497.00)**	**36,239.37**

Other reserve includes Debenture Redemption Reserve, Capital Redemption Reserve and Reserves arising on transition from Previous GAAP to IND AS

The accompanying notes form an integral part of these standalone financial statements

For and on behalf of the Board of Directors

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-10018

Vikas Bagaria
Partner
Membership No. 060408

Place : Singapore
Date : May 30, 2018

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
Vice President - Finance
& Company Secretary

Place: Chennai
Date : May 30, 2018

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Executive Vice Chairperson

Suneeta Reddy
Managing Director

APOLLO HOSPITALS ENTERPRISE LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

All amounts are in ₹ million unless otherwise stated

1 Corporate Information

Apollo Hospitals Enterprise Limited ('the Company') is a public Company incorporated in India. The address of its registered office and principal place of business is at 19, Bishop Gardens, Raja Annamalaipuram, Chennai, Tamilnadu. The main business of the Company is to enhance the quality of life of patients by providing comprehensive, high-quality hospital services on a cost-effective basis and providing / selling high quality pharma and wellness products through a network of pharmacies. The principal activities of the Company include operation of multidisciplinary private hospitals, clinics, and pharmacies.

2 Application of new and revised Ind ASs

The company has applied all the Ind ASs notified by the MCA.

Standards issued but not yet effective

I. Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ('MCA') has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The company is in the process of assessing the impact of the said standard on its financial statements.

II. Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs (MCA) has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The amendments are applicable to the Company from April 1, 2018. The company is the process of assessing the impact of the said standard on its financial statements.

3 Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of the standalone financial statements. These policies have been consistently applied to all the years presented unless otherwise stated.

3.1 Statement of compliance

The standalone financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act 2013 (the act) and other relevant provisions of the act.

The financial statements for the company for the year ended March 31, 2017 were audited by S. Viswanathan LLP (Firm's Registration No: 004770S/S200025) the predecessor auditor.

The financial statements were authorised for issue by the Company's Board of Directors on May 30, 2018.

3.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below

3.3 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange of control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

Deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;

On acquisition, the Company assesses the classification of the acquiree's assets and liabilities and reclassifies them where the classification is inappropriate for Company purposes.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. The same is carried at cost and tested for impairment on an accrual basis in accordance with impairment policy stated below)

3.4 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note 3.3 above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units (or Company's of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3.5 Revenue recognition

3.5.1 Rendering of services

Healthcare Services

Revenue primarily comprises fees charged for inpatient and outpatient hospital services. Services include charges for accommodation, theatre, medical professional services, equipment, radiology, laboratory and pharmaceutical goods used. Revenue is recorded and recognised during the period in which the hospital service is provided, based upon the estimated amounts due from patients and/or medical funding entities. Unbilled revenue is recorded for the service where the patients are not discharged and invoice is not raised for the service. Revenue is measured at the fair value of the consideration received or receivable.

The service revenues are presented net of related doctor fees and other charges in cases where the company is not the primary obligor and does not have the pricing latitude.

Other Services

(i) Hospital Project Consultancy income is recognised as and when it becomes due, on percentage completion method, on achievement of milestones.

(ii) One time franchise fees/licence fees is recognised over the period of the agreement.

(iii) Income from clinical trials on behalf of pharmaceutical companies is recognised on completion of the services, based on terms and conditions specified to each contract.

(iv) Other services fee is recognized on basis of the services rendered and as per the terms of the agreement.

3.5.2 Sale of Goods

Pharmacy Sales are recognised when the risk and reward of ownership is passed to the customer. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue is reduced for rebates and loyalty points granted upon purchase and are stated net of returns and discounts wherever applicable

3.5.3 Loyalty Points

Sales of goods that result in award credits for customers, under the Company's Loyalty Points Schemes are accounted for as multiple element revenue transactions and the fair value of the consideration received or receivable is allocated between the goods supplied and the award credits granted. The consideration allocated to the award credits is measured by reference to their fair value – the amount for which the award credits could be sold separately. Such consideration is not recognised as revenue at the time of the initial sale transaction – but is deferred and recognised as revenue when the award credits are redeemed and the Company's obligations have been fulfilled.

3.5.4 Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.5.5 Rental income

The Company's policy for recognition of revenue from operating leases is described in note 3.6.1 below.

3.6 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

3.6.1 The Company as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

3.6.2 The Company as lessee

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

3.7 Foreign currencies

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

3.8 Borrowings and Borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.9 Employee benefits

3.9.1 Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- Remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

3.9.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

3.10 Taxation

Income tax expense comprises current tax and the net change in the deferred tax asset or liability during the year.

3.10.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Advance taxes and provisions for current income taxes are presented in the Balance Sheet after off-setting advance tax paid and income tax provision.

3.10.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3.10.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.11 Property, plant and equipment

Land and buildings held for use in providing the healthcare and related services, or for administrative purposes, are stated in the sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Expenses in the nature of general repairs and maintenance , i.e. in the nature of day to day service costs are charged to income statement during the financial period in which they are incurred.

Parts of some items of property, plant and equipment may require replacement at regular intervals and this would enhance the life of the asset. The company recognises these in the carrying value of property, plant & equipment and amortised over the period which is lower of replacement period and its useful life. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of Ind AS 16.

Fixtures and medical Equipments are stated at cost less accumulated depreciation and accumulated impairment losses. All repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Depreciation is recognised so as to depreciate the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Estimated useful lives of the assets are as follows:

Category of assets	Useful Life (in years)
Buildings (Freehold)	60 years
Buildings (Leasehold)	Lease term or 30 years, whichever is shorter (Non cancellable with renewable clause)
Plant and Machinery	15 Years
Electrical Installation and Generators	10 Years
Medical Equipment	13 Years
Surgical Instruments	3 Years
Furnitures and Fixtures	10 Years
Vehicles	8 Years
Office Equipments	5 Years
Computers	3 Years
Servers	6 Years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.12 Intangible assets

3.12.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

3.12.2 Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

3.12.3 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

3.12.4 Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Category of assets	Useful Life (in years)
Software License	3 years
Non Compete Fees	3 years
Trademarks	3 years

3.13 Review of useful life and method of depreciation

The amortisation period and method are reviewed at the end of each reporting period to check if the expected useful life of the asset changes from previous estimates, the effect of such change in estimates are accounted for prospectively.

3.14 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3.15 Inventories

Inventories of medical consumables, drugs and stores & spares are valued at cost or lower of net realizable value. Net Realizable Value represents the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

Cost is determined as follows:

a. 'Medicines' under healthcare segment is valued on First in First Out (FIFO) basis.

b. 'Medicines' under retail pharmacies segment is valued on weighted average rates.

c. 'Stores and spares' is valued on First in First Out (FIFO) basis.

d. 'Other consumables' is valued on First in First Out (FIFO) basis.

3.16 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.17 Contingent liabilities acquired in a business combination

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with Ind AS 37 and the amount initially recognised less cumulative amortisation recognised in accordance with Ind AS 18 Revenue.

3.18 Earnings per Share

Basic earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of exceptional items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits/reverse share splits and bonus shares, as appropriate.

3.19 Financial instruments

Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.19.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(i) Classification of financial assets

Financial Assets that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI) (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Cash and Cash Equivalents

The Company considers all highly liquid financial instruments which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and Cash Equivalents consist of balances with banks which are unrestricted for withdrawal and usage. Restricted cash and bank balances are classified and disclosed as other bank balances.

(ii) Amortised Cost and Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

(iii) Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on Remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

The impairment provisions for trade receivables is based on assumptions about risk of default and expected loss rates. The Company uses judgements in making certain assumptions and selecting inputs to determine impairment of these trade receivables, based on the Company's historical experience towards potential billing adjustments, delays and defaults at the end of each reporting period.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.

3.19.2 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below :

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for not-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3.19.3 Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

3.20 Segment Reporting

The Company uses the management approach for reporting information about segments in annual financial statements. The management approach is based on the way the Chief Operating Decision maker organises segment within a company for making a operating decisions and assessing performance. Reportable segments are based on services, geography , legal structure, management structure and any other manner in which management disaggregates a company. Based on the management approach model the Company has determined that's its business model is comprised of Healthcare services, Retail Pharmacy and Others.

3.21 Non Current Asset Held for Sale

The company classifies non-current assets held for sale if their carrying amounts will be principally recovered through a sale rather than through continuing use of assets and action required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets held for sale are measured at the lower of carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortised.

3.22 Government Grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the standalone balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

3.23 Dividend

Dividend proposed or declared after the balance sheet date are not recognised as a liability at the balance sheet date. It is provided upon approval of shareholders.

3.24 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

4 Critical accounting judgements and key sources of estimation uncertainty

The preparation of these financial statements in conformity with recognition and measurement principles of IND AS requires the management of the company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amount of income and expenses for the periods presented

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4.1.1 Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

4.1.2 Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The business acquisitions made by the company are also accounted at fair values.

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Chief Financial Officer reports the findings to the board of directors of the Company every quarter to explain the cause of fluctuations in the fair value of the assets and liabilities.

4.1.3 Employee Benefits - Defined benefit obligations

The cost of defined benefit plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases.

4.1.4 Litigations

The amount recognised as a provision shall be the management's best estimate of the expenditure required to settle the present obligation arising at the reporting period.

4.1.5 Revenue Recognition

Revenue from fees charged for inpatient and outpatient hospital/clinical services rendered to insured and corporate patients are subject to approvals for the insurance companies and corporates. Accordingly, the Company estimates the amounts likely to be disallowed by such companies based on past trends. Estimations based on past trends are also required in determining the value of consideration from customers to be allocated to award credits for customers.

4.1.6 Useful lives of property plant and equipment

The Company reviews the useful life of property plant and equipment at the end of each reporting period. This reassessment may result in depreciation expense in future periods.

4.1.7 Recoverability of Deferred Tax Asset

The deferred tax assets recognised primarily relate to business losses, Minimum Alternate Tax (MAT) credit and other deductible temporary differences. The deferred tax asset has been recognized on the basis of management estimate that its recovery is probable in the foreseeable future.

4.1.8 Impairment of Financial Assets

The impairment provisions for trade receivables is based on assumptions about risk of default and expected loss rates. The Company uses judgements in making certain assumptions and selecting inputs to determine impairment of these trade receivables, based on the Company's historical experience towards potential billing adjustments, delays and defaults at the end of each reporting period.

4.1.9 Impairment of Non - Financial Assets

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

5 Property, Plant and Equipment and Capital Work-in-progress

Particulars	As at March 31, 2018	At at March 31, 2017
Carrying amounts of:		
Land	2,624.23	2,333.29
Buildings	14,758.20	14,301.18
Leasehold Improvements	2,826.96	2,830.02
Plant & Machinery	3,508.75	3,561.11
Medical Equipment	9,205.51	8,615.83
Furniture and Fixtures	2,563.74	2,319.84
Office Equipment	232.29	230.61
Computers	265.19	291.19
Vehicles	316.40	360.30
	36,301.27	**34,843.37**
Capital Work-in-progress	6,983.04	3,275.48
Total	**43,284.31**	**38,118.85**

Particulars	Land	Buildings	Leasehold Improvements	Plant & Machinery@	Medical Equipment*	Furniture and Fittings	Office Equipments	Computers#	Vehicles	Total
Balance as at April 1, 2016	**2,335.27**	**10,804.44**	**3,277.69**	**3,523.83**	**8,520.36**	**2,481.61**	**405.55**	**769.50**	**530.06**	**32,648.31**
Additions	-	3,882.37	147.54	1,551.51	1,834.84	484.38	100.68	175.21	139.36	8,315.89
Disposals	(1.98)			(4.10)	(4.04)	(0.71)	(0.36)	(0.07)	(2.97)	(14.23)
Balance at March 31, 2017	**2,333.29**	**14,686.81**	**3,425.23**	**5,071.24**	**10,351.16**	**2,965.28**	**505.87**	**944.64**	**666.45**	**40,949.97**
Additions	290.94	730.02	109.13	382.82	1,647.26	677.47	74.39	123.28	28.62	4,063.93
Disposals			(0.37)	(15.23)	(4.96)	(76.82)	(1.92)	(10.99)	(13.95)	(124.24)
Balance at March 31, 2018	**2,624.23**	**15,416.83**	**3,533.99**	**5,438.83**	**11,993.46**	**3,565.93**	**578.34**	**1,056.93**	**681.12**	**44,889.66**

Accumulated depreciation and impairment

Particulars	Land	Buildings	Leasehold Improvements	Plant & Machinery@	Medical Equipment*	Furniture and Fittings	Office Equipments	Computers#	Vehicles	Total
Balance as at April 1, 2016	**-**	**171.75**	**541.87**	**1,159.64**	**652.44**	**286.71**	**205.34**	**537.60**	**249.34**	**3,804.69**
Eliminated on disposals			-	(0.78)	(4.63)		-	(0.04)	(2.22)	(7.67)
Depreciation expense		213.88	53.34	351.27	1,087.52	358.73	69.92	115.89	59.03	2,309.58
Balance at March 31, 2017	**-**	**385.63**	**595.21**	**1,510.13**	**1,735.33**	**645.44**	**275.26**	**653.45**	**306.15**	**6,106.60**
Eliminated on disposals		(11.87)	-	(8.42)	(4.48)	(25.61)	(1.78)	(10.69)	(9.75)	(72.60)
Depreciation expense		284.87	111.82	428.37	1,057.10	382.36	72.57	148.98	68.32	2,554.39
Balance at March 31, 2018	**-**	**658.63**	**707.03**	**1,930.08**	**2,787.95**	**1,002.19**	**346.05**	**791.74**	**364.72**	**8,588.39**
Carrying amount as on March 31, 2017	**2,333.29**	**14,301.18**	**2,830.02**	**3,561.11**	**8,615.83**	**2,319.84**	**230.61**	**291.19**	**360.30**	**34,843.37**
Carrying amount as on March 31, 2018	**2,624.23**	**14,758.20**	**2,826.96**	**3,508.75**	**9,205.51**	**2,563.74**	**232.29**	**265.19**	**316.40**	**36,301.27**

* Includes surgical equipments; '@ Includes electrical installation and generators; # Includes servers

Notes:

(i) Refer Note 17.1 for information on Property, Plant & Equipment pledged as security by the Company for securing financing facilities from banks and financial institutions.

(ii) Refer Note 44 for the contractual capital commitments for purchase of Property, plant & equipment.

(iii) Refer note 29 for details of interest capitalised during the year under Capital Work in Progress.

6 Goodwill

Particulars	As at March 31, 2018	As at March 31, 2017
Cost/deemed cost	948.30	948.30
Accumulated impairment losses	-	-
Total	**948.30**	**948.30**

(i) Allocation of goodwill to cash generating units

Goodwill has been allocated for impairment testing purposes to the following cash-generating unit.

Cash generating units	As at March 31, 2018	As at March 31, 2017
Standalone Pharmacy	948.30	948.30
Total	**948.30**	**948.30**

(ii) Key assumptions used for value-in-use calculations

The Company tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which uses cash flow projections based on financial budgets approved by management covering 6 year period as the company believes this to be the most appropriate timescale for reviewing and considering annual performance before applying a fixed terminal value multiple to the final cash flows.

Key Assumptions	Standalone Pharmacy
Discount Rate	12%
Growth Rate (used for deterimining Terminal Value)	5%

Discount Rate- Management estimates discount rates using pre-tax rates that reflect current market assessments of the risks specific to the CGU, taking into consideration the time value of money and individual risk of the underlying asset that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and its operating segments and is derived from its weighted average cost of the capital (WACC).

Growth Rates- The growth rates are based on the industry growth forecasts. Management determines the budgeted growth rate based on past performance and its expectation on its market development. The weighted average growth rate used were consistent with industry reports.

Based on the assessment, the management has concluded that there is no impairment of goodwill in respect of Standalone Pharmacy. The management believes that any reasonably possible further change in key assumptions on which recoverable amount is based would not cause the carrying amount to exceed its recoverable amount.

7 Intangible Assets

Particulars	As at March 31, 2018	As at March 31, 2017
Carrying amounts of:		
Software Licence	363.20	178.87
Trade Mark	2.29	21.74
Non Compete Fee	0.82	7.85
Total	**366.31**	**208.46**

Particulars	Software Licence	Trade Mark	Non Compete Fee	Total
Balance as at April 01, 2016	**341.56**	**58.40**	**21.10**	**421.06**
Additions	155.55	-	-	155.55
Disposals	-			-
Balance as at March 31, 2017	**497.11**	**58.40**	**21.10**	**576.61**
Additions	323.53	-	-	323.53
Disposals	(0.03)	-	-	(0.03)
Balance as at March 31, 2018	**820.61**	**58.40**	**21.10**	**900.11**
Accumulated Amortization and Impairment				
Balance as at April 01, 2016	248.38	17.21	6.22	271.81
Amortisation expense	69.86	19.45	7.03	96.34
Eliminated on Disposals				
Balance as at March 31, 2017	**318.24**	**36.66**	**13.25**	**368.15**
Amortisation expense	139.17	19.45	7.03	165.65
Eliminated on Disposals	-	-	-	-
Balance as at March 31, 2018	**457.41**	**56.11**	**20.28**	**533.80**
Carrying amount as on March 31, 2017	**178.87**	**21.74**	**7.85**	**208.46**
Carrying amount as on March 31, 2018	**363.20**	**2.29**	**0.82**	**366.31**

8 Investments

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
Investment carried at Cost				
(a) Investment in Equity instruments	8,501.35	-	8,425.04	-
Investment carried at Fair Value through Profit and Loss				
(a) Mutual Funds	-	20.06	-	860.52
(b) Other Investments	125.70	-	125.70	-
(c) Future Parking Private Limited (Refer Foot Note 1)	0.39	-	0.39	-
Investments carried at amortised cost				
(a) Other Investments	36.52	-	34.37	-
(b) Investments in Government or Trust securities	0.02	-	0.04	-
Sub - Total	**8,663.98**	**20.06**	**8,585.54**	**860.52**
Less : Provision for dimunition in the value of Investments	(112.30)	-	(112.30)	-
Total	**8,551.68**	**20.06**	**8,473.24**	**860.52**
Aggregate book value of quoted investments	393.72	-	393.72	-
Aggregate market value of quoted investments	975.21	-	1,104.43	-
Aggregate carrying value of unquoted investments	8,157.96	20.06	8,079.53	860.52

Refer note 42 for information and disclosure in respect of fair value measurements.

Foot note 1:

This is on account of measurement of financial guarantee contract extended by the company on behalf of Future Parking Private Limited, its subsidiary company in favor of ICICI Bank for securing credit facilities.

8.1 Details of Investments

Name of the Body Corporate	Subsidiary/ Assoiate/JV/ Controlled entity/Others	Face Value	No. of Shares/ Units as at March 31, 2018	No. of Shares/ Units as at March 31, 2017	Quoted/ Unquoted	Fully paid/ Partly paid	Amount March 31, 2018	Amount March 31, 2017
Investment carried at Cost								
Investment in Equity instruments								
Apollo Home Health Care (India) Limited	Subsidiary	INR 10	29,823,012	29,823,012	Unquoted	Fully Paid	297.40	297.40
Apollo Home Healthcare Limited	Subsidiary	INR 10	7,187,500	7,187,500	Unquoted	Fully Paid	100.00	100.00
A.B. Medical Centres Limited	Subsidiary	INR 1,000	16,800	16,800	Unquoted	Fully Paid	21.80	21.80
Samudra Healthcare Enterprises Limited	Subsidiary	INR 10	12,500,000	12,500,000	Unquoted	Fully Paid	250.60	250.60
Imperial Hospital & Research Centre Limited	Subsidiary	INR 10	26,950,496	26,950,496	Unquoted	Fully Paid	1,272.62	1,272.62
Apollo Hospital (UK) Limited	Subsidiary	GBP 1£	5,000	5,000	Unquoted	Fully Paid	0.39	0.39
Apollo Health and Lifestyle Limited	Subsidiary	INR 10	75,239,798	75,239,798	Unquoted	Fully Paid	3,039.84	3,039.83
Apollo Nellore Hospitals Limited	Subsidiary	INR 10	1,109,842	1,109,842	Unquoted	Fully Paid	53.96	53.96
Sapien Biosciences Private Limited	Subsidiary	INR 10	10,000	10,000	Unquoted	Fully Paid	0.10	0.10
Apollo Home Healthcare Limited (Compulsorily Convertible Debentures)	Subsidiary	INR 10	97,000,000	97,000,000	Unquoted	Fully Paid	97.00	97.00
Apollo Hospitals International Limited	Subsidiary	INR 10	30,340,266	22,840,266	Unquoted	Fully Paid	480.44	405.42
Western Hospitals Corporation Private Limited	Subsidiary	INR 10	18,000,000	18,000,000	Unquoted	Fully Paid	153.66	153.66
Apollo Lavasa Health Corporation Limited	Subsidiary	INR 10	652,393	652,393	Unquoted	Fully Paid	312.20	312.20
Assam Hospitals Limited	Subsidiary	INR 10	4,992,433	4,980,433	Unquoted	Fully Paid	664.74	663.14
Apollo Healthcare Technology Solutions Limited	Subsidiary	INR 10	20,000	50,000	Unquoted	Fully Paid	0.20	0.50
Apollo Rajshree Hospitals Private Limited	Subsidiary	INR 10	10,754,375	10,754,375	Unquoted	Fully Paid	327.36	327.36
Future Parking Private Limited	Subsidiary	INR 10	2,401,000	2,401,000	Unquoted	Fully Paid	24.01	24.01
Total Health	Subsidiary	INR 10	500,000	500,000	Unquoted	Fully Paid	5.00	5.00
Apollo Hospitals Singapore PTE Ltd	Subsidiary	SGD 1$	30,001	30,001	Unquoted	Fully Paid	1.45	1.47
Apollo Munich Health Insurance Company Limited	Associate	INR 10	35,709,000	35,709,000	Unquoted	Fully Paid	357.09	357.09
Family Health Plan Insurance TPA Limited	Associate	INR 10	1,960,000	1,960,000	Unquoted	Fully Paid	4.90	4.90
Indraprastha Medical Corporation Limited	Associate	INR 10	20,190,740	20,190,740	Quoted	Fully Paid	393.72	393.72
StemCyte India Therapeutics Private Limited	Associate	INR 1	240,196	240,196	Unquoted	Fully Paid	80.00	80.00
ApoKos Rehab Private Limited	Joint Venture	INR 10	8,475,000	8,475,000	Unquoted	Fully Paid	84.75	84.75
Apollo Gleneagles Hospitals Limited	Joint Venture	INR 10	54,675,697	54,675,697	Unquoted	Fully Paid	393.12	393.12
Apollo Gleneagles PET-CT Private Limited	Joint Venture	INR 10	8,500,000	8,500,000	Unquoted	Fully Paid	85.00	85.00
Total							**8,501.35**	**8,425 .04**

Notes to the Standalone financial statements as at and for the year ended March 31, 2018
(All amounts are in ₹ million unless otherwise stated)

Name of the Body Corporate	Subsidiary/ Assoiate/JV/ Controlled entity/Others	Face Value	No. of Shares/ Units as at March 31, 2018	No. of Shares/ Units as at March 31, 2017	Quoted/ Unquoted	Fully paid/ Partly paid	Amount March 31, 2018	Amount March 31, 2017
Investment measured at amortised cost								
Other Investment								
Clover Energy Private Limited	Others	INR 10	1,415,660	1,622,250	Unquoted	Fully Paid	14.16	16.22
Leap Green Energy Private Limited	Others	INR 10	97,600	97,600	Unquoted	Fully Paid	1.43	1.43
Indowind Power Private Limited	Others	INR 10	10,650	10,650	Unquoted	Fully Paid	-	0.15
IRIS Ecopower Venture Private Limited	Others	INR 10	110,500	110,500	Unquoted	Fully Paid	1.11	1.11
Tirunelveli Vayu Energy Generation Private Limited	Others	INR 1,000	36	36	Unquoted	Fully Paid	13.61	13.61
VMA Wind Energy India Private Limited	Others	INR 10	130,000	130,000	Unquoted	Fully Paid	1.30	1.30
Array Land Developers Private Limited	Others	INR 10	50,000	50,000	Unquoted	Fully Paid	0.50	0.50
Morgan Securities and Credits Private Limited	Others	INR 10	5,000	5,000	Unquoted	Fully Paid	0.05	0.05
Citron Ecopower Private Limited	Others	INR 10	436,125	-	Unquoted	Fully Paid	4.36	-
Total							**36.52**	**34.37**
Investment carried at Fair Value through Profit and Loss								
Other Investments								
Search Light Health Private Limited	Others	INR 54	406,514	406,514	Unquoted	Fully Paid	16.27	16.27
Kurnool hospitals Enterprise Limited	Others	INR 10	157,500	157,500	Unquoted	Fully Paid	1.73	1.73
AMG Health care Destination Private Limited	Others	INR 10	1,232,500	1,232,500	Unquoted	Fully Paid	12.33	12.33
Cureus .Inc (Stanford - US)	Others	INR 10	935,000	935,000	Unquoted	Fully Paid	27.43	27.43
British American Hospitals Enterprises Limited	Others	100MUR	464,333	464,333	Unquoted	Fully Paid	67.94	67.94
Sub Total			-				**125.70**	**125.70**
Guarantee								
Future Parking Private Limited	Others		-			Fully Paid	0.39	0.39
Total							**126.09**	**126.09**

Name of the Body corporate	Subsidiary/ Assoiate/JV/ Controlled entity/Others	Face Value	No. of Shares/ Units as at March 31, 2018	No. of Shares/ Units as at March 31 2017	Quoted/ Unquoted	Fully paid/ Partly paidA	Amount as at March 31, 2018	Amount as at March 31 2017
Investments in Government or Trust securities								
National Savings Certificate - Unquoted	Others		-			Fully paid	0.02	0.04

8.2 **Details of Current Investments**

Name of the Body Corporate	Face value	No.of Shares/ Units March 31, 2018	No.of Shares/ Units March 31, 2017	Quoted / Unquoted	Partly Paid / Fully paid	Amount as at March 31, 2018	Amount as at March 31. 2017
Investments in Mutual Funds							
Canara Robeco Short Term Fund	INR 10	-	745,789	Unquoted	Fully paid	-	13.87
DHFL Pramerica Short Maturity Fund	INR 10	-	4,785,788	Unquoted	Fully paid	-	144.40
ICICI Prudential Short Term Plan	INR 10	-	3,515,853	Unquoted	Fully paid	-	121.49
Reliance Short Term Fund	INR 10	-	11,585,312	Unquoted	Fully paid	-	361.55
Canara Robeco Medium Term Opportunities Fund	INR 10	-	217,974	Unquoted	Fully paid	-	2.92
Canara Robeco Savings Plus Fund	INR 10	-	1,400,477	Unquoted	Fully paid	-	36.16
HDFC Debt Fund for Cancer Cure 2014	INR 10	2,000,000	2,000,000	Unquoted	Fully paid	20.06	20.31
DHFL Pramerica Ultra Short term Fund	INR 10	-	10,350,372	Unquoted	Fully paid	-	105.03
DHFL Pramerica Banking &PSU Debit Fund	INR 10	-	223,466	Unquoted	Fully paid	-	2.33
SBI Short Term Debt Fund	INR 10	-	2,050,377	Unquoted	Fully paid	-	21.94
SBI Treasury Advantage Fund	INR 1,000	-	29,853	Unquoted	Fully paid	-	30.52
Total						**20.06**	**860.52**

9 Investment in Debentures and Preference Shares

Name of the Body corporate	Debenture/ Preference Share	Subsidiary/ Associate/ Joint Venture/ Others	Face Value	No. of Shares/ Units as at March 31, 2018	No. of Shares/ Units as at March 31, 2017	Quoted/ Unquoted	Fully paid/ Partly paid	Amount as at March 31, 2018	Amount as at March 31, 2017
Investments carried at Amortised Cost									
Apollo Hospitals International Limited	Redeemable preference shares	Subsidiary	INR 100	1,104,000	1,104,000	Unquoted	Fully paid	110.40	110.40
Furture Parking Private Limited	Redeemable non-convertible preference shares	Subsidiary	INR 100	2,100,000	2,100,000	Unquoted	Fully paid	210.00	210.00
Apollo Munich Health Insurance Company Limited	Redeemable non-convertible debentures	Associate	INR 1,000,000	80	-	Unquoted	Fully paid	80.00	-
Sapien Biosciences Private Limited	Redeemable non-convertible preference shares	Subsidiary	INR 10	2,600,000	2,600,000	Unquoted	Fully paid	26.00	26.00
Apollo Health Care Technology Solution Limited	Redeemable Preference Shares	Subsidiary	INR 100	9,575,000	9,575,000	Unquoted	Fully paid	-	957.50
Total								**426.40**	**1,303.90**
Aggregate carrying value of unquoted investments								**426.40**	**1,303.90**

10 Trade Receivables

(Amounts in ₹ Millions unless otherwise stated)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
Trade receivables				
Unsecured, considered good	-	8,046.93	-	6,635.92
Doubtful	-	971.19	-	512.49
Allowance for doubtful debts (expected credit loss allowance)	-	(971.19)	-	(512.49)
Total	**-**	**8,046.93**	**-**	**6,635.92**

i. Trade Receivables represent the amounts outstanding on sale of pharmaceutical products, hospital services and project consultancy fees which are considered as good by management. The entity holds no other securities other than the personal security of the debtors.

ii. Majority of the Company's transactions are earned in cash or cash equivalents. The trade receivables comprise mainly of receivables from Insurance Companies, Corporate customers and Government Undertakings (both domestic and international). The entity's exposure to credit risk in relation to trade receivables is low.

Average Credit Period:

The average credit period on sales of services is 30-60 days.

Customer concentration

No single customer represents 10% or more of the company's total revenue during the year ended March 31, 2018 and March 31, 2017. Therefore the customer concentration risk is limited due to the large and unrelated customer base.

Impairment Methodology

The Company has used a practical expedient by computing the expected credit loss allowance for receivables . The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix.

The provision matrix at the end of the reporting period for the healthcare segment is as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Less than 6 months	0.00%	0.00%
6 months to 1 year	12.50%	12.50%
1 to 2 years	30.00%	30.00%
2 to 3 years	50.00%	50.00%
>3 years	100.00%	100.00%

The provision matrix at the end of the reporting period for retail pharmacy segment is as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Less than 60 days	1.51%	1.51%
60 days to 6 months	2.07%	2.07%
6 months to 1 year	18.31%	18.31%
1 to 2 years	64.21%	64.21%
2 to 3 years	92.68%	92.68%
>3 years	100.00%	100.00%

10.1 Ageing of Trade Receivables

Particulars	As at March 31, 2018	As at March 31, 2017
Less than 1 year	7,052.00	5,647.02
More than 1 year	1,966.12	1,501.40
Total	**9,018.12**	**7,148.42**

10.2 Movement in the expected credit loss allowance

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at beginning of the year	**512.49**	**690.28**
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	458.70	(177.79)
Balance at end of the year	**971.19**	**512.49**

Refer note 41.1 for the receivable from related parties

Refer note 17.1 for the receivables hypothecated as security against borrowings.

11 Other Financial Assets

(Unsecured, considered good unless otherwise stated

(Amounts in ₹Millions unless otherwise stated)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
(a) Security Deposits	1,827.64	157.79	1,608.50	70.60
(b) Other Advances (Refer note (i) below)	-	1,691.19	556.05	1,079.01
(c) Advances for Investments	42.25	-	108.56	-
(d) Advances to employees	-	147.42	-	123.57
(e) Derivative Financial Instruments	285.85	-	396.06	-
(f) Operating Lease Receivables	-	2.54	-	2.42
(g) Interest receivable	-	144.88	-	411.36
(h) Finance Lease Receivable (Refer note 11.2)	4.54	-	4.53	-
(h) Franchise Fee Receivable	-	28.59	-	23.92
Total	**2,160.28**	**2,172.41**	**2,673.70**	**1,710.88**

Note (i) : Refer note 41.1 in respect of advances extended to related parties.

Notes to the Standalone financial statements as at and for the year ended March 31, 2018
(All amounts are in ₹ million unless otherwise stated)

11.1 **Leasing arrangements**

The Company entered into finance lease arrangements with Apollo Hospitals Education and Research Foundation (AHERF) for its Building in Hyderabad. The lease is denominated in Indian Rupees. The average term of finance lease entered into is 99 years.

11.2 Amounts receivable under finance leases

Particulars	Minimum lease payments		Present value of minimum lease payments	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Not later than one year	0.54	0.54	-	-
Later than one year and not later than five years	2.18	2.18	-	-
Later than five years	47.62	48.17	4.54	4.54
Less: unearned finance income	45.80	46.35	-	-
Present value of minimum lease payments receivable	4.54	4.54	4.54	4.54
Allowance for uncollectible lease payments	-	-	-	-
Total	**4.54**	**4.54**	**4.54**	**4.54**

The interest rate inherent in the leases is considered as the average incremental borrowing rate which is approximately 12% per annum (Previous year 12% per annum).

12 Inventories

Particulars	As at March 31, 2018	As at March 31, 2017
Inventories (valued at lower of cost and net realisable value)		
(a) Medicines	5,033.44	4,049.15
(b) Stores and Spares	227.81	201.28
(c) Other Consumables	125.58	174.61
Total	**5,386.83**	**4,425.04**

The mode of valuation of inventories has been stated in note 3.15

The cost of inventories recognised as an expenses includes ₹ 12,680 Million as at March 31, 2018 (Previous year ₹ 11,824 Million).

13 Cash and Cash Equivalents

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Balances with Banks		
(i) In Current Accounts	2,304.46	1,781.06
(ii) In Deposit Accounts (Less than 3 months original maturity)	0.02	0.02
(b) Cash on hand	164.90	96.09
(c) Cheques on Hand	-	47.58
Total	**2,469.38**	**1,924.75**

13.1 Other Bank Balance

Particulars	As at March 31, 2018	As at March 31, 2017
Balances with Banks in earmarked accounts		
(a) Unpaid Dividend Accounts	33.96	31.98
(b) Term Deposits held as Margin Money	442.26	770.75
Total	**476.22**	**802.73**

14 Other Assets

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
(a) Capital Advances	541.83	-	1,150.14	-
(b) Advance to suppliers	-	778.76	-	684.89
(c) Prepaid Expenses	-	446.95	-	399.54
(d) Prepayment towards leasehold land (Refer Note (ii))	654.44	-	666.31	-
(e) Balances with Statutory Authorities (Refer Note (i))	259.90	-	254.63	-
Total	**1,456.17**	**1,225.71**	**2,071.08**	**1,084.43**

Note (i) : Refer note 45 (iii) for amounts deposited with the statutory authorities in respect of disputed dues.

Note (ii) : Includes ₹ 603.65 million (Previous year ₹ 615.52 million) being the upfront lease premium paid to the City and Industrial Development Corporation of Maharashtra Limited ("CIDCO") by the Company for granting a leasehold right for a period of 60 years to use the allotted land for developing a multi speciality hospital at Navi Mumbai.

15 Equity Share Capital

Particulars	As at March 31, 2018	As at March 31, 2017
Equity share capital		
Authorised Share capital		
200,000,000 (Previous year: 200,000,000) Equity Shares of ₹ 5/- each	1,000.00	1,000.00
1,000,000 (Previous year: 1,000,000) Preference Shares of ₹100/- each	100.00	100.00
Issued		
139,658,177 (Previous year : 139,658,177) Equity shares of ₹5/- each	698.29	698.29
Subscribed and Paid up capital comprises:		
139,125,159 fully paid equity shares of ₹5/- each (Previous Year: 139,125,159)	695.63	695.63
Total	**695.63**	**695.63**

15.1 Fully paid equity shares

Particulars	No. of Shares	Share Capital Amount
Balance at April 1, 2017	139,125,159	695.63
Movement during the financial year 2017-18	-	-
Balance at March 31, 2018	**139,125,159**	**695.63**

15.2 Rights, Preferences and restrictions attached to equity shares

The Company has equity shares having a nominal value of ₹ 5 each. Accordingly, all equity shares rank equally with regard to dividend and share in the Company's residual assets. Each holder of equity shares is entitled to one vote per share. The equity shares are entitled to receive dividend as declared from time to time. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

15.3 Details of shares held by each shareholder holding more than 5% shares

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of Shares held	% holding of equity shares	Number of Shares held	% holding of equity shares
Fully paid equity shares				
PCR Investments Limited	27,223,124	19.57	27,223,124	19.57
Integrated (Mauritus) Healthcare Holings Limited	-	-	6,654,712	4.78
Oppenheimer Developing Markets Fund	11,818,039	8.49	11,784,285	8.47

The company had issued 9,000,000 Global Depository Reciepts of ₹10 (now 18,000,000 Global Depository Reciepts of ₹5) each with two-way fungibility during the year 2005-06. Total GDRs converted into underlying Equity shares for the year ended 31st March 2018 is 762,690 (31st March 2017 is 83,138) of ₹5 each and total Equity shares converted back to GDR for the year ended 31st March 2018 is 83,784 (31st March 2017 is 384,562) of ₹5 each. Total GDRs outstanding as at 31st March 2018 is 423,866 (Previous year 1,102,772).

15.4 The Company has not bought back any shares during the period of five years immediately preceding the last balance sheet date.

16 Other Equity

Particulars	Note	As at March 31, 2018	As at March 31, 2017
General reserve	16.1	11,256.85	11,256.85
Securities premium reserve	16.2	17,138.52	17,138.52
Capital Reserves	16.3	18.26	18.26
Retained earnings	16.4	7,205.83	6,331.02
Capital redemption reserve	16.5	60.02	60.02
Debenture redemption reserve	16.6	1,750.00	1,297.50
Other Comprehensive Income (OCI)	16.7	(497.00)	(314.55)
IND AS Transition reserve		(693.11)	(693.11)
Balance at the end of the year		**36,239.37**	**35,094.51**

16.1 General reserve

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at beginning of year	11,256.85	11,256.85
Transfer from Profit and Loss	-	-
Balance at the end of the year	**11,256.85**	**11,256.85**

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit or loss.

16.2 Securities Premium Reserve

Particulars	As at March 31, 2018	As atMarch 31, 2017
Balance at beginning of year	17,138.52	17,138.52
Movement during the year	-	-
Balance at the end of the year	**17,138.52**	**17,138.52**

Securities premium is used to record premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Indian Companies Act, 2013 (the "Companies Act").

16.3 Capital Reserves

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at beginning of year	18.26	18.26
Movement	-	-
Balance at the end of the year	**18.26**	**18.26**

16.4 Retained Earnings

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at beginning of year	6,331.02	3,479.56
Profit attributable to owners of the Company	2,332.00	2,851.46
Transfer to Debenture Redemption Reserve	(452.50)	-
Payment of dividends on equity shares (including Dividend Distribution Tax Paid)	(1,004.69)	-
Balance at the end of the year	**7,205.83**	**6,331.02**

In respect of the year ended March 31, 2018, the directors propose that a dividend of ₹ 5 per share be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. For the previous year, dividend of ₹ 6 per share was paid.

16.5 Capital Redemption Reserve

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at beginning of year	60.02	60.02
Movement during the year	-	-
Balance at the end the of year	**60.02**	**60.02**

The Companies Act requires that where a Company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet. The capital redemption reserve account may be applied by the Company, in paying up unissued shares of the Company to be issued to shareholders of the Company as fully paid bonus shares.

16.6 Debenture Redemption Reserve

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at beginning of year	1,297.50	1,297.50
Movement during the year	452.50	-
Balance at the end the of year	**1,750.00**	**1,297.50**

Debenture Redemption Reserve is created out of the profits of the company as per the regulations of the Companies Act, 2013 and is not available for the payment of dividends and such reserve shall be utilised only for redemption of debentures.

16.7 Other Comprehensive Income (OCI)

Particulars	As at March 31, 2018	As at March 31, 2017
Remeasurement of Net Defined Benefit Plans:		
Balance at beginning of year	(314.55)	(97.86)
Movement during the year	(182.45)	(216.69)
Balance at the end the of year	**(497.00)**	**(314.55)**

Debenture Redemption Reserve is created out of the profits of the company as per the regulations of the Companies Act, 2013 and is not available for the payment of dividends and such reserve shall be utilised only for redemption of debentures.

17 Borrowings

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
Secured				
(a) Redeemable Non-Convertible Debentures	7,000.00	-	8,000.00	-
(b) Term loans				
from banks	17,019.20	1,830.00	16,407.43	-
(c) Letter of Credit	123.58	754.07	344.22	-
Unsecured				
(a) Term loans				
from banks	1,328.24	-	1,312.36	-
from related party	-	94.25	-	150.00
(b) Fixed Deposits from Public	-	-	134.10	-
(c) Bank Overdrafts	-	816.95	-	339.06
Total	**25,471.02**	**3,495.27**	**26,198.11**	**489.06**

(i) There is no breach of loan covenants as at March 31, 2018 and March 31, 2017

(ii) The secured listed non-convertible debentures of the company aggregating to ₹7,000 million as on March 31, 2018 are secured by way of first mortgage/charge on the company's properties. The asset cover on the secured, listed non-convertible debentures of the company exceeds hundred percent of the principal amount of the said debentures.

17.1 Summary of Borrowing arrangements

(a) Redeemable Non-Convertible Debentures

Particluars	Principal Outstanding as at March 31, 2018	Principal Outstanding as at March 31, 2017	Details of repayment terms and maturity	Nature of Security	Rate of Interest March 31, 20 18	Rate of Interest March 31, 20 17
10.30% Non Convertible Debentures	-	1,000.00	During the current financial year 2017-18, 50% of the debentures were redeemed on December 28, 2017 and the balance 50% of the debentures were redeemed on March 22, 2018.	Secured by way of Pari passu first charge on the fixed assets of the Company, existing and future along with Bank and Institutions; such Pari passu first charge ensuring at least a cover of 1.25 times the value of outstanding principal amount of the loan	10.30%	10.30%
10.20% Non Convertible Debentures	2,000.00	2,000.00	"The company issued 2000 nos of 10.20% Non Convertible Redeemable Debentures of ₹ 1 Million each on August 22, 2014 to banks and financial institutions, with an option to re-purchase/ re-issue some or all of its debentures in the secondary market or otherwise at any time prior to the specified date of redemption of August 22, 2028. "	Secured by way of Pari passu first charge on the fixed assets of the Company, existing and future along with Bank and Institutions; such Pari passu first charge ensuring at least a cover of 1.25 times the value of outstanding principal amount of the loan	10.20%	10.20%
8.70% Non Convertible Debentures	3,000.00	3,000.00	The company issued 3000 nos. of 8.70% Non Convertible Debentures of ₹1 Million each on October 7, 2016, with 2 call options to re-purchase/ re-issue some or all of its debentures in the secondary market or otherwise at any time prior to the specified date of redemption of October 7, 2026.	Secured by way of Pari passu first charge on the fixed assets of the Company, existing and future along with Bank and Institutions; such Pari passu first charge ensuring at least a cover of 1.25 times the value of outstanding principal amount of the loan	8.70%	8.70%
7.8% Non Convertible Debentures	2,000.00	2,000.00	The company issued 2000 nos. of 7.80% Non Convertible Debentures of ₹1 Million each on March 7, 2017, and the specified date of redemption is March 7, 2022.	Secured by way of Pari passu first charge on the fixed assets of the Company, existing and future along with Bank and Institutions; such Pari passu first charge ensuring at least a cover of 1.25 times the value of outstanding principal amount of the loan	7.80%	7.80%

Notes to the Standalone financial statements as at and for the year ended March 31, 2018
(All amounts are in ₹ million unless otherwise stated)

Particluars	Principal Outstanding as at March 31, 2018	Principal Outstanding as at March 31, 2017	Details of repayment terms and maturity	Nature of Security	Rate of Interest March 31, 2018	Rate of Interest March 31, 2017
(b) Secured and Unsecured borrowing facilities from banks and others						
HDFC Bank Limited	48.00	240.00	The Company has availed Rupee Term Loan of ₹ 1300 million which is repayable in twenty quarterly instalments commencing from September, 2013.	The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the company along with minimum cover of 1.25 times the value of the outstanding .	8.50%	8.50%
HDFC Bank Limited	3,500.00	3,500.00	The loan is repayable in 22 half yearly instalments (with a moratorium period of 4 years from the date of the first disbursement) commencing from September 8, 2020.	The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the company along with minimum cover of 1.25 times the value of the outstanding principal amount of the loan.	8.25%	8.50%
HDFC Bank - Bills Payable	-	15.84	During the year 2017-18, the last installment was repaid in the month of June, 2017.	-	0.00%	8.00%
Axis Bank Limited	3,000.00	3,000.00	The loan is repayable in 40 Quarterly installments (with a moratorium of 4 years from the date of 1st disbursement) commencing from December 15, 2018.	The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the company along with minimum cover of 1.25 times) the value of the outstandiing prinicpal amount of the loan	8.25%	8.50%
Bank of India	2,500.00	2,500.00	This loan is repayable in 40 Quarterly instalments (with a moratorium of 4years from the date of 1st disbursement) commencing from December,30, 2018.	The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the company along with minimum cover of 1.25 times the value of the outstanding principal amount of the loan.	8.40%	8.40%
HSBC	1,925.00	1,973.18	The Company has availed Rupee Term Loan of ₹ 2,000 Million from HSBC Bank Limited, out of which ₹ 1,000 Million is repayable in 16 semi-annual instalments commencing from March 2, 2017 and the balance ₹ 1,000 Million is repayable in 16 semi-annual instalments commencing from November 13, 2018.	The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the company ensuring atleast a cover of 1.25 times the value of the outstanding principal amount of the loan.	8.05%	8.05%

Particluars	Principal Outstanding as at March 31, 2018	Principal Outstanding as at March 31, 2017	Details of repayment terms and maturity	Nature of Security	Rate of Interest March 31, 20 18	Rate of Interest March 31, 20 17
HSBC Bills Payable	329.42	463.16	The company has availed a buyer's line of credit of from HSBC for the import of medical equipments which is repayable on various dates in FY2019	The loan is secured by first pari passu ranking charge on entire existing and future movable fixed asset of the company with minimum cover of 1.25 times the value of the outstanding principal amount of the loan.	6 months libor +0.55	6 months libor +0.80 and libor +0.55
International Finance Corporation (External Commercial Borrowings	1,115.38	1,389.62	The Loan outstanding is repayable in 8 semi-annual instalments during September and March of each year.	The ECB loan is secured by way of pari passu first ranking charge on the fixed assets of the company ensuring at least a cover of 1.25 times the value of the outstanding principal amount of the loan.	9.20%	9.20%
HSBC (External Commercial Borrowings)	650.31	1,037.42	The loan outstanding is repayable in 6 quarterly instalments starting from April, 2018.	The ECB loan is secured by way of pari passu first ranking charge on the fixed assets of the company.	9.50%	9.50%
IDFC Bank Limited	548.52	582.84	This balance loan outstanding is repayable in 38 quarterly instalments falling due on April, July, October and January every year	The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the company ensuring atleast a cover of 1.25 times the value of the outstanding principal amount of the loan.	8.00%	8.35%
IDFC Infrastructure Finance Limited	1,000.00	1,000.00	During the year 2015-16 the Company availed loan of ₹ 1,000 million which is repayable in 3 annual instalments of 20% at the end of December 2029 (14th year), 40% at the end of December 2030 (15th year) and balance 40% at the end of December 2031 (16th year) from the date of first disbursement.	The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the company ensuring atleast a cover of 1.25 times the value of the outstanding principal amount of the loan.	9.60%	9.60%
ICICI Bank Limited	1,450.00	1,450.00	The loan is repayable in 48 quarterly instalments commencing from June 30, 2019.	The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the company.	8.50%	9.25% for 1100 and 9.20% for balance

Particluars	Principal Outstanding as at March 31, 2018	Principal Outstanding as at March 31, 2017	Details of repayment terms and maturity	Nature of Security	Rate of Interest March 31, 20 18	Rate of Interest March 31, 20 17
State Bank of India	2,050.44	500.00	The balance outstanding is repayable from February 1, 2019 in 41 quarterly instalments	The loan is secured by paripassu first charge with other term lenders and debenture holders on all the present and future movable and immovable fixed assets of the company with a minimum cover of 1.25 times the value of outstanding principal amount of the loan.	8.00%	8.05%
HSBC- Cash Credit	817.70	339.00	The company has been sanctioned ₹1000 Million overdraft facility by HSBC.		8.80%	8.70%
Fixed Deposits	96.31	152.02	These deposits are from public which will be repaid in the month of August, 2018.	-	8.75% to 9.25%	8.75% to 9.25%
Bank of Tokyo – Mitsubishi UFJ (External Commercial Borrowings)	1,300.31	1,298.65	The loan is repayable in 3 annual installments starting from the end of the 5th year from the date of advance.	-	9.20%	9.20%
Citi Bank - Bill Discounting	754.07	-	The company has been sanctioned bill discounting facility from Citi Bank for maximum outstanding of ₹ 1,000 million.	-	8%	-
HDFC Bank Limited	1,830.00	-	The amount outstanding is payable within June 2018.	-	7.85% - 8%	-
Loan from Subsidiary	94.25	150.00	Loan taken from Western Hospital Corporation Private Limited, a subsidiary of the company for an amount of ₹ 200 Million on November 5, 2015 which is repayable anytime before expiry of 5 years	-	10%	10%

18 Other Financial Liabilities

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
(a) Interest accrued on borrowings	-	398.07	-	220.99
(b) Unpaid dividends (Refer Note i)	-	33.96	-	31.98
(c) Security deposits	53.92	-	43.45	-
(d) Unpaid matured deposits and interest accrued thereon	-	96.31	-	17.92
(e) Current maturities of long-term debt	-	947.09	-	886.65
(f) Financial guarantee contracts (Refer Note ii)	0.33	-	0.36	-
(g) Derivative Financial Instruments	43.68	-	59.03	-
(h) Other Payables	-	956.64	-	230.34
(i) Capital Creditors		1,125.43		284.46
Total	**97.93**	**3,557.50**	**102.84**	**1,672.34**

Notes

(i) During the year 2017-18 , the amount transferred to the Investors Education and Protection Fund of the Central Government as per the provisions of Section 124 (5) and 124 (6) of the Companies Act, 2013 is ₹2.76 Million (Previous year ₹2.40 Million)

(ii) The financial guarantee contract represents guarantee given to ICICI Bank Limited on behalf of Future Parking Private Limited to secure financing facilities for which the Company charges an arms' length price. The Fair Value of the Guarantee was taken at 1% of the value of guarantee extended.

19 Provisions

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
Provision for Bonus (Refer note i below)	-	377.75	-	402.13
Provision for Gratuity and Leave Encashment (Refer note 35 and 36)	-	297.40	-	216.25
Total	**-**	**675.15**	**-**	**618.38**

Note: (i) The provision for Bonus is based on the Management's policy in line with the Payment of Bonus Act, 1965.

20 Deferred Tax Balances

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred Tax Assets	(5,697.32)	(4,790.89)
Deferred Tax Liabilities	8,163.38	7,127.63
Total	**2,466.06**	**2,336.74**

20.1 The major components of deferred tax liabilities/(assets) arising on account of timing differences for the year ended March 31, 2018 are as follows :

Particulars	Opening Balance as at April 01, 2017	Recognised in Profit or Loss	Recognised in other comprehensive income	Closing Balance as at March 31, 2018
Property, Plant & Equipment	7,643.98	314.88	-	7,958.86
Fair Value Adjustments on Financial Assets	265.31	(217.14)		48.17
Retirement Benefit Plans	(302.16)	-	(96.56)	(398.72)
Business Loss carried forward under Income Tax	(1,616.34)	871.65	-	(744.69)
Minimum Alternate Tax (MAT) Credit	(3,654.05)	(743.52)	-	(4,397.57)
Total	**2,336.74**	**225.87**	**(96.56)**	**2,466.06**

The major components of deferred tax liabilities/(assets) arising on account of timing differences for the year ended March 31, 2017 are as follows :

Particulars	Opening Balance as at April 01, 2016	Recognised in Profit or Loss	Recognised in other comprehensive income	Closing Balance as at March 31, 2017
Property, Plant & Equipment	5,392.47	2,251.51	-	7,643.98
Fair Value Adjustments on Financial Assets	114.68	150.63	-	265.31
Retirement Benefit Plans	(187.48)	-	(114.68)	(302.16)
Deferred revenue	48.07	(48.07)	-	(0.00)
Business Loss carried forward under Income Tax	-	(1,616.34)	-	(1,616.34)
Minimum Alternate Tax Credit	(2,897.47)	(756.58)	-	(3,654.05)
Total	**2,470.27**	**(18.85)**	**(114.68)**	**2,336.74**

21 Trade Payables

Particulars	As at March 31, 2018	As at March 31, 2017
Total outstanding dues of micro enterprises and small enterprises (Refer note 21.1)	154.12	116.12
Total outstanding dues of creditors other than micro and small enterprises	4,579.76	3,804.06
Total	**4,733.88**	**3,920.18**

Notes:

(i) The average credit period on purchases of goods ranges from immediate payments to credit period of 45 days based on the nature of the expenditure. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

(ii) Amounts payable to related parties is disclosed in note 41.

(iii) The information pertaining to liquidity risks related to trade payable is disclosed in note 39.

21.1 Due to Micro, Small and Medium Enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2018 has been made in the financial statements based on information received and available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ('The MSMED Act') is not expected to be material. The Company has not received any claim for interest from any supplier.

Particulars	As at March 31, 2018	As at March 31, 2017
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	154.12	116.12
- Interest		
The amount of interest paid by the buyer as per the MSMED Act	-	-
The amount of payments made to micro and small suppliers beyond the appointed day during the accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act	-	-

22 Tax Assets and Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Tax Assets		
Advance Tax	2,698.80	2,628.80
Tax refund receivable	6,119.20	5,005.65
Sub-total	**8,818.00**	**7,634.45**
Tax Liabilities		
Income tax payable	(7,688.26)	(6,944.74)
Total	**1,129.74**	**689.71**

23 Other Current Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Deferred revenue arising from customer loyalty program (Refer Note i)	168.07	137.11
(b) Patient Deposits	342.54	281.83
(c) Healing Card Deposit	19.32	65.41
(d) Dues to Statutory Authorities	152.23	309.90
(e) Others	6.75	9.47
Total	**688.91**	**803.72**

Note: (i) Deferred revenue arises in respect of the Company's Loyalty Points Scheme which has been recognised in accordance with Appendix B to Ind AS 18 Customer Loyalty Programmes.

24 Revenue from Operations

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Revenue from rendering of healthcare services	38,903.10	34,890.04
(b) Revenue from sales at pharmacies	32,688.75	27,851.90
(c) Other Operating Income		
- Project Consultancy Income	183.40	206.17
- Franchise fees	18.35	18.79
- Income from Clinical Trials	36.50	45.69
Total	**71,830.10**	**63,012.59**

25 Other Income

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
a) Interest income		
(Interest Income earned on financial assets that are not designated as at fair value through profit or loss)		
Bank deposits	26.42	35.63
Other financial assets	38.56	123.48
Sub total	**64.98**	**159.11**
b) Dividend Income		
Dividend on Equity Investments	43.68	44.11
c) Other non-operating income		
Provision write back	15.44	-
Others	0.03	0.03
Sub total	**15.47**	**0.03**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
d) Other gains and losses		
Gain on disposal of Property Plant and Equipment	-	2.19
Net gain arising on disposal of finacial assets	1.36	18.63
Net gain arising on financial assets mandatorily measured at FVTPL	7.56	66.23
Net loss arising on account of financial derivative contracts mandatorily measured at FVTPL	(94.86)	(218.37)
Net foreign exchange gains	78.11	186.93
Others	9.59	-
Sub Total	**1.76**	**55.61**
Total	**125.89**	**258.86**

26 Cost of Materials Consumed

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening Stock	1,045.86	904.94
Add: Purchases	12,832.56	11,965.22
Less: Closing Stock	1,198.41	1,045.86
Total	**12,680.01**	**11,824.30**

27 Changes in inventory of Stock in Trade

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Inventories at the beginning of the year	3,379.17	2,909.27
Inventories at the end of the year	(4,188.43)	(3,379.18)
Changes in inventory of stock in trade	**(809.26)**	**(469.91)**

28 Employee Benefits Expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries and wages	9,520.91	7,936.97
Contribution to provident and other funds (Refer note 35)	780.92	632.73
Bonus	356.46	334.38
Staff welfare expenses	529.77	513.71
Total	**11,188.06**	**9,417.79**

29 Finance Costs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest on bank overdrafts and loans	2,078.78	1,753.14
Interest on loans from related parties	10.67	15.90
Other borrowing costs	312.29	234.84
Total	**2,401.74**	**2,003.88**

During the year, the company has capitalised borrowing costs of ₹ 349 Million (Previous year ₹ 575 Million) relating to projects, included in Capital Work in Progress. The capitalisation rate used is the weighted average interest of 8.59% (previous year 9.17%).

30 Depreciation and Amortisation Expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation of property, plant and equipment	2,554.39	2,309.58
Amortisation of intangible assets	165.65	96.34
Total	**2,720.04**	**2,405.92**

31 Other Expenses

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Other expenses		
Professional charges to Doctors	2,648.60	2,227.22
Power and fuel	1,237.06	898.92
House Keeping Expenses	188.43	89.18
Water Charges	108.45	82.96
Rent (Refer note 43)	2,320.59	2,370.80
Repairs to Buildings	123.94	104.72
Repairs to Machinery	558.57	579.12
Repairs to Vehicles	61.82	42.34
Office Maintenance & Others	525.73	616.37
Insurance	113.16	93.74
Rates and Taxes, excluding taxes on income	151.50	116.53
Printing & Stationery	371.81	358.44
Postage & Telegram	148.75	37.73
Director Sitting Fees	3.33	3.55
Advertisement, Publicity & Marketing	1,364.79	897.87
Pharmacy Loyalty Discount	-	
Travelling & Conveyance	519.29	482.01

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Subscriptions	17.66	8.94
Legal & Professional Fees	596.80	514.85
Continuing Medical Education & Hospitality Expenses	64.42	65.45
Hiring Charges	127.60	92.33
Seminar Expenses	51.61	34.92
Telephone Expenses	96.74	195.63
Books & Periodicals	14.45	9.87
Donations	8.68	22.23
Bad Debts Written off	68.72	146.64
Provision for Doubtful Debts	403.77	41.22
Outsourcing Expenses:		
Food and Beverages	812.49	705.18
House Keeping	752.65	678.97
Security Charges	227.51	188.64
Bio Medical Maintenance	184.24	150.80
Other Services	44.79	56.75
Loss on disposal of Property Plant and Equipment (Net)	54.56	-
Loss on sale Investment	-	0.04
Miscellaneous expenses	231.11	206.66
Total (a)	**14,203.62**	**12,120.62**
Payments to auditors		
a) For audit	18.50	5.03
b) For taxation matters	-	0.98
d) For other services	5.30	1.32
c) For reimbursement of expenses	0.40	0.65
Total (b)	**24.20**	**7.98**
Expenditure incurred for corporate social responsibility (Refer Note (i) below)	**104.02**	**86.44**
Total	**14,331.84**	**12,215.04**

Note (i) : Consequent to the requirements of section 135 of Companies Act 2013, the company has made contributions as stated below . The same is in line with activities specified Schedule VII of Companies Act, 2013.

a) Gross amount required to be spent by the company during the year is ₹104.02 Million (Previous year ₹ 86.44 Million)

b) Amount spent during the year ended March 31, 2018 on corporate social responsibility activities:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Construction/acquisition of any asset	-	-
On purpose other than above	104.02	86.44

32 Income Taxes

32.1 Amount recognised in profit or loss

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Current tax		
In respect of the current year	743.50	756.58
Total	**743.50**	**756.58**
Deferred tax		
In respect of the current year	225.87	(18.85)
Total	**225.87**	**(18.85)**
Total income tax expense recognised in the current year relating to continuing operations	**969.37**	**737.73**

32.2 Amount recognised in Other Comprehensive Income (OCI)

Particulars	For the year ended March 31, 2018			For the year ended March 31, 2017		
	Before tax	Tax (Expense)/ Benefit	Net of Tax	Before tax	Tax (Expense)/ Benefit	Net of Tax
Items that will not be reclassified subsequently to profit or loss						
Re-measurement of defined benefit plans	(279.01)	96.56	(182.45)	(331.37)	114.68	(216.69)

32.3 Reconciliation of Effective Tax Rate

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit before Tax	3,301.37	3,589.19
Tax using the Company's applicable domestic rate (current year 34.608% previous year 34.608%)	1,142.54	1,242.15
Tax effect of:		
Reassessment of Deferred Tax Asset (DTA) recognition on brought forward business losses	(173.17)	-
Weighted deduction under section 35D of Income Tax Act in respect of eligible capital expenses incurred	-	(589.42)
Adjustments in respect of current tax of prior years		85.00
	969.37	**737.73**

33 Segment Information

The Board of Directors have been identified as the Chief Operting Decision Maker (CODM) by the company. Information reported to the CODM for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Healthcare, Retail Pharmacy and Others have been identified as the operating segments. No operating segments have been aggregated in arriving at the reportable segments of the Company.

Company operates mainly in India. Accordingly, there are no additional disclosures to be provided under Ind AS 108, other than those already provided in the financial statements.

The following are the accounting policies adopted for segment reporting :

a. Assets, liabilities, revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.

b. Healthcare segment includes hospitals and hospital based pharmacies. Retail pharmacies include pharmacy retail outlets and Others Segment includes Investments and Fixed Deposits and their related Income.

c. Inter segment revenue and expenses are eliminated.

The Company has disclosed this Segment Reporting in Financial Statements as per Ind AS 108.

33.1 Segment revenues and results

The following is an analysis of the company's revenue and results from continuing operations by reportable segment.

Particulars	Segment Revenue		Segment Profit	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Health care	39,147.85	35,165.25	4,403.42	4,357.60
Retail Pharmacy	32,688.75	27,852.45	1,173.80	976.61
Others	125.89	258.85	125.89	258.86
Total	71,962.49	63,276.55	5,703.11	5,593.07
Less: Inter Segment Revenue	6.50	5.10		
Total for continuing operations	71,955.99	63,271.45	5,703.11	5,593.07
Finance costs			2,401.74	2,003.88
Profit before tax (continuing operations)			3,301.37	3,589.19

Segment profit represents the profit before tax earned by each segment without allocation of finance costs. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

33.2 Segment assets and liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Segment Assets		
Healthcare	58,411.40	52,686.04
Retail Pharmacy	9,372.44	7,691.34

Particulars	As at March 31, 2018	As at March 31, 2017
Others	9,207.04	10,864.24
Total Segment Assets	**76,990.88**	**71,241.62**
Unallocated	1,129.85	689.89
Total assets	**78,120.73**	**71,931.51**
Segment liabilities		
Healthcare	7,267.43	5,896.00
Retail Pharmacy	1,538.90	1,132.30
Others	-	-
Total Segment liabilities	**8,806.33**	**7,028.30**
Unallocated	32,379.40	29,113.07
Total liabilities	**41,185.73**	**36,141.37**

33.3 Other segment information

Particulars	Depreciation and Amortisation		Addition to Non Current Assets	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Health care	2,336.56	2,080.44	3,240.47	7,736.37
Retail Pharmacy	383.48	325.48	823.45	579.52
Total	**2,720.04**	**2,405.92**	**4,063.92**	**8,315.89**

33.4 For the purpose of monitoring segment performance and allocating resources between segments:

(i) all assets are allocated to reportable segments other than current and deferred tax assets under unallocable assets. Goodwill is allocated to reportable segments as described in note 6.

(ii) all liabilities are allocated to reportable segments other than borrowings, current maturities, interest accrued and not due on these borrowings, current and deferred tax liabilities which are grouped as unallocated liabilities.

33.5 Refer note 8 for information on investments in associates and joint ventures accounted under equity method.

34 Earnings per Share

EPS is calculated by dividing the profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The earnings and the weighted average number of shares used in calculating basic and diluted earnings per share is as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Basic earnings per share	16.76	20.50
Total basic earnings per share	**16.76**	**20.50**
Diluted earnings per share	16.76	20.50
Total diluted earnings per share	**16.76**	**20.50**

34.1 Basic and Dilutes earnings per share

Particulars	As at March 31, 2018	As at March 31, 2017
The earnings and weighted average number of equity shares used in the calculation of basic and diluted earnings per share are as follows.		
Profit for the year attributable to owners of the Company	2,332.00	2,851.46
Earnings used in the calculation of basic earnings per share	2,332.00	2,851.46
Weighted average number of equity shares for the purposes of basic earnings per share	**139,125,159**	**139,125,159**

Employee Benefit Plans

35 Defined Contribution Plans

The Company makes contributions towards provident fund and employees state insurance as a defined contribution reirement benefit fund for qualifying employees. The provident fund is operated by the regional provident fund commissioner. The amount recognised as expense towards contribution to provident fund amount to ₹ 468 Million.

The Employee state insurance is operated by the employee state insurance corporation. Under these schemes, the Company is required to contribute a specific percentage of the payroll cost as per the statute. The amount recognised as expense towards contribution to Employee State Insurance amount to ₹ 208 Million.The Company has no further obligations in regard of these contribution plans.

36 Defined Benefit Plans

a) Gratuity

The Company operates post-employment defined benefit plan that provide gratuity. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement/exit. The Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation carried out by an independent actuary using the projected unit credit method. The Company recognizes actuarial gains and losses immediately in the statement of profit and loss. The Company accrues gratuity as per the provisions of the Payment of Gratuity Act, 1972 as applicable as at the balance sheet date.

The company contributes all ascertained liabilities towards gratuity to the Fund. The plan assets have been primarily invested in insurer managed funds. The company provides for gratuity , a defined benefit retiring plan covering eligible employees. The Gratuity plan provides a lump sum payment to the vested employees at retirement, death,incapacitation or termination of employment based on the respective employees salary and tenure of the employment with the company.

Disclosures of Defined Benefit Plans based on actuarial valuation reports

The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Plan investment is a mix of investments in government securities, and other debt instruments.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Particulars	March 31, 2018	March 31, 2017
A. Change in defined benefit obligation		
Present value of defined benefit obligation as at the beginning of the year	693.87	525.62
Current service cost	48.57	43.50
Past service cost	8.58	-
Interest cost	43.83	40.56
Remeasurement (gains)/losses on account of change in actuarial assumptions	95.01	121.53
Benefits paid from the fund	(39.25)	(37.34)
Present value of defined benefit obligation as at the end of the year	**850.61**	**693.87**
B. Change in fair value of the plan assets		
Fair value of plan assets as at the beginning of the year	545.77	442.10
Interest income	39.88	39.51
Return on plan assets (excluding amounts included in net interest expense)	(15.24)	17.98
Contributions from the employer	150.00	83.52
Benefits paid from the fund	(39.25)	(37.34)
Fair value of plan assets as at the end of the year	**681.16**	**545.77**
C. Amount recognised in Balance Sheet		
Present value of funded defined benefit obligation as at the end of the year	850.61	693.87
Fair value of plan assets as at the end of the year	(681.16)	(545.77)
Net liability arising from defined benefit obligation*	**169.45**	**148.10**
*Included in Provision for gratuity and leave encashment disclosed under note 19.		

Particulars	March 31, 2018	March 31, 2017
D. Expenses recognised in statement of profit and loss		
Service cost:		
Current service cost	48.57	43.50
Past service cost and (gain)/loss from settlements	8.58	-
Net interest expense	3.95	1.04
Total Expenses/ (Income) recognised in profit or loss*	**61.10**	**44.54**
* Included in salaries & wages, contribution to provident and other funds. Refer note 28.		
E. Expenses recognised in Other Comprehensive Income		
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	15.24	(17.98)
Actuarial (gains) / losses arising from changes in demographic assumptions	-	(35.21)
Actuarial (gains) / losses arising from changes in financial assumptions	(8.56)	27.37
Actuarial (gains) / losses arising from experience adjustments	103.57	129.37
Net (Income)/Expense for the period recognised in OCI	**110.25**	**103.55**

F. Significant Actuarial Assumptions	Valuation as at	
	March 31, 2018	March 31, 2017
Discount rate(s)	7.06%	6.50%
Expected rate(s) of salary increase	6%	6%
Attrition Rate	37%	37%
Retirement Age	58 years	58 years
Pre-retirement mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

The expected rate of return on plan assets is based on market expectations at the beginning of the year. The rate of return on long-term government bonds is taken as reference for this purpose.

G. Category of Assets

The fair value of the plan assets as at the end of the reporting period for each category, are as follows

Particulars	Fair value of Plan assets as at	
	March 31, 2018	March 31, 2017
Insurer managed funds	681.16	545.77
Total	**681.16**	**545.77**

Each year Asset Liability matching study is performed in which the consequences of strategic investments policiies are analysed in terms of risk and returns profiles. Investments and Contributions policies are integrated within this study.

The actual return on plan assets including interest income was ₹ 24.64 Million (Previous year ₹ 57.49 Million).

H. Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumption		Increase in assumption		Decrease in assumption	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Discount rate	+100 basis points	+100 basis points	856.60	708.42		
	-100 basis points	-100 basis points			892.35	738.03
Salary growth rate	+ 100 basis points	+ 100 basis points	888.10	734.36		
	- 100 basis points	- 100 basis points			860.40	711.70
Attrition rate	+ 100 basis points	+ 100 basis points	872.67	721.70		
	- 100 basis points	- 100 basis points			875.44	724.06

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years. The defined benefit obligation shall mature in next 3 years.

The Company expects to make a contribution of ₹170 Million (Previous year ₹148.09 Million) to the defined benefit plans during the next financial year.

37 Long Term Benefit Plans

Leave Encashment

The company pays leave encashment benefits to employees as and when claimed subject to the policies of the company. The company provides leave benefits through annual contributions to the fund managed by HDFC Life.

The significant acturial assumptions used for the purposes of the actuarial valuations were as follows

Particulars	Valuation as at	
	March 31, 2018	March 31, 2017
Discount rate(s)	7.06%	6.50%
Expected rate(s) of salary increase	6.00%	6.00%
Attrition Rate	37.00%	37.00%
Retirement Age	58 Years	58 Years
Pre-mortality rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

38 Financial Instruments

38.1 Capital management

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance.
The capital structure of the Company consists of net debt and total equity of the Company.

The Company is not subject to any externally imposed capital requirements.
The Company's risk management committee reviews the capital structure of the Company on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The Company has a target gearing ratio of 100% of net debt to total equity determined as the proportion of net debt to total equity. The gearing ratio at March 31, 2018 of 73% (see below) was within the target range.

Particulars	As at March 31, 2018	As at March 31, 2017
Gearing ratio		
The gearing ratio at end of the reporting period was as follows		
Debt (includes Borrowings , Current Maturities of Long term Debt and unpaid deposits - Refer Note 17.1)	30,009.71	27,591.73
Cash and Cash Equivalents (include other bank balances - Refer note 13 and 13.1)	2,945.61	2,727.48
Net Debt	**27,064.10**	**24,864.24**
Total Equity	**36,935.00**	**35,790.14**
Net debt to equity ratio	**73%**	**69%**

38.2 Categories of financial instruments

Particulars	As at March 31, 2018	As at March 31, 2017
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
(a) Mandatory		
(i) Investments in Equity Instruments (Other than Subsidiaries, Joint Ventures and Associates)	125.70	125.70
(ii) Investments in Mutual Funds	20.06	860.52
(iii) Derivative Instruments	285.85	396.06
Measured at amortised cost		
(i) Cash and Cash Equivalents (include other bank balances - Refer note 13 and 13.1)	2,945.60	2,727.48
(ii) Trade Receivables	8,046.93	6,635.92
(iii) Investment in Debentures and Preference Shares	426.40	1,303.90
(iv) Other Financial Assets	4,046.84	3,988.52
(v) Other Investments	36.93	34.79
Measured at Cost		
(i) Investments in Subsidiaries	7,102.78	7,026.46

Particulars	As at March 31, 2018	As at March 31, 2017
(ii) Investments in Associates	835.71	835.71
(iii) Investments in Joint Ventures	562.87	562.87
Financial liabilities		
Measured at amortised cost		
(i) Trade Payables	4,733.88	3,920.18
(ii) Loans	28,966.29	26,687.17
(iii) Other Financial Liabilities	3,655.10	1,774.82
Measured at fair value through profit or loss (FVTPL)		
(i) Derivative Financial Instruments	43.68	59.03
(ii) Financial Guarantee Contract	0.33	0.36

38.3 Financial risk management objectives

The Company's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non -derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Corporate Treasury function reports quarterly to the Company's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

The Company's activities expose it to the financial risks of changes in foreign currency exchange rates and interest rates. For the purpose of managing its exposure to foreign currency and interest rate risk, the Company enters into a variety of derivative financial instruments, i.e. cross currency interest rate swaps.

38.4 Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk using curreny cum interest swaps.

38.5 Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

(₹ in million)

Particulars	Liabilities as at	
	March 31, 2018	March 31, 2017
Foreign Currency Borrowings (in USD)	52.21	64.82
Foreign Currency Borrowings (in INR)	3,395.74	4,202.93

Foreign currency sensitivity analysis

Of the above, The borrowings of USD 47.15 Million as at March 31, 2018 and USD 57.43 Million as at March 31, 2017 are completely hedged against foreiign currency fluctation using forward contracts and Interest rate swaps. Therefore the exposure of the company of foreign exchange risk is limited to unhedged borrowings for which below sensitivity is provided.

The Company is mainly exposed to currency dollars

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

Particulars	Impact of USD			
	2017-18		2016-17	
	+10%	(10%)	+10%	(10%)
Impact on Profit or Loss for the year	(32.94)	32.94	(47.90)	47.90
Impact on Equity for the year	(32.94)	32.94	(47.90)	47.90

The Company has entered into derivative contracts with banks for its External Commercial Borrowings for interest and currency risk exposure to manage and mitigate its exposureto foreign exchange rates.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

38.6 Interest rate risk management

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

Interest rate sensitivity analysis

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

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's:

Profit for the year ended March 31, 2018 would decrease/increase by ₹89.61 Million (Previous year- decrease/ increase by ₹72.83 million). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

Cross Currency Interest rate swap contracts

Under interest rate swap contracts, the Company agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Company to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures on the issued variable rate debt.The average interest rate is based on the outstanding balances at the end of the reporting period. The Cross Currency Interest Rate Swaps on External Currency Borrowings hedges the interest rate risk on the USD Borrowing.

Outstanding Contracts	Average Exchange Rates	Foreign Currency	Nominal Amount ₹	Fixed Interest Rate	Fair Value
Contract 1	66.41	USD 20,000,000	1,328,200,000	9.20%	43.68
Contract 2	54.56	USD 30,000,000	1,636,800,000	9.20%	(189.61)
Contract 3	54.20	USD 25,000,000	1,355,000,000	9.50%	(96.24)

38.7 Credit risk management

Credit risk is a risk of financial loss to the Company arising from counterparty failure to repay according to contractual terms or obligations. Majority of the Company's transactions are earned in cash or cash equivalents. The Trade Receivables comprise mainly of receivables from Insurance Companies, Corporate customers, Public Sector Undertakings, State/Central Governments etc. The Insurance Companies are required to maintain minimum reserve levels and the Corporate Customers are enterprises with high credit ratings. Accordingly, the Company's exposure to credit risk in relation to trade receivables is considered low.

Before accepting any new credit customer, the Company uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed anually. The outstanding with the debtors is reviewed periodically.

Refer Note 10 For the credit risk exposure, ageing of trade receivable and impairment methodology for financial assets.

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

In addition to the aforementioned, the company also has credit risk exposure in respect of financial guarantee for a value of ₹35 Million issued to the bank on behalf of its subsidiary company, Future Parking Private Limited as a security to the financing facilities secured by the subsidiary company. As at March 31, 2018, an amount of ₹0.39 Million (Previous year ₹0.39 Million) has been recognised as the fair value through profit/loss.

39 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

39.1 Liquidity and interest risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	Weighted average effective interest rate(%)	Less than 1 year	1 Year to 5 years	> 5 years
March 31, 2018				
Non-interest bearing	-	7,247.62	54.25	-
Variable interest rate instruments	8.47%	2,136.34	3,573.01	12,214.72
Fixed interest rate instruments	9.05%	2,948.02	4,137.61	5,000.00
Financial guarantee contracts	-	0.03	0.09	0.24
Total		**12,332.01**	**7,764.96**	**17,214.96**
March 31, 2017				
Non-interest bearing	-	4,687.61	43.81	-
Variable interest rate instruments	8.47%	766.00	2,916.92	12,032.98
Fixed interest rate instruments	9.05%	746.19	6,129.65	5,000.00
Financial guarantee contracts	-	0.03	0.09	0.21
Total		**6,199.83**	**9,090.47**	**17,033.19**

The carrying amounts of the above are as follows:

Particulars	March 31, 2018	March 31, 2017
Non-interest bearing	7,301.87	4,731.42
Variable interest rate instruments	17,924.07	15,715.90
Fixed interest rate instruments	12,085.63	11,875.84
Financial guarantee contracts	0.36	0.33
Total	**37,311.93**	**32,323.49**

The amounts included above for financial guarantee contracts are the maximum amounts the Company could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will he earned on those assets. The inclusion of information on non -derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	Less than 1 year	1 Year to 5 years	> 5 years
March 31, 2018			
Non-interest bearing	13,185.00	-	2,673.70
Fixed Interest Rate Instruments		426.40	
	13,185.00	**426.40**	**2,673.70**
March 31, 2017			
Non-interest bearing	11,934.81	-	2,673.70
Fixed interest rate instruments		1,303.90	
	11,934.81	**1,303.90**	**2,673.70**

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

The following table details the Company's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted gross outflows on settlement of these derivatives. These derivatives are taken by the company as against the External Commercial Borrowings (ECB) which have already been included as part of the Fixed rate instruments under the financial liabilities section.

Particulars	Less than 1 year	1 Year to 5 years
March 31, 2018		
Net settled		
- Cross Currency interest rate swaps	928.96	2,137.61
Total	**928.96**	**2,137.61**
March 31, 2017		
Net settled		
- Cross Currency interest rate swaps	756.95	2,951.69
Total	**756.95**	**2,951.69**

40 Financing Facilities

The Company has access to financing facilities as described below. The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

Particulars	As at March 31, 2018	As at March 31, 2017
Secured bank loan facilities		
- amount used	27,796.00	25,807.70
- amount unused	5,905.00	8,354.77
Total	**33,701.00**	**34,162.47**
Unsecured bank loan facilities		
- amount used	2,213.70	1,784.04
- amount unused	210.00	694.16
Total	**2,423.70**	**2,478.20**

41 Information on Related Party Transactions as required by Ind AS 24 - Related Party Disclosures for the year ended March 2018

Sl. No.	Name of the company	Country of Incorporation	% of Holding as at March 31, 2018	% of Holding as at March 31, 2017
A)	**Subsidiary Companies: (where control exists**			
1.	Apollo Home Healthcare (India) Limited	India	100.00	100.00
2.	AB Medical Centres Limited	India	100.00	100.00
3.	Apollo Health and Life style Limited	India	68.64	68.64
4.	Apollo Nellore Hospitals Limited	India	79.44	79.44
5.	Imperial Hospitals and Research Centre Limited	India	90.00	90.00
6.	Samudra Health Care Enteprises Limited	India	100.00	100.00
7.	Western Hospitals Corporation (P) Limited	India	100.00	100.00
8.	Apollo Hospitals (UK) Limited	United Kingdom	100.00	100.00
9.	Sapien Biosciences Private Limited	India	70.00	70.00
10.	Assam Hospitals Limited	India	61.24	59.08
11.	Apollo Lavasa Health Corporation Limited	India	51.00	51.00
12.	Apollo Rajshree Hospitals Private Limited	India	54.63	54.63
13.	Total Health	India	100.00	100.00
14.	Apollo Home Healthcare Limited	India	74.00	80.87
15.	Apollo Healthcare Technology Solutions Limited	India	40.00	40.00
16.	Apollo Hospitals International Limited	India	50.00	50.00
17.	Future Parking Private Limited	India	49.00	49.00
18.	Apollo Hospitals Singapore Pte Limited	Singapore	100.00	100.00
B)	**Step Down Subsidiary Companies**			
1.	Alliance Dental Care Limited	India	70.00	70.00
2.	Apollo Dialysis Private Limited	India	70.00	70.00
3.	Apollo Sugar Clinics Limited	India	80.00	80.00
4.	Apollo Specialty Hospitals Pvt Ltd	India	99.92	99.92
5.	Apollo CVHF Limited	India	63.74	50.00
6.	Apollo Bangalore Cradle Limited (Step Down subsidary of Apollo Health & Lifestyle Limited	India	100.00	100.00

Notes to the Standalone financial statements as at and for the year ended March 31, 2018
(All amounts are in ₹ million unless otherwise stated)

Sl. No.	Name of the company	Country of Incorporation	% of Holding as at March 31, 2018	% of Holding as at March 31, 2017
7.	Kshema Health Care Private Limited (Step Down subsidary of Apollo Health & Lifestyle Limited)	India	100.00	100.00
C)	**Joint Ventures**			
1.	Apollo Gleneagles Hospital Limited	India	50.00	50.00
2.	Apollo Gleneagles PET-CT Private Limited	India	50.00	50.00
3.	Apokos Rehab Private Limited	India	50.00	50.00
D)	**Associates**			
1.	Family Health Plan Insurance TPA Limited	India	49.00	49.00
2.	Indraprastha Medical Corporation Limited	India	22.03	22.03
3.	Apollo Munich Health Insurance Company Limited	India	10.00	10.00
4.	Stemcyte India Therapautics Private Limited	India	24.50	24.50
5.	Apollo Amrish Oncology Services Pvt Ltd (Associate of Apollo Hospitals International Limited)	India	50.00	50.00
E)	**Key Management Personnel**		**-**	**-**
1.	Dr. Prathap C Reddy		-	-
2.	Smt. Suneeta Reddy		-	-
3.	Shri. Krishnan Akhileswaran		-	-
4.	Shri. S M Krishnan		-	-
5.	Smt. Preetha Reddy		-	-
6.	Smt. Shobana Kamineni		-	-
7.	Smt. Sangita Reddy		-	-
F)	**Directors**			
1.	Shri. Habibullah Badsha *		-	-
2.	Shri. Sanjay Nayar		-	-
3.	Shri. Vinayak Chatterjee		-	-
4.	Shri. Rafeeque Ahamed *		-	-
5.	Shri. N Vaghul		-	-
6.	Shri. Deepak Vaidya		-	-
7.	Shri. Rajkumar Menon *		-	-
8.	Shri. G Venkatraman		-	-
9.	Dr. T. Rajgopal		-	-
10.	Shri. BVR Mohan Reddy		-	-
	(*) Resigned wef 14th August 2017			
G)	**Enterprises over which key managerial personnel and their relatives are able to exercise significant influence / control / joint control**			
1.	Apollo Tele Health Services Pvt Ltd	India	-	-
2.	Apollo Mumbai Hospital Limited	India	-	-
3.	Apollo Sindoori Hotels Limited	India	-	-
4.	Kurnool Hospital Enterprises Limited	India	-	-
5.	Lifetime Wellness Rx International Limited	India	-	-
6.	Apollo Hospitals Educational Trust	India	-	-
7.	Medihauxe International Private Limited	India	-	-
8.	Palepu Pharma Private Limited	India	-	-
9.	Vardhman Pharma Distributors Private Limited	India	-	-
10.	Focus Medisales Private Limited	India	-	-
11.	Srinivasa Medisales Private Limited	India	-	-

Sl. No.	Name of the company	Country of Incorporation	% of Holding as at March 31, 2018	% of Holding as at March 31, 2017
12.	Meher Distributors Private Limited	India	-	-
13.	Lucky Pharmaceuticals Private Limited	India	-	-
14.	Neelkanth Drugs Private Limited	India	-	-
15.	Dhruvi Pharma Private Limited	India	-	-
16.	Medvarsity Online Limited	India	-	-
17.	AMG Healthcate Destination Private Limited	India	-	-
18.	Faber Sindoori Management Services Private Limited	India	-	-
19.	Apollo Hospitals Educational and Research Foundation	India	-	-
20.	Keimed Private Limited	India	-	-
21.	P. Obul Reddy & Sons	India	-	-
22.	Dishnet Wireless Limited	India	-	-
23.	Apollo Telemedicine Networking Foundation	India	-	-
24.	Medihauxe Pharma Private Limited	India	-	-
25.	Apollo Medskills Limited	India	-	-
26.	Apollo Institute of Medical Science and Research	India	-	-
27.	Sanjeevani Pharma Distributors Private Limited	India	-	-
28.	Adeline Pharma Private Limited	India	-	-

41.1 Details of Related Party Transactions during the year ended March 2018:

S.No	Name of related parties	Nature of Balance/Transactions	March 31, 2018	March 31, 2017
1.	Apollo Home Health Care(I) Limited	Investment in Equity	297.40	297.40
		Reimbursement of expense during the year	-	0.02
		Receivable as at year end	1.88	7.69
		Unsecured loan outstanding	-	11.76
2.	AB Medical Centers Limited	Investment in Equity	21.80	21.80
		Payables as at year end	39.69	33.21
		Rent expense incurrred during the year	6.59	6.63
3.	Samudra Health Care Enterprise Limited	Investment in Equity	250.60	250.60
		Receivables as at year end	173.51	129.74
		Revenue from operations during the year	30.08	63.12
		Reimbursement of expense during the year	10.23	67.12
		Commission on turnover(exp)	-	1.73
4.	Apollo Hospital (UK) Limited	Investment in Equity	0.39	0.39
		Reimbursement of expenses during the year	-	0.58
		Receivables as at year end	5.44	4.21
5.	Apollo Health and Lifestyle Limited	Investment in Equity	3,039.84	3,039.84
		Revenue from operations during the year	39.44	26.74
		Pharmacy Commission	12.12	15.51
		Interest Expenses	13.44	-
		Interest Receivable	278.05	290.25
		Lease Deposit	35.00	35.00
		Receivable/(Payable) as at year end	102.00	4.00
6.	Apollo Home Healthcare Limited	Investment in Equity	100.00	100.00
		Investment in debt	97.00	-
		Revenue from operations during the year	3.45	3.66
		Debenture Interest receivable	17.38	-
		Interest Income	17.38	-

Notes to the Standalone financial statements as at and for the year ended March 31, 2018
(All amounts are in ₹ million unless otherwise stated)

S.No	Name of related parties	Nature of Balance/Transactions	March 31, 2018	March 31, 2017
		Reimbursement of expense during the year	3.53	6.42
		Receivable/(Payable) as at year end	18.54	13.44
7.	Apollo Health Care Technology Solutions Limited	Investment in Equity	0.20	0.20
		Investment in Preference Share	-	957.50
8.	Assam Hospitals Limited	Receivables as at year end	3.80	4.36
		Revenue from operations during the year	16.38	11.17
		Dividend Received	3.87	-
		Reimbursement of expense during the year	-	0.87
		Investment in Equity	664.74	663.15
9.	Imperial Hospital & Research Centre Ltd., Banglore	Investment in equity	1,272.62	1,272.62
		Reimbursement of expense during the year	31.78	21.24
		Investigation expense incurred during the year	63.95	21.72
		Revenue from operations during the year	81.93	16.92
		Receivable/(Payable) as at year end	305.02	320.39
10.	Apollo Nellore Hospitals Limited	Investment in Equity	53.96	53.96
		Rent expense incurred during the year	7.78	7.81
		Payable as at year end	24.20	16.94
11	Alliance Medicorp (India) Limited	Investment in Equity	-	-
		Share of revenue from operations debited	-	-
		Payable as at year end	-	(0.04)
12	Alliance Dental Care Limited	Receivable/(Payable) as at year end	0.47	4.31
		Share of revenue from operations debited	58.96	56.99
		Reimbursement of expenses during the year	1.29	4.58
		Premises rent received	2.17	2.12
13	Apollo Rajshree Hospitals Private Limited	Investment in Equity	327.36	327.36
		Receivables as at year end	95.39	61.38
		Revenue from operations during the year	87.94	77.37
		Reimbursement of expenses during the year	4.61	1.47
		Expenditure from operations during the year	-	
		Security Deposit	10.00	
14	Apollo Sugar Clinics Limited	Share of revenue from operations debited	233.78	122.69
		Lab Cost	102.53	89.86
		Rent	14.20	12.57
		Reimbursement of expense during the year	8.70	6.25
		Payable as at year end	31.97	3.13
15	Apollo Hospitals International Limited	Investment in Equity	480.44	405.42
		Investment in Preference Shares	110.40	110.40
		Receivable as at year end	64.81	61.29
		Revenue from operations during the year	0.81	0.78
		Reimbursement of expense during the year	34.29	47.92
16	Total Health	Investment in equity	5.00	5.00
		Reimbursement of expense during the year	1.04	0.13
		Receivable as at year end	1.23	
		Contributions for CSR during the year	30.00	24.53

S.No	Name of related parties	Nature of Balance/Transactions	March 31, 2018	March 31, 2017
17	Apollo Gleneagles Hospitals Limited	Investment in Equity	393.12	393.12
		Revenue from operations during the year	173.16	210.21
		Reimbursement of expense during the year	111.70	103.65
		Receivable as at year end	754.50	523.03
18	Apollo Gleneagles PET-CT Private Limited	Investment in Equity	85.00	85.00
		Revenue from operations during the year	1.73	3.26
		Security Deposits	-	18.81
		Reimbursement of expense during the year	2.87	0.03
		Receivables	1.00	6.08
19	Western Hospitals Corporation Pvt Ltd	Investment in equity	153.66	153.66
		Interest Payable	6.21	15.91
		Loan Oustdanding	94.25	155.49
		Payable as the year end	2.93	10.42
20	Apollo Munich Health Insurance Company Limited	Investment in Equity	357.09	357.09
		Group mediclaim expense incurred	111.56	69.69
		Investment In Debentures	80.00	-
		Receivable as at year end	22.82	4.98
21	Apollo Lavasa Health Corporation Limited	Investment in equity	312.20	312.21
		Receivable as at year end	0.19	4.35
22	Family Health Plan Limited	Investment in Equity	4.90	4.90
		Revenue from operations during the year	178.52	417.70
		Receivables as at year end	44.71	151.17
23	Indraprastha Medical Corporation Limited	Investment in Equity	393.72	393.72
		Receivables as at year end	35.73	451.73
		Dividend received	30.29	36.35
		Reimbursement of expense during the year	70.75	77.17
		Commission on Pharmacy	138.01	147
		Licence Fee	12.45	13.79
		Revenue from operations during the year	142.37	157.44
24	Stemcyte India Therapautics Private Limited	Investment in Equity	80.00	80.00
		Receivables as at year end	0.08	
25	Dr. Prathap C Reddy	Remuneration Paid	95.86	108.23
26	Smt. Preetha Reddy	Remuneration Paid	38.22	42.04
27	Smt. Suneeta Reddy	Remuneration Paid	38.22	42.04
28	Smt. Sangita Reddy	Remuneration Paid	37.32	41.43
29	Smt. Shobana Kamineni	Remuneration Paid	38.76	42.64
30	Apollo Sindoori Hotels Limited	Food and Beverage expense Incurred during the year	1,013.67	727.01
		Reimbursement of expense during the year	2.84	1.63
		Revenue from operations during the year	-	0.58
		Payables as at year end	77.69	16.18
31	Faber Sindoori Management Services Private Limited	Outsourcing expense of house keeping incurred during the year	753.48	660.70
		Payables as at year end	97.96	92.00
32	Lifetime Wellness Rx International Limited	Revenue from operations during the year	20.68	11.75

Notes to the Standalone financial statements as at and for the year ended March 31, 2018
(All amounts are in ₹ million unless otherwise stated)

S.No	Name of related parties	Nature of Balance/Transactions	March 31, 2018	March 31, 2017
		Receivable as at year end	136.29	17.63
33	P Obul Reddy & Sons	Receivable as at year end	-	1.50
		Reimbursement of expense during the year	2.17	23.03
34	Keimed Private Limited	Payables at the year end	176.63	103.17
		Reimbursement of expense during the year	17.49	-
		Purchases during the year	4,763.84	3,816.01
35	Medvarsity Online Limited	Transactions during the year	-	-
		Reimbursement of expense during the year	0.05	7.89
		Revenue from operations during the year	-	1.11
		Receivable as at year end	8.31	1.02
36	Kurnool Hospitals Enterprise Limited	Investment in Equity	1.73	1.74
		Revenue from operations during the year	2.51	2.95
		Receivables as at year end	9.29	8.56
37	AMG Health Care Destination Private Limited	Investment in Equity	12.33	12.33
38	Future Parking Private Limited	Investment in Equity	24.01	24.01
		Investment in Preference Shares	210.00	210.00
		Receivable / (Payable) as at year end	(1.41)	163.72
		Lease deposit	170.00	94.06
		Rent expense incurrred during the year	25.62	29.84
		Reimbursement of expense during the year	27.16	23.92
39	Apollo Hospital Educational Trust	Rent expense incurrred during the year	32.36	33.13
		Reimbursement of expense during the year	7.05	14.57
		Lease Deposit	70.00	70.00
		Receivables/(Payable) during the year	181.73	224.80
40	Apollo Education Research Foundation, Chennai	Reimbursement of Expenses	-	24.13
		Receivables/(Payable) during the year	605.19	157.60
41	Sapien Biosciences pvt Ltd	Investment in equity	0.10	0.10
		Investment in preference	26.00	26.00
		Trade Advance	1.00	-
		Interest Receivable	1.30	-
		Receivable as at year end	3.66	1.61
42	Palepu Pharma Private Ltd	Payables as at year end	78.66	12.96
		Store purchases during the year	4,491.12	1.93
		Medicine purchases during the year	-	3,950.23
43	Medihauxe International Private Limited	Payables as at year end	52.76	46.34
		Store purchases during the year	531.37	465.67
44	Vardhman Pharma Distributors Private Limited	Payables as at year end	7.31	19.62
		Medicine purchases during the year	161.50	508.59
45	Focus Medisales Private Limited	Payables as at year end	2.13	27.99
		Medicine purchases during the year	170.72	521.76
46	Srinivasa Medisales Private Limited	Payables as at year end	202.39	92.02
		Medicine purchases during the year	2,181.27	1,052.79
47	Meher Distributors Private Limited - Mumbai	Payables as at year end	34.90	19.41

S.No	Name of related parties	Nature of Balance/Transactions	March 31, 2018	March 31, 2017
		Reimbursement of expense	2.09	
		Medicine purchases during the year	637.72	456.33
48	Lucky pharmaceuticals Private Limited - New Delhi	Payables as at year end	49.59	36.86
		Reimbursement of expense	2.25	
		Medicine purchases during the year	993.31	1,035.88
49	Neelkanth Drugs Private Limited	Payables as at year end	86.48	90.33
		Reimbursement of expense	1.83	
		Medicine purchases during the year	1,636.50	1,417.74
50	Dhruvi Pharma Private Limited	Payables as at year end	64.18	29.84
		Medicine purchases during the year	626.47	450.72
51	Apokos Rehab Private Limited	Investment in equity	84.75	84.75
		Revenue from operations during the year	0.43	1.36
		Reimbursement of expense during the year	17.66	3.55
		Receivable as at year end	2.81	0.74
52	Apollo Hospitals Singapore PTE Ltd	Receivables as at year end	-	0.08
		Investment in equity	1.45	1.46
53	Shri. Habibullah Badsha	Remuneration paid	0.05	1.65
54	Shri. Sanjay Nayar	Remuneration paid	1.30	1.50
55	Shri. Vinayak Chatterjee	Remuneration paid	1.55	1.50
56	Shri. Rafeeque Ahamed	Remuneration paid	0.10	1.50
57	Shri. N.Vaghul	Remuneration paid	1.70	1.70
58	Shri. Deepak Vaidya	Remuneration paid	1.95	1.85
59	Shri. Rajkumar Menon	Remuneration paid	0.20	2.05
60	Shri. BVR Mohan Reddy	Remuneration paid	1.03	
61	Dr T. Rajgopal	Remuneration paid	1.44	-
62	Shri. G. Venkatraman	Remuneration paid	1.90	1.80
63	Apollo Dialysis Private Limited	Share of revenue from operations debited	14.35	13.98
		Reimbursement of expense during the year	0.50	-
		Investment in Equity	-	
		Receivables as at year end	0.71	3.21
64	Apollo Specialty Hospitals Private Limited	Revenue from operations during the year	60.60	14.97
		Pharmacy Commission	6.44	2.17
		Lease Deposit	12.65	
		Receivable/(Payables) as at year end	38.98	(25.31)
65	Apollo Tele Health Services Private Limited	Reimbursement of expense during the year	-	6.45
		Revenue	0.06	-
		Consultancy fee to doctors	12.64	6.40
		Receivables as at year end	1.34	6.81
66	Apollo Medskills Limited	Reimbursement of expense during the year	7.78	
		Receivables as at year end	6.94	
67	Apollo Institute of Medical Sciences and Research	Reimbursement of expense during the year	40.01	
68	Sanjeevani Pharma Distributors Private Limited	Payable as at Year end	116.04	55.94

S.No	Name of related parties	Nature of Balance/Transactions	March 31, 2018	March 31, 2017
		Purchases	4,264.01	4,044
69	Medihauxe Pharma Private Limited - Hyderbad	Payable as at Year end	16.73	12
		Purchases	262.66	185.35
70	Adeline Pharma Private Limited	Payable as at Year end	33.00	4
		Purchases	404.89	17.50
71	Apollo Amrish Oncology Services Private Limited	Receivable as at Year end	-	-
		Pharmacy Income	0.02	-
72	Apollo Bangalore Cradle Limited	Revenue	17.57	27.07
		Receivable as at Year end	48.53	39.85
		Commission on Pharmacy	12.12	2.56
73	Indian Hospitals Corporation Limited	Revenue	0.12	-
		Receivable as at Year end	0.12	-
74	PCR Investments	Revenue	0.12	-
		Receivable as at Year end	0.12	-
75	Details of guarantee / comfort letters issued on behalf of related parties - Refer Note 45			

42 Fair Value Measurements

Fair Value of Company's financial assets and liabilities that are measured at fair value on a recurring basis

The following guidance has been followed for classification and measurement of financial assets that are measured at fair value :

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the- counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

Financial Assets/ Financial Liabilities	Fair Value as at		Fair Value Hierarchy	Valuation technique and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	March 31, 2018	March 31, 2017				
Derivative Instruments	Assets ₹ 285.85	Assets ₹ 396.06	Level 2	Discount cash flow, Future Cash Flows are estimated based on forward exchange rates and contract forward rates discounted at a rate that reflects the credit risk of various counterparties.	-	-
	Liabilities ₹ 43.68	Liabilties ₹ 59.03	Level 2		-	-
Investments in Mutual Funds	₹ 20.06	₹ 860.51	Level 1	Fair value is determined based on the Net asset value published by respective funds.	-	-
Investments in equity Instruments (Refer note (i))	₹18.00	₹18.00	Level 3	Discounted Cash Flow-Income approach	Discount rate, Risk free Return, Long term Market rate of return are the assumptions used	A slight change in assumptions will change the Fair value of the Investment

Note (i): Included above cost of investments amounting to ₹107.70 million as disclosed in note 8.1 whose fair value approximates to Nil (previous year nil).

42.1 Fair Value of Financial Assets and Financial Liabilities that are not measured at fair value (but fair value disclosure are required)

The company considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements at amortized cost will reasonably approximate their fair values..

42.2 Reconcilation of Level 3 Fair Value Measurements

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening Balance	18.00	18.00
Gain/Loss	-	-
Closing Balance	18.00	18.00

43 Operating Lease Arrangements

43.1 The Company as lessee - Leasing arrangement

The company has taken various medical equipment, hospital premises, office and residential premises under Operating leases. The leases typically run for a term ranging from 25-30 years for Hospitals and 1-3 years for Pharmacy with an option to renew the lease after term completion. The escalation clause range from 5 to 10% per annum effectively.

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Payments recognised as an expense		
Minimum lease payments	2,320.59	2,370.80
Total	**2,320.59**	**2,370.80**

Non-cancellable operating lease commitments

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Not later than 1 year	130.42	144.18
Later than 1 year and not later than 5 years	550.53	560.65
Later than 5 years	3,108.66	3,235.50
Total	**3,789.62**	**3,940.34**

44 Commitments

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Commitments to contribute funds for the acquisition of property, plant and equipment	8,720.00	8,548.65
Commitments to contribute funds towards Equity	1,710.25	-

45 Contingent Liabilities

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
a) Claims against the Company not acknowledged as debt	1,943.61	1,512.90
(b) Guarantees excluding financial guarantees		
Bank Guarantees	1,907.89	1,454.36
Letters of Comfort (Refer note (ii) below)	2,716.00	2,956.80
(c) Other money for which the company is contingently liable		
Customs Duty	99.70	99.70
Service Tax	23.74	40.11
Value Added Tax	0.05	27.66
Income Tax (Refer note (i) below)	236.82	236.82
Total	**6,927.81**	**6,328.35**

Note (i) With respect to the proceedings pending before the relevant income tax authority for the assessment years 2009-10 to 2016-17, the Company is of the opinion that no additional provision for tax expense is considered necessary in the financial statements.

Note (ii) : Details of comfort letters issued on behalf of related parties are as follows:

Particulars	Beneficiary	Value
Alliance Dental Care Limited	ICICI Bank Limited	371.00
Apollo Health and Lifestyle Limited	Yes Bank Limited	710.00
Apollo Rajshree Hospital Private Limited	Axis Bank Limited	60.00
Future Parking Private Limited	ICICI Bank Limited	55.00
Apollo Specialty Hospital Limited	HDFC Bank Limited	300.00
Imperial Hospital and Research Centre Limited	Axis Bank Limited	1,220.00
Total		**2,716.00**

The purpose of the above comfort letters issued was towards securing financing facilities to the above mentioned related parties.

Note (iii): Out of the total amount of contingent liability disclosed against Service Tax, value added tax and Income, ₹ 101.31 million has been deposited before the respective statutory authorities as at March 31, 2018 and ₹ 110.55 million as at March 31, 2017.

.46 Expenditure in Foreign Currency

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
a. CIF Value of Imports:		
Machinery and Equipment	455.66	809.14
Stores and Spares	0.69	9.62
Other Consumables	20.57	56.62
b. Expenditure.		
Travelling Expenses	54.78	74.89
Professional Charges	48.90	12.06
Royalty	-	1.09
Advertisement	12.39	-
Others	17.97	-
c. Dividends		
Amount remitted during the year in foreign currency on account of dividends excluding the payment of dividends directly to the share-holder's Non-resident external bank account.	4.49	-
Non-Residents shareholders to whom remittance was made (Nos.)	170	-
Shares held by non-resident share-holders on which dividend was paid (Nos)	624,264	-

47 Earnings in Foreign Currency

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Hospital Fees	921.28	900.12
Project Consultancy Services	17.77	18.05
Pharmacy Sales	1.93	4.22
Total	**940.98**	**922.39**

48 Scheme of Arrangements

The Proton Therapy System equipment which represents the latest advancement in Oncology Care was originally planned to be imported and procured from Ion Beam Applications S.A. Belgium by Apollo Healthcare Technology Solutions Limited ("AHTSL"),a wholly owned subsidiary of Apollo Hospitals Enterprise Limited[AHEL].

The Board of the AHTSL has subsequently decided to enter into a Scheme of Compromise and Arrangement with Apollo Hospitals Enterprise Limited ("AHEL") with a view to transfer the Proton Therapy System under the ownership of AHEL. The National Company Law Tribunal sanctioned the Scheme of Compromise of Arrangement on June 23, 2017 and the scheme was given effect to in the books of accounts during the financial year 2017-18, effectively involving the transfer of the ownership of the Proton Therapy System from Apollo Healthcare Technology Solutions Limited to Apollo Hospitals Enterprise Limited.

Accordingly the Non-Cumulative Redeemable Preference Shares amounting to ₹957.50 million subscribed in AHTSL by AHEL and the Unsecured Loan of ₹100 million provided by AHEL for financing the equipment related advances paid by AHTSL to the supplier, has been settled by transferring the advance paid by AHTSL towards the Purchase of Proton Beam Therapy amounting to ₹1,040.44 Million and bank balance of ₹944.28 Million reflected in the books of account of AHTSL, with such assets vesting in AHEL as part of full and final settlement of AHEL's outstanding investment and loan made to AHTSL.

49 The Company has advanced loans to its subsidiary companies. The disclosures pursuant to Regulation 34(3) read with para A of Schedule V to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Principal amounts outstanding as at the year-end were:

Company Particulars (Relationship)	As at March 31, 2018	As at March 31, 2017
Loans and Advances in the nature of loans to subsidiaries, joint ventures and associates	-	-
Investments to subsidiaries, joint ventures and associates	Refer Note 8 & 9	Refer Note 8 & 9
Investments by subsidiaries, joint ventures and associates	-	-

50 Particulars of Loans, Guarantees & Investments

Details of loans, Guarantees and Investments covered under the provisions of section 186 of the Companies Act, 2013 are provided in notes 8,9,11,17 and 41 to the financial statements.

51 Events after the Reporting Period

There are no subsequent events after the reporting period.

52 Figures for the previous year are reclassified / regrouped wherever necessary.

For and on behalf of the Board of Directors

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
Vice President - Finance
& Company Secretary

Place: Chennai
Date : May 30, 2018

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Executive Vice Chairperson

Suneeta Reddy
Managing Director

STATEMENT OF CASH FLOWS

(₹ in million)

		For the year ended March 31, 2018	For the year ended March 31, 2017
A	**Cash flow from Operating Activities**		
	Profit for the year	**2,332.00**	**2,851.46**
	Adjustments for:		
	Depreciation and Amortisation expense	2,720.04	2,405.92
	Income Tax expense recognised in Profit & Loss	969.37	737.73
	Loss on disposal of Property Plant and Equipment (net)	54.56	43.71
	Gain on sale of investments (net)	(1.36)	(18.63)
	Finance costs	2,401.74	2,003.88
	Interest from Banks/others	(64.98)	(159.11)
	Dividend on current investments	(43.68)	(44.11)
	Provision for doubtful debts & advances and bad debts written off	472.48	187.86
	Net gain arising on financial assets mandatorily measured at FVTPL	(7.56)	(66.23)
	Net loss arising on account of financial derivative contracts mandatorily measured at FVTPL	94.86	218.37
	Net foreign exchange gains	(78.11)	(186.93)
	Operating Cash Flow before working capital changes	**8,849.36**	**7,973.92**
	(Increase)/decrease in operating assets:		
	Inventories	(961.79)	(610.83)
	Trade receivables	(1,883.49)	(1,362.98)
	Other Financial Assets	413.44	(153.79)
	Current Financial Assets	(718.61)	1,618.72
	Other Non-Current Assets	(5.79)	(258.66)
	Other Current Assets	(140.74)	659.94
		(3,296.98)	**(107.60)**
	Increase/(decrease) in operating liabilities:		-
	Trade payables	814.03	(742.57)
	Other Non Current Financial Liabilities	(99.79)	55.67
	Other Current Financial Liabilities	641.48	488.78
	Provisions	(222.24)	(304.64)
	Other Current Liabilities	(114.80)	(95.76)
		1,018.68	**(598.52)**
	Cash generated from operations	**6,571.06**	**7,267.80**
	Income Tax Paid	(1,183.54)	(950.21)
	Net cash generated from operating activities (A)	**5,387.52**	**6,317.59**
B	**Cash flow from Investing Activities**		
	Acquisition of Property, Plant & Equipment	(5,192.80)	(5,773.59)
	Proceeds on disposal of property, plant & equipment	12.14	11.97
	Purchase of Investments	(253.32)	(1,808.59)
	Proceeds from sale of Investments	951.61	18.63
	Investment in Bank Deposits	326.51	(594.77)
	Interest received	331.46	64.52
	Dividend Received	43.68	44.11
	Net cash (used in) Investing Activities (B)	**(3,780.72)**	**(8,037.72)**

(₹ in million)

		For the year ended March 31, 2018	For the year ended March 31, 2017
C	**Cash flow from Financing Activities**		
	Proceeds from Borrowings	5,091.04	6,438.31
	Repayment of Borrowings	(2,574.86)	(2,354.34)
	Finance costs	(2,573.66)	(2,788.88)
	Dividend paid on equity shares (including Dividend Distribution Tax Paid)	(1,004.69)	-
	Net cash (used in)/ generated from Financing Activities (C)	**(1,062.17)**	**1,295.09**
	Net increase / (decrease) in cash and cash equivalents (A+B+C) = (D)	**544.63**	**(425.04)**
	Cash and cash equivalents at the beginning of the year (Refer Note 13)	1,924.75	2,349.79
	Cash and cash equivalents at the end of the year (Refer Note 13)	2,469.38	1,924.75

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-10018

Vikas Bagaria
Partner
Membership No. 060408

Place : Singapore
Date : May 30, 2018

For and on behalf of the Board of Directors

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
Vice President - Finance
& Company Secretary

Place: Chennai
Date : May 30, 2018

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Executive Vice Chairperson

Suneeta Reddy
Managing Director

TEN years Financial Performance at a Glance (Standalone)

Financial Highlights for the year ended	Ind AS		I GAAP							
	31st Mar 2018	31st Mar 2017	31st Mar 2016	31st Mar 2015	31st Mar 2014	31st Mar 2013	31st Mar 2012	31st Mar 2011	31st Mar 2010	31st Mar 2009
Balance Sheet										
Sources										
Share Capital	695.63	695.63	695.63	695.63	695.63	695.63	672.33	623.55	617.85	602.35
Preferential issue of equity share warrants	-		-	-	-	-	387.05	685.07	-	-
Reserves and Surplus	36,239.37	35,094.51	32,459.74	30,915.08	28,951.61	26,580.34	22,463.28	16,413.02	14,799.93	13,106.20
Networth	36,935.00	35,790.14	33155.37	31,610.71	29,647.24	27,275.97	23,522.66	17,721.64	15,417.78	13,708.55
Loans (including long term liabilities and provisions)	25,568.95	26,300.95	20,080.49	14,609.49	10,079.98	8,825.42	6,921.47	7,689.40	6,899.86	4,494.82
Deferred Tax Liability	2,466.06	2,336.74	5,251.57	4,019.46	3,288.58	2,394.11	1,700.85	1,071.06	751.45	626.56
Applications										
Gross Block (incl. Goowill & (WIP)	53,721.11	45,750.36	39,923.22	37,139.45	31,438.71	26,427.74	21,196.95	17,968.91	15,289.23	11,779.31
Accumulated Depreciation	9,122.19	6,474.75	3,953.47	7,742.41	6,742.13	5,785.31	4,827.51	3,987.44	3,314.74	2,779.92
Net Block	44,598.92	39,275.61	35,969.75	29,397.04	24,696.58	20,642.43	16,369.44	13,984.47	11,974.49	8,999.39
Investments	8,998.14	10,637.66	8,771.76	7,130.21	6,900.27	8,960.35	7,641.18	6,241.12	4,897.88	6,292.80
Long Term Loans and Advances	4,746.19	5,434.49	7,355.45	5,850.63	4,876.08	3,227.58	5,103.33	4,521.44	1,859.70	1,426.06
Current Assets, Loans & Advances										
Inventory	5,386.84	4,425.04	3,814.21	3,325.04	2,649.74	2,053.88	1,827.09	1,505.21	1,343.43	1,088.42
Debtors	8,046.93	6,635.92	5,460.81	5,495.45	4,684.51	4,266.09	3,537.70	2,696.43	2,055.34	1,607.35
Cash & Bank Balances	2,945.61	2,727.48	2,557.57	2,492.28	2,088.98	2,554.66	1,869.55	1,414.40	2,855.58	646.16
Loans & Advances	3,398.12	2,795.31	4,447.17	4,508.94	2,669.73	1,838.90	1,234.94	1,193.53	1,260.19	797.36
(A)	19,777.50	16,583.75	16,279.76	15,821.71	12,092.96	10,713.53	8,469.28	6,809.37	7,514.54	4,139.29
Current Liabilities & Provisions										
Creditors	4,733.88	3,920.18	4,012.80	3,201.00	2,487.23	1,763.42	1,709.36	1,794.01	1,781.07	750.05
Other Liabilities	7,741.69	2,965.12	5,284.84	3,454.56	1,746.51	2,130.62	2,955.67	2,593.45	839.95	776.96
Provisions	675.15	618.68	591.65	1,304.37	1,316.35	1,154.35	773.22	684.04	556.50	500.60
(B)	13,150.72	7,503.07	9,889.29	7,959.93	5,550.09	5,048.39	5,438.25	5,071.50	3,177.52	2,027.61
Net Current Assets (A - B)	6,626.78	9,080.07	6,390.47	7,861.78	6,542.87	5,665.14	3,031.03	1,738.07	4,337.02	2,111.68
Miscellaneous Expenditure			-	-	-	-	-	-	0.12	0.45
Key Indicators										
O P M %	11.70%	12.64%	13.82	15.60	16.38	17.46	17.41	16.93	16.90	16.38
N P M %	3.24%	4.51%	5.94	7.47	8.51	9.23	8.17	7.72	8.18	7.98
Collection Growth %	13.73%	12.56%	21.19	19.41	15.98	18.42	20.36	26.61	25.56	28.72
OP Growth (%)	5.30%	2.97%	7.40	13.67	8.85	18.76	24.6	30.16	29.72	20.27
Earnings Per Share (₹) (Basic)	16.76	20.50	24.00	24.91	23.77	22.43	17.72	14.66	12.31	19.8
Capital Employed	66,944.66	63,381.88	56,693.10	48,421.10	40,442.90	36,954.47	29,693.24	25,131.74	22,317.52	18,202.93

TEN years Financial Performance at a Glance (Standalone)

Financial Highlights for the year ended	Ind AS		I GAAP							
	31st Mar 2018	31st Mar 2017	31st Mar 2016	31st Mar 2015	31st Mar 2014	31st Mar 2013	31st Mar 2012	31st Mar 2011	31st Mar 2010	31st Mar 2009
Book value per Share	265.48	257.25	238.31	227.24	220	196	172.05	136.61	249.54	226.3
ROI (PBIT/AV.CE) %	8.75%	9.32%	10.50	12.39	13.1	14.42	14.63	13.83	12.83	11.33
RONW %	6.31%	7.97%	10.07	11.32	11.62	12.17	11.2	10.97	10.43	9.09
Employee Cost to Collections %	15.55%	14.88%	14.87	15.54	15.71	15.66	15.15	15.18	15.40	14.93
Debt/Equity Ratio	0.81	0.77	0.71	0.52	0.35	0.35	0.29	0.43	0.44	0.33

Profit & Loss Account	Ind AS #				I GAAP															
	31st Mar 2018		31st Mar 2017		31st Mar 2016		31st Mar 2015		31st Mar 2014		31st Mar 2013		31st Mar 2012		31st Mar 2011		31st Mar 2010		31st Mar 2009	
		%		%		%		%		%		%		%		%		%		%
Income	71,955.99		63,271.46		56,210.40		46,380.62		38,840.00		33,488.18		28,279.20		23,495.65		18,587.45		14,803.50	
Operative Expenses	38,012.95	52.82	33,639.63	53.17	28,650.92	50.97	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	53.5	8,096.51	54.69
Salaries and Wages	11,188.07	15.55	9,417.79	14.88	8,357.29	14.87	7,209.58	15.54	6,102.23	15.71	5,243.99	15.66	4,285.07	18.24	3,572.00	15.2	2,863.80	15.41	2,210.51	14.93
Administrative Expenses	14,331.86	19.92	12,215.00	19.30	11,433.64	20.34	7,698.03	16.6	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
Operating Profit	8,423.12	11.70	7,999.04	12.64	7,768.55	13.82	7,233.46	15.6	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
Financial Expenses	2,401.74	3.33	2,003.88	3.17	1,335.79	2.38	832.88	1.8	870.68	2.24	726.25	2.17	636.03	2.71	551.45	2.35	377.47	2.03	223.16	1.51
Depreciation	2,720.04	3.78	2,405.91	3.80	2,005.00	3.57	1,580.41	3.41	1,290.78	3.32	1,085.20	3.24	911.28	3.88	705.85	3	543.06	2.92	439.2	2.97
Exceptional / Extraordinary Items					256.78	0.46	146.88	0.32	-	-	45.45	-	-	-	-	-	-	-	40.19	0.27
PBT	3,301.33	4.58	3,589.25	5.67	4,170.98	7.42	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
Tax - Current	743.50	1.03	756.58	1.19	979.21	1.74	476.46	1.03	0		295.45	0.88	435.46	1.85	556.45	2.37	577.12	3.1	479.79	3.24
Previous	-	-	-	-	-		-		-	-		-	-	-	-	-	-	-	-	-
Deferred	225.87	0.31	(18.85)	(0.03)	-147.72	-0.26	730.88	1.58	894.48	2.3	693.26	2.07	629.79	2.68	319.61	1.36	124.89	0.67	36.86	0.25
Fringe Benefit Tax	-	-	-	-	-		-		-										25.04	0.17
PAT	2,331.97	3.24	2,851.46	4.51	3,339.49	5.94	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
Dividend	1,004.69	-	-		1,967.55		799.97		799.97		765.19		537.87		467.67		432.49		401.6	

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 the Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

Sl. No	Name of the subsidiary	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities (Excluding Capital and Reserves	Investments	Turn over	Profit before taxation	Provision for Taxation	Profit after Taxation	Other Compre hensive Income	Total Compre hensive Income	Proposed Dividend	% of share holding
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1	Apollo Home Health Care (I) Limited	INR	298.23	31.35	332.18	2.60	313.07	2.67	(18.17)	(1.00)	(19.18)	-	(19.18)	-	100.00
2	AB Medical Centers Limited	INR	16.80	46.83	65.81	2.18	-	7.12	6.91	(1.30)	5.61	-	5.61	-	100.00
3	Apollo Health and Lifestyle Limited	INR	1,096.14	237.53	5,461.36	4,127.69	114.15	4,712.39	(1,681.86)	24.72	(1,657.14)	4.98	(1,652.16)	-	68.64
4	Samudra Healthcare Enterprise Limited	INR	125.00	103.13	467.10	238.97	-	399.91	30.44	36.62	67.06	0.81	67.87	-	100.00
5	Western Hospitals Corporation Pvt Limited	INR	180.00	17.06	200.28	3.22	-	18.34	17.87	(4.92)	12.95	-	12.95	-	100.00
6	Total Health	INR	5.00	50.56	64.34	8.78	-	51.08	15.76	-	15.76	-	15.76	-	100.00
7	Apollo Healthcare Technology Solutions Limited	INR	0.50	(0.84)	0.20	0.54	-	-	(0.03)	-	(0.03)	-	(0.03)	-	40.00
8	Apollo Hospital (UK) Limited	INR	0.45	(6.05)	0.46	6.06	-	-	-	-	-	-	-	-	100.00
		GBP	-	(0.07)	(0.06)	(0.00)	-	-	-	-	-	-	-	-	
9	Apollo Hospitals Singapore Pte Limited	INR	1.48	(2.06)	0.06	0.63	-	-	(0.50)	-	(0.50)	-	(0.50)	-	100.00
		SGD	0.03	(0.04)	-	0.01	-	-	(0.01)	-	(0.01)	-	(0.01)	-	
10	Imperial Hospital & Research Centre Limited	INR	299.45	360.08	2,362.28	1,702.75	0.50	2,265.91	199.88	(117.13)	82.75	7.28	90.03	-	90.00
11	Apollo Nellore Hospital Limited	INR	13.97	3.84	27.53	9.72	-	7.90	7.71	(1.44)	6.27	-	6.27	-	79.44
12	Apollo Rajshree Hospitals Pvt Limited	INR	196.87	(176.06)	512.21	491.40	-	562.83	(48.18)	2.42	(50.60)	(1.16)	(51.76)	-	54.63
13	Sapien Bio-Sciences Pvt Limited	INR	0.14	(31.31)	11.33	42.50	-	19.68	1.89	(0.01)	1.88		1.88	-	70.00
14	Apollo Lavasa Health Corporation Limited	INR	12.79	507.62	764.91	244.51	-	5.88	(37.80)	-	(37.80)	(0.07)	(37.73)	-	51.00
15	Apollo Home Health Care Limited	INR	97.13	(282.36)	29.57	214.80	-	266.28	(81.44)	0.48	(81.92)	-	(81.92)	-	74.00
16	Assam Hospitals Limited	INR	84.29	836.33	1,225.38	304.76	450.15	1,266.37	94.28	(38.36)	55.93	(14.24)	41.69	-	61.24
17	Future Parking Pvt Limited	INR	49.00	(66.17)	360.29	377.46	0.72	42.51	(22.40)	1.13	(23.54)	-	(23.54)	-	49.00
18	Apollo Hospitals International Limited	INR	1,006.03	(49.24)	2,097.30	1,140.51	-	1,812.47	84.21	(42.82)	41.39	6.24	47.64	-	50.00
19	Alliance Dental Care Limited **	INR	43.52	30.30	360.25	286.43	18.60	305.54	(84.89)	(0.01)	(84.88)	0.19	(84.69)	-	70.00
20	Apollo Dialysis Private Limited **	INR	47.91	(6.97)	85.03	44.09	-	77.48	(10.54)	2.32	(12.86)	0.08	(12.78)	-	70.00
21	Apollo Speciality Hospitals Private Limited **	INR	2.52	1,418.56	3,584.41	2,163.33	388.86	2,390.74	(988.90)	(8.85)	(980.05)	1.83	(978.22)	-	99.92
22	Apollo Sugar Clinics Limited **	INR	36.68	311.65	457.56	109.23	108.52	191.98	(90.27)	(5.83)	(84.44)	0.91	(83.53)	-	80.00

** Subsidiaries of Apollo Health and Lifestyle Limited

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 - Apollo Hospital (UK) Limited and Apollo Hospitals Singapore PTE Limited

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	Number of shares	Amount of Investment in Associates /Joint Venture	Extent of Holding %	Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated	Networth attributable to Share holding as per latest audited Balance Sheet	Profit / Loss for the year	i. Considered in Consolidation	ii. Not Considered
1	Family Health Plan Insurance(TPA) Limited	31st Mar, 2018	1,960,000	4.90	49.00	Ref Note.1	-	365.05	67.31	32.98	
2	Indraprastha Medical Corporation Limited	31st Mar, 2018	20,190,740	393.72	22.03	Ref Note.1	-	511.79	213.45	47.02	-
3	Stemcyte Therapautics India Pvt Limited	31st Mar, 2018	240,196	80.00	24.50	Ref Note.1	-	(8.76)	(24.72)	(6.06)	-
4	Apollo Gleneagles Hospitals Limited	31st Mar, 2018	54,675,697	393.12	50.00	Ref Note.1	-	1,091.69	(151.09)	(75.55)	-
5	Apollo Gleneagles PET-CT Pvt Limited	31st Mar, 2018	8,500,000	85.00	50.00	Ref Note.1	-	45.87	(10.52)	(5.26)	-
6	Apollo Munich Health Insurance Company Limited	31st Mar, 2018	35,709,000	357.09	10.00	Ref Note.1	-	618.48	152.40	15.24	-
7	Apkos Rehab Pvt. Limited	31st Mar, 2018	8,475,000	84.75	50.00	Ref Note.1	-	68.45	0.76	0.38	-

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 - Nil

For and on behalf of the Board of Directors

Krishnan Akhileswaran
Chief Financial Officer

Dr. Prathap C Reddy
Executive Chairman

S M Krishnan
Vice President - Finance
& Company Secretary

Preetha Reddy
Executive Vice Chairperson

Place: Chennai
Date : May 30, 2018

Suneeta Reddy
Managing Director

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF APOLLO HOSPITALS ENTERPRISE LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Apollo Hospitals Enterprise Limited (hereinafter referred to as "the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), which includes Group's share of profit/loss in its associates and its joint ventures, comprising the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its Associates and Joint ventures in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, its associates and its joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries, associates and joint ventures referred to below in the Other Matters paragraph, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2018, and it's consolidated profit, consolidated total comprehensive income, consolidated statement of changes in equity and it's consolidated cash flows for the year ended on that date.

Emphasis of Matter

Attention is drawn to Note No. 5(iv) to the consolidated financial statements. There are legal proceedings initiated against the Company's subsidiary Imperial Hospitals & Research Centre Limited, by Government of Karnataka, which in the opinion of the management is not sustainable. The above matter has been reported in the Emphasis of Matter paragraph in the Audit report of the standalone financial statements of the Subsidiary Company audited by other auditors.

Our opinion is not modified in respect of this matter.

Other Matters

(a) We did not audit the financial statements of 22 subsidiaries, whose financial statements reflect total assets of ₹11,865.38 million as at 31st March, 2018, total revenues of ₹7,385.78 million and net cash outflows amounting to ₹257.75 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹62.63 million for the year ended 31st March, 2018, as considered in the consolidated financial statements, in respect of 4 associates and 2 joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on the reports of the other auditors.

(b) We did not audit the financial statements of 2 subsidiaries, whose financial statements reflect total assets of ₹ 0.52 million as at 31st March, 2018, total revenues of ₹ Nil million and net cash inflows amounting to ₹ 0.14 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹15.24 million for the year ended 31st March, 2018, as considered in the consolidated financial statements, in respect of 1 associate, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and joint venture companies incorporated in India, referred in the Other Matters paragraph above, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income) Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Company as on 31st March, 2018 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture companies incorporated in India, none of the directors of the Group companies, its associate companies and joint venture companies incorporated in India is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein. With respect to the associate, StemCyte India Therapeutics Private Limited, a Private Limited Company incorporated in India, covered by the exemption under notification number GSR 464(E) dated 5th June, 2015 as amended by notification number GSR 583(E) dated 13th June, 2017, reporting on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 is not applicable for the year ended 31st March, 2018, based on the corresponding report of the auditor of the said associate.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group its associates and joint ventures.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies, associate companies and joint venture companies incorporated in India.

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

Vikas Bagaria
(Partner)
(Membership No. 060408)

Place: Singapore
Date: 30th May, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements'section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2018, we have audited the internal financial controls over financial reporting of Apollo Hospitals Enterprise Limited (hereinafter referred to as "Company") and its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, associate companies and joint ventures, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Company, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 22 subsidiary companies, 3 associate companies and 2 joint ventures, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

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

Vikas Bagaria
(Partner)
(Membership No. 060408)

Place: Singapore
Date: 30th May, 2018

CONSOLIDATED BALANCE SHEET

(₹ in million)

Particulars	Note	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	5	43,785.65	42,093.10
(b) Capital work-in-progress		7,121.97	3,468.59
(c) Investment Property	6	71.48	77.65
(d) Goodwill	7	3,461.99	3,462.52
(e) Other Intangible assets	8	409.47	277.29
(f) Financial Assets			
(i) Investments			
- Investment in Equity Accounted Investee	9	2,763.51	2,785.06
- Other Investments	10	93.44	216.94
(ii) Investments in Debentures	11	80.00	-
(iii) Other financial assets	13	2,527.89	2,896.11
(g) Deferred Tax Asset	25	171.68	162.70
(h) Income Tax Asset (Net)	27	1,769.65	1,338.20
(i) Other non-current assets	17	1,670.30	3,122.54
Total non - current assets		**63,927.03**	**59,900.70**
Current assets			
(a) Inventories	14	5,658.42	4,668.67
(b) Financial assets			
(i) Investments	10	578.73	1,058.45
(ii) Trade receivables	12	8,846.18	7,505.34
(iii) Cash and cash equivalents	15	3,063.33	2,827.82
(iv) Bank balances other than (iii) above	16	1,109.15	2,417.17
(v) Other financial assets	13	1,604.21	1,395.68
(c) Other current assets	17	1,341.23	1,419.03
Total current assets		**22,201.25**	**21,292.16**
Total Assets		**86,128.28**	**81,192.86**
Equity			
(a) Equity Share capital	18	695.63	695.63
(b) Convertible non-participating preference share capital		-	34.50
(c) Other equity	19	31,819.42	32,401.89
Equity attributable to owners of the Company		**32,515.05**	**33,132.02**
Non-controlling Interests	20	1,324.37	1,245.75
Total Equity		**33,839.42**	**34,377.77**
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	29,238.01	29,533.75
(ii) Other financial liabilities	22	4,721.11	5,188.49
(b) Provisions	23	62.31	46.14
(c) Deferred tax liabilities	24	2,565.09	2,413.15
(d) Other non-current liabilities	29	29.65	-
Total non - current liabilities		**36,616.17**	**37,181.53**
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	3,791.72	706.87
(ii) Trade payables	26	5,888.24	5,011.93
(iii) Other financial liabilities	22	4,066.79	1,896.42
(b) Other current liabilities	29	950.24	1,059.48
(c) Provisions	23	962.99	958.86
(d) Income Tax Liabilities (Net)	28	12.71	-
Total current liabilities		**15,672.69**	**9,633.56**
Total Liabilities		**52,288.86**	**46,815.08**
Total Equity and Liabilities		**86,128.28**	**81,192.86**

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date attached
For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Registration No. 117366W/W-10018
Vikas Bagaria
Partner
Membership No. 060408
Place : Singapore
Date : May 30, 2018

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
Vice President - Finance
& Company Secretary
Place: Chennai
Date : May 30, 2018

For and on behalf of the Board of Directors
Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Executive Vice Chairperson

Suneeta Reddy
Managing Director

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

Particulars	Note	Year ended March 31, 2018	Year ended March 31, 2017
Income			
Revenue from Operations	30	82,434.68	72,557.03
Other Income	31	321.52	224.93
Total Income		**82,756.20**	**72,781.96**
Expenses			
Cost of materials consumed	32	14,609.72	13,662.11
Purchases of Stock-in-trade		26,498.74	22,800.05
Changes in inventory of stock-in-trade	33	(781.85)	(473.41)
Employee benefits expense	34	14,043.91	11,964.98
Finance costs	35	2,950.68	2,573.50
Depreciation and amortisation expense	36	3,590.30	3,140.39
Other expenses	37	20,132.36	17,317.44
Total expenses		**81,043.86**	**70,985.06**
Profit before share of equity accounted investee method and income tax		**1,712.35**	**1,796.90**
Share of profit of equity accounted investee		2.27	423.89
Profit before tax		**1,714.62**	**2,220.79**
Tax expense			
(1) Current tax	38	883.68	835.79
(2) Deferred tax	38	235.37	73.80
Total Tax Expenses		1,119.05	909.59
Profit for the year		**595.57**	**1,311.20**
Other Comprehensive Income	39		
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of the defined benefit plans		(264.80)	(335.41)
(b) Equity instruments through other comprehensive income		0.40	0.51
(c) Income tax effect		92.40	115.90
Total Other Comprehensive Income		**(172.00)**	**(219.00)**
Total comprehensive income for the year		**423.57**	**1,092.20**
Profit for the year attributable to:			
Owners of the Company		1,174.18	2,209.90
Non Controlling Interest		(578.61)	(898.70)
Other Comprehensive Income for the year attributable to			
Owners of the Company		(171.10)	(219.00)
Non Controlling Interest		(0.90)	-
Total Comprehensive Income for the year attributable to			
Owners of the Company		1,003.08	1,990.90
Non Controlling Interest		(579.51)	(898.70)
Earnings per equity share			
Basic (in ₹)	41	8.44	15.88
Diluted (in ₹)	41	8.44	15.88

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date attached
For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Registration No. 117366W/W-10018
Vikas Bagaria
Partner
Membership No. 060408
Place : Singapore
Date : May 30, 2018

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
Vice President - Finance
& Company Secretary
Place: Chennai
Date : May 30, 2018

For and on behalf of the Board of Directors
Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Executive Vice Chairperson

Suneeta Reddy
Managing Director

Consolidated Statement of Changes in Equity

a. Equity share capital

(₹ in million)

Balance at April 1, 2016	695.63
Changes in equity share capital during the year	-
Balance at March 31, 2017	695.63
Changes in equity share capital during the year	-
Balance at March 31, 2018	695.63

b. Other Equity

(₹ in million)

Particulars	General reserve	Securities Premium Reserve	Capital Reserves	Other reserve #	Share Options Outstanding	Retained earnings	Items of Other Comprehensive Income (OCI)		Non Controlling Interest	Total
							Equity instruments through OCI	Defined benefit obligation		
Balance at April 1, 2016	11,249.58	17,138.52	30.44	742.02	8.33	4,887.51	(5.47)	(19.03)	779.30	34,811.20
Profit for the year	-	-	-	-		2,209.90			(898.70)	1,311.20
Other comprehensive income for the year, net of income tax	-	-	-			-	0.51	(219.51)	-	(219.00)
Total comprehensive income for the year	11,249.58	17,138.52	30.44	742.02	8.33	7,097.41	(4.96)	(238.54)	(119.40)	35,903.40
Payment of dividends	-	-	-	-		(43.75)		-		(43.75)
Gross Obligation over written Put Option on Non-controlling Interest of a subsidiary Company	-		-	-		(3,581.58)		-	(918.50)	(4,500.08)
Stock based compensation					4.42					4.42
Additional non-controlling interest on acquisition of a subsidiary	-	-	-	-		-	-	-	583.67	583.67
Movement on account of change in shareholding of existing subsidiaries									1,699.98	1,699.98
Balance at March 31, 2017	11,249.58	17,138.52	30.44	742.02	12.75	3,472.08	(4.96)	(238.54)	1,245.75	33,647.64
Profit for the year	-	-	-	-	-	1,174.18	-	-	(578.61)	595.57
Other comprehensive income for the year, net of income tax	-	-	-			-	0.40	(171.10)	(0.90)	(171.60)
Total comprehensive income for the year	11,249.58	17,138.52	30.44	742.02	12.75	4,646.26	(4.56)	(409.64)	666.24	34,071.61
Payment of dividends (including Dividend Distribution Tax)						(1,008.37)				(1,008.37)
Gross Obligation over written Put Option on Non-Controlling Interest						(500.45)			500.45	-
Adjustments towards Non Controlling Interest						(83.30)				(83.30)
Transfer to Reserves				452.50		(452.50)				-
Stock based compensation					6.17				43.10	49.27
Movement on account of change in shareholding of existing subsidiaries									114.58	114.58
Balance at March 31, 2018	11,249.58	17,138.52	30.44	1,194.52	18.92	2,601.64	(4.56)	(409.64)	1,324.37	33,143.80

Other reserves includes Debenture Redemption Reserve, Capital Redemption Reserve and Reserves arising on transition from Previous GAAP to IND AS

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date attached
For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Registration No. 117366W/W-10018
Vikas Bagaria
Partner
Membership No. 060408
Place : Singapore
Date : May 30, 2018

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
Vice President - Finance
& Company Secretary
Place: Chennai
Date : May 30, 2018

For and on behalf of the Board of Directors
Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Executive Vice Chairperson

Suneeta Reddy
Managing Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

All amounts are in ₹ million unless otherwise stated

1 General Information

Apollo Hospitals Enterprise Limited ('the Company') is a public Company incorporated in India. The address of its registered office and principal place of business is at 19, Bishop Gardens, Raja Annamalaipuram, Chennai, Tamilnadu. The main business of the Company is to enhance the quality of life of patients by providing comprehensive, high-quality hospital services on a cost-effective basis and providing / selling high quality pharma and wellness products through a network of pharmacies. The principal activities of the Company and its subsidiaries (hereinafter referred to as 'the group') include operation of multidisciplinary private hospitals, clinics, diagnostic centres and pharmacies.

2 Application of new and revised Ind ASs

The group has applied all the Ind ASs notified by the MCA.

Standards issued but not yet effective

i. Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The group is in the process of assessing the impact of the said standard on its financial statements.

ii. Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs (MCA) has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The amendments are applicable to the group from April 1, 2018. The group is in the process of assessing the impact of the said standard on its financial statements.

3 Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of the standalone financial statements. These policies have been consistently applied to all the years presented unless otherwise stated.

3.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act 2013 (the Act) and other relevant provisions of the act.

The consolidated financial statements for the year ended March 31, 2017 were audited by S. Viswanathan LLP (Firm's Registration No: 004770S/S200025), the predecessor auditor.

The financial statements were authorised for issue by the Company's Board of Directors on May 30, 2018.

3.2 Basis of preparation and presentation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

3.3 Basis of consolidation

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

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

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

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

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

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

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

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The following subsidiaries were consolidated as at 31 March 2018

Sl. No.	Name of the Subsidiary/Step down Subsidiary Company	Country of Incorporation	% of holding	
			As at 31st March 2018	As at 31st March 2017
1	Apollo Home Health Care (India) Limited	India	100.00%	100.00%
2	Apollo Home Healthcare Limited	India	74.00%	80.87%
3	AB Medical Centres Limited	India	100.00%	100.00%
4	Apollo Health and Lifestyle Limited	India	68.64%	68.64%
5	Samudra Healthcare Enterprise Limited	India	100.00%	100.00%
6	Imperial Hospital & Research Centre Limited	India	90.00%	90.00%
7	Apollo Hospital (UK) Limited	United Kingdom	100.00%	100.00%
8	Apollo Nellore Hospitals Limited	India	79.44%	79.44%
9	Apollo Rajshree Hospitals Private Limited	India	54.63%	54.63%
10	Apollo Lavasa Health Corporation Limited	India	51.00%	51.00%
11	Western Hospitals Corporation Private Limited	India	100.00%	100.00%
12	Apollo Hospitals Singapore Pte Ltd, Singapore	Singapore	100.00%	100.00%
13	Sapien Biosciences Private Limited	India	70.00%	70.00%
14	Total Health	India	100.00%	100.00%
15	Apollo Health Care Technology Solutions Limited	India	40.00%	40.00%
16	Apollo Assam Hospitals Limited	India	61.24%	59.08%
17	Apollo Hospitals International Limited	India	50.00%	50.00%
18	Future Parking Private Limited	India	49.00%	49.00%
19	**Step down subsidiaries**			
20	Apollo CVHF Limited	India	63.74%	50.00%
21	Apollo Dialysis Private Limited	India	70.00%	70.00%
22	Alliance Dental Care Limited	India	70.00%	70.00%
23	Apollo Sugar Clinics Limited	India	80.00%	80.00%
24	Apollo Speciality Hospitals Private Limited	India	99.92%	99.92%
25	Apollo Bangalore Cradle Limited (Step down subsidiary of Apollo Health and Lifestyle Limited)	India	100.00%	100.00%
26	Kshema Health Care Private Limited (Step down subsidiary of Apollo Health and Lifestyle Limited)	India	100.00%	100.00%

3.4 Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

3.5 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

a) deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;

b) liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payment at the acquisition date

c) assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard

On acquisition, the Group assesses the classification of the acquiree's assets and liabilities and reclassifies them where the classification is inappropriate for Group purposes.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

3.6 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note 3.4 above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described at note 3.7 below.

3.7 Investments in associates and joint ventures

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

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

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

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

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

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

Investments in associates

Particulars	Place of Incorporation	% of holding	
		31st March 2018	31st March 2017
Indraprastha Medical Corporation Limited	India	22.03%	22.03%
Stemcyte India Therapeutics Private Limited	India	24.50%	24.50%
Apollo Munich Health Insurance Company Limited	India	10.00%	10.00%
Family Health Plan Insurance (TPA) Limited	India	49.00%	49.00%

Investments in Joint Ventures

Particulars	Place of Incorporation	% of holding	
		31st March 2018	31st March 2017
Apollo Gleneagles Hospitals Limited	India	50.00%	50.00%
Apollo Gleneagles Hospitals PET CT Private Limited	India	50.00%	50.00%
ApoKos Rehab Private Limited	India	50.00%	50.00%
Family Health Plan Insurance (TPA) Limited	India	49.00%	49.00%
Apollo Amrish Oncology Private Limited (Associate of Apollo Hospitals International Limited)	India	50.00%	50.00%

3.8 Revenue recognition

3.8.1 Rendering of services

Healthcare Services

Revenue primarily comprises fees charged for inpatient and outpatient hospital services. Services include charges for accommodation, theatre, medical professional services, equipment, radiology, laboratory and pharmaceutical goods used. Revenue is recorded and recognised during the period in which the hospital service is provided, based upon the estimated amounts due from patients and/or medical funding entities.

Unbilled revenue is recorded for the service where the patients are not discharged and invoice is not raised for the service. Revenue is measured at the fair value of the consideration received or receivable.

The service revenues are presented net of related doctor fees and diagnostic charges in cases where the Group is not the primary obligor and does not have the pricing latitude.

Unbilled revenue is recorded for the services where the patients are not discharged and invoice is not raised for the service rendered.

Other Services

(i) Hospital Project Consultancy income is recognised as and when it becomes due, on percentage completion method, on achievement of milestones.

(ii) Income from Clinical Trials on behalf of Pharmaceutical Companies is recognized on completion of the service, based on the terms and conditions specified to each contract.

(iii) One-time franchise license fees is recognised based on achievement of the milestones as per the terms of the contract and where ever there is no bifurcation of total fee then over the period of the agreement.

(iv) Other Franchisee license fee is recognised on accrual basis as per the terms of the contracts.

(v) Other services fee is recognized on basis of the services rendered and as per the terms of the agreement.

(vi) Royalty income is recognised on an accrual basis in accordance with the terms of the relevant agreement.

3.8.2 Sale of Goods

Pharmacy Sales are recognised when the risk and reward of ownership is passed to the customer. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue is reduced for rebates and loyalty points granted upon purchase and are stated net of returns and discounts wherever applicable.

3.8.3 Loyalty Points

Sales of goods that result in award credits for customers, under the Group's Loyalty Points Schemes are accounted for as multiple element revenue transactions and the fair value of the consideration received or receivable is allocated between the goods supplied and the award credits granted. The consideration allocated to the award credits is measured by reference to their fair value – the amount for which the award credits could be sold separately. Such consideration is not recognised as revenue at the time of the initial sale transaction – but is deferred and recognised as revenue when the award credits are redeemed and the Group's obligations have been fulfilled.

3.8.4 Revenue from Insurance business

a. Premium:

Premium (net of service tax) is recognized as income over the contract period or period of risk, whichever is appropriate. Any subsequent revision or cancellation of premium is accounted for in the year in which they occur.

b. Commission on Reinsurance Premium:

Commission on reinsurance ceded is recognized as income in the year of cession of reinsurance premium. Profit commission under reinsurance treaties, wherever applicable, is recognized in the year of determination of the profits and as intimated by the reinsurer.

c. Premium Deficiency:

Premium deficiency is recognized whenever the ultimate amount of expected claims, related expenses and maintenance costs exceeds the related sum of premium carried forward to the subsequent accounting period as reserve for unexpired risk.

d. Reserve for Unexpired Risk:

Reserve for unexpired risk represents that part of the net premium (premium net of reinsurance ceded) attributable to the succeeding accounting period subject to a minimum amount of reserves as required by Section 64V (1) (ii) (b) of the Insurance Act, 1938.

e. Interest / Dividend Income:

Interest income is recognized on accrual basis. Dividend is recognized when the right to receive the dividend is established.

f. Accretion / Amortization of Discounts/ Premium

Accretion of discounts and amortization of premium relating to debt securities is recognized over the holding / maturity period.

3.8.5 Revenue from Third Party Administrator (TPA) Business

Revenue is measured at the fair value of the considerations received or receivable. Income from TPA operations is recognised exclusive of applicable Service tax/ GST. The Company derived its revenue primarily as service fee on Third Party Administration contracts entered into he Insurance Companies. Revenue accrues to the Company bases on the contract entered with the Insurance Company, in respect of policies entrusted to the Company for rendering the TPA Services. All the TPA streams of revenue are being recognized on an accrual basis. Income from TPA operations is recognized exclusive of applicable service tax . Provision for estimated losses on incomplete contract is recorded in the year in which such losses become probable based on the current contract estimates

3.8.6 Revenue from export benefit schemes

Under the "Served from India Scheme" introduced by the Government of India, an exporter of service is entitled to certain export benefits on foreign currency earned. The revenue in respect of export benefits is recognized on the basis of the foreign exchange earned at the rate at which the said entitlement accrues to the extent there is no significant uncertainty as to the amount of consideration that would be derived and as to its ultimate collection.

3.8.7 Revenue from stem cell and other ancillary services

Stemcyte India Therapeutics Private Limited, an associate Company provides services such as stem cell processing, handling, storage and related services. Revenue from delivering services is recognised under the percentage of completion method when the outcome of services provided can be estimated reliably. The safe of completion of a service contract is measured by the percentage of the actual services performed as of the financial reporting date to the total services to be performed. If the outcome of a service contract cannot be estimated reliably, contract revenue should be recognised only to the extent that contract costs incurred are likely to be recoverable

3.8.8 Voluntary contributions

Total Health, a subsidiary Company incorporated under section 8 of the Act is engaged in non-profit activities. Voluntary contributions are accounted on receipt basis.

3.8.9 Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.8.10 Rental income

The Group's policy for recognition of revenue from operating leases is described under note 3.9.1 below.

3.9 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

3.9.1 The Group as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

3.9.2 The Group as lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see note 3.11 below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3.10 Foreign currencies

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

3.11 Borrowings and Borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.12 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

3.13 Employee benefits

3.13.1 Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected in retained earnings and is not reclassified to statement of profit and loss. Past service cost is recognised in statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Group presents the first two components of defined benefit costs in statement of profit and loss in the line item 'Employee benefits expense'.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

3.13.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

3.14 Share-based payment arrangements

3.14.1 Share-based payment transactions

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in the notes to accounts.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is re-measured, with any changes in fair value recognised in profit or loss for the year.

3.15 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

3.15.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Advance taxes and provisions for current income taxes are presented in the Balance Sheet after off-setting advance tax paid and income tax provision

3.15.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3.15.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in accounting for the business combination.

3.16 Property, plant and equipment

Land and buildings mainly comprise of hospitals and offices. Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Expenses in the nature of general repairs and maintenance , i.e. in the nature of day to day service costs are charged to income statement during the financial period in which they are incurred.

Parts of some items of property, plant and equipment may require replacement at regular intervals and this would enhance the life of the asset. The Group recognises these in the carrying value of property, plant & equipment and amortised over the period which is lower of replacement period and its useful life. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of Ind AS 16.

Fixtures, and medical equipment are stated at cost less accumulated depreciation and accumulated impairment losses. All repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Estimated useful lives of the assets are as follows:

Category of assets	Useful Life (in years)
Buildings (Freehold)	60 years
Buildings (Leasehold)	Lease term or 30 years, whichever is shorter (Non cancellable with renewable clause)
Plant and Machinery	15 Years
Electrical Installation and Generators	10 Years
Medical Equipment	13 Years
Surgical Instruments	3 Years
Furnitures and Fixtures	10 Years
Vehicles	8 Years
Office Equipments	5 Years
Computers	3 Years
Servers	6 Years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.17 Intangible assets

3.17.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimates being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

3.17.2 Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

3.17.3 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit and loss when the asset is derecognised.

3.17.4 Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Category of assets	Useful Life (in years)
Software License	3 years
Non Compete Fees	3 years
Trademarks	3 years

3.17.5 Review of useful life and method of depreciation

The amortisation period and method are reviewed at the end of each reporting period to check if the expected useful life of the asset changes from previous estimates, the effect of such change in estimates are accounted for prospectively.

3.18 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of profit and loss.

3.19 Inventories

Inventories of medical consumables, drugs and stores & spares are valued at cost or lower of net realizable value. Net Realizable Value represents the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

Cost is determined as follows:

a. 'Medicines' under healthcare segment is valued on First in First Out (FIFO) basis.
b. 'Medicines' under retail pharmacies segment is valued on weighted average rates.
c. 'Stores and spares' is valued on First in First Out (FIFO) basis.
d. 'Other consumables (including laboratory consumables)' is valued on First in First Out (FIFO) basis.

e. Inventories consist of UCB stem cells stored in the public bank, which are recorded at attributable direct costs to those public stem cells available for transplant. Net realisable value of public stem cells is measured by evaluating various factors impacting the likelihood of being sold within a reasonable storage period.

3.20 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.20.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

3.21 Financial instruments

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value are recognised immediately in profit or loss.

3.21.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(i) Classification of financial assets

Financial Assets that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI) (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

(ii) Amortised Cost and Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

(iii) Investments in equity instruments at FVTOCI

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

3.21.2 Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

3.21.3 Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

The impairment provisions for trade receivables is based on assumptions about risk of default and expected loss rates. The Group uses judgements in making certain assumptions and selecting inputs to determine impairment of these trade receivables, based on the Group's historical experience towards potential billing adjustments, delays and defaults at the end of each reporting period.

3.21.4 Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

3.21.5 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.

3.22 Financial liabilities and equity instruments

3.22.1 Classification as debt or equity

Debt and equity instruments issued by a Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3.22.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

3.22.3 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below :

3.22.4 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a Group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for not-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group as at fair value through profit or loss are recognised in profit or loss.

3.22.5 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

3.22.6 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a group entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

3.22.7 Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3.22.8 Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

3.23 Put Options

The Group has issued written put option to non-controlling interests in certain subsidiaries of the Group in accordance with the terms of underlying agreement with such option holders. Should the option be exercised, the Group has to settle such liability by payment of cash.

Accounting on Initial Recognition:

The amount that may become payable under the option on exercise is recognised as a financial liability at fair value on the transaction date with a corresponding charge directly to the shareholders' equity.

Subsequent Measurement:

The liability is subsequently accreted through finance charges recognised under finance cost in the Statement of Profit and Loss up to the redemption amount that is payable at the date on which the option first becomes exercisable. In the event that the option expires unexercised, the liability is derecognised with a corresponding adjustment to equity.

3.24 Segment reporting

The Group uses the management approach for reporting information about segments in annual financial statements. The management approach is based on the way the Chief Operating Decision maker organises segments within a Group for making an operating decision and assessing performance. Reportable segments are based on services, legal structure, management structure and any other manner in which the management disaggregates a Company. Based on the management approach model the Group has determined that its business model is comprised of Clinics and Diagnostics. "

3.25 Non Current Asset Held for Sale

The Group classifies non-current assets held for sale if their carrying amounts will be principally recovered through a sale rather than through continuing use of assets and action required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

4 Critical accounting judgements and key sources of estimation uncertainty

The preparation of these financial statements in conformity with recognition and measurement principles of IND AS requires the management of the Group to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amount of income and expenses for the periods presented

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see note 4.2 below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

4.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4.2.1 Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

4.2.2 Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The business acquisitions made by the Company are also accounted at fair values.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group's engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Chief Financial Officer reports the findings to the board of directors of the Company every quarter to explain the cause of fluctuations in the fair value of the assets and liabilities.

4.2.3 Employee Benefits - Defined benefit obligations

The cost of defined benefit plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increase

4.2.4 Litigations

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

4.2.5 Revenue Recognition

Revenue from fees charged for inpatient and outpatient hospital/clinical services rendered to insured and corporate patients are subject to approvals for the insurance companies and corporates. Accordingly, the Group estimates the amounts likely to be disallowed by such companies based on past trends.

4.2.6 Useful lives of property plant and equipment

The Group reviews the useful life of property plant and equipment at the end of each reporting period. This reassessment may result in depreciation expense in future periods

4.2.7 Recoverability of Deferred Tax Asset

The deferred tax assets recognised primarily relate to business losses, Minimum Alternate Tax (MAT) credit and other deductible temporary differences. The deferred tax asset has been recognized on the basis of management estimate that its recovery is probable in the foreseeable future

4.2.8 Impairment of Financial Assets

The impairment provisions for trade receivables is based on assumptions about risk of default and expected loss rates. The Group uses judgements in making certain assumptions and selecting inputs to determine impairment of these trade receivables, based on the Group's historical experience towards potential billing adjustments, delays and defaults at the end of each reporting period

4.2.9 Impairment of Non - Financial Assets

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

4.2.10 Loyalty Points

Estimations based on past trends of redemption of customer loyalty points is made to determine the value of revenue to be deferred

4.2.11 Income Taxes

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

5 Property, Plant and Equipment and Capital Work-in-progress

Particulars	As at March 31, 2018	As at March 31, 2017
Carrying amounts of:		
Land	3,608.96	3,303.49
Buildings	16,429.75	15,911.07
Leasehold Improvements	4,126.20	4,115.61
Plant and Machinery	4,941.61	5,034.57
Medical Equipment	10,778.24	9,981.01
Furniture and Fixtures	2,816.58	2,591.22
Office Equipments	432.16	435.11
Computers	314.88	336.57
Vehicles	337.26	384.44
	43,785.65	**42,093.10**
Capital Work-in-progress	7,121.97	3,468.59
Total	**50,907.62**	**45,561.69**

Particulars	Land (Refer note iv)	Buildings	Leasehold Improvements	Plant & Machinery@	Medical Equipment*	Furniture and Fittings	Office Equipments	Computers#	Vehicles	Total
Balance as at April 1, 2016	**3,305.47**	**12,670.20**	**4,515.18**	**5,598.44**	**10,561.01**	**2,900.13**	**720.65**	**864.02**	**573.91**	**41,709.01**
Additions	-	3,897.46	478.10	1,678.30	2,238.40	534.75	172.19	203.93	145.72	9,348.85
Disposals	(1.98)		(29.31)	(41.02)	(191.34)	(2.81)	(23.95)	(3.61)	(4.53)	(298.56)
Adjustment/ Reclassification	-	-	20.62	5.43	12.68	1.39	0.96	1.37	1.37	43.81
Balance at March 31, 2017	**3,303.49**	**16,567.66**	**4,984.59**	**7,241.15**	**12,620.75**	**3,433.45**	**869.86**	**1,065.71**	**716.46**	**50,803.11**
Additions	305.47	833.82	346.62	473.92	2,206.29	710.69	122.37	152.43	30.18	5,181.80
Disposals	-	(0.01)	(17.66)	(15.03)	(68.26)	(100.86)	(17.24)	(17.22)	(14.78)	(251.05)
Adjustment/ Reclassification	-	-	-	(23.72)	(9.48)	5.21	25.23	(2.55)	-	(5.30)
Balance at March 31, 2018	**3,608.96**	**17,401.48**	**5,313.55**	**7,676.33**	**14,749.30**	**4,048.49**	**1,000.22**	**1,198.37**	**731.86**	**55,728.55**

Accumulated depreciation and impairment

Particulars	Land (Refer note iv)	Buildings	Leasehold Improvements	Plant & Machinery@	Medical Equipment*	Furniture and Fittings	Office Equipments	Computers#	Vehicles	Total
Balance as at April 1, 2016		**401.84**	**684.12**	**1,751.61**	**1,439.36**	**435.21**	**319.29**	**587.61**	**269.82**	**5,888.86**
Eliminated on disposals	-	-	(16.09)	(17.25)	(171.44)	(0.90)	(17.93)	(0.22)	(3.84)	(227.67)
Depreciation expense		254.75	180.34	466.78	1,359.12	406.54	132.41	140.39	64.67	3,005.01
Adjustment/ Reclassification	-	-	20.62	5.43	12.68	1.39	0.96	1.37	1.37	43.81
Balance at March 31, 2017	**-**	**656.59**	**868.98**	**2,206.58**	**2,639.73**	**842.23**	**434.75**	**729.14**	**332.02**	**8,710.01**
Eliminated on disposals	-	(11.88)	(4.07)	(8.63)	(53.26)	(43.34)	(15.65)	(16.58)	(11.83)	(165.24)
Depreciation expense		327.02	322.43	540.75	1,385.15	432.08	144.33	175.42	74.41	3,401.58
Adjustment/ Reclassification	-	-	-	(3.97)	(0.56)	0.94	4.64	(4.49)	-	(3.45)
Balance at March 31, 2018	**-**	**971.73**	**1,187.35**	**2,734.72**	**3,971.06**	**1,231.90**	**568.06**	**883.48**	**394.60**	**11,942.90**
Carrying amount as on March 31, 2017	**3,303.49**	**15,911.07**	**4,115.61**	**5,034.57**	**9,981.01**	**2,591.22**	**435.11**	**336.57**	**384.44**	**42,093.10**
Carrying amount as on March 31, 2018	**3,608.96**	**16,429.75**	**4,126.20**	**4,941.61**	**10,778.24**	**2,816.58**	**432.16**	**314.88**	**337.26**	**43,785.65**

@ Includes electrical installation and generators | * Includes surgical equipments | # Includes Servers

Notes:

(i) Refer Note 21 for information on Property, Plant & Equipment pledged as security by the Company for securing financing facilities from banks and financial institutions.

(ii) Refer Note 52 for the contractual capital commitments for purchase of Property, plant & equipment.

(iii) Refer note 35 for details of interest capitalised during the year under Capital Work in Progress.

(iv) In respect of one of its subsidiary company Imperial Health and Research Company Limited (IHRCL) which operates its hospital from a land that was originally allotted by State Government of Karnataka which was subject to compliance of certain terms and conditions. During the year 2014-15IHRCL had received an order from the Special Deputy Commissioner alleging non-compliance of certain conditions associated with the allotment of the land. Further the said authority has also demanded to surrender the land along with the building constructed thereon, in favour of a Government run Hospital.

IHRCL had approached legal experts and taken their legal opinions to say that:

(a) there is no violation on the part of the IHRCL of any terms and conditions of the allotment

(b) There is no threat to the marketable title of the property held by IHRCL

A notice dated 19.04.2018, issued by the Directorate of Medical Education, Government of Karnataka was received by IHRCL seeking to handover the property along with the operations of the hospital to the designated committee. On receipt of this Notice, IHRCL approached the Hon. Karnataka High Court and has obtained the stay order dated 27th April 2018, against the operation of the order dated 19.03.2015 of the Special Deputy commissioner and also against the notice dated 19.04.18 of the Directorate of Medical Education. Thus the entire proceedings is stayed by the High court and the matter is sub-judice.

The senior counsel and legal experts have given a clear opinion about the matter and have stated that ""there is no likelihood of Imperial losing the property since Imperial has been able to establish that there is no violation of the grant conditions"", indicating that there is no threat to the title, ownership or possession of the land and building and also for carrying out their operations.

6 Investment Property

Particulars	As at March 31, 2018	As at March 31, 2017
Carrying amounts of:		
Building (Multi-level Car Park)	71.48	77.65
Total	**71.48**	**77.65**

Particulars	Building
Balance at beginning of the year	83.82
Additions	-
Disposals	-
Balance at end of year 2017	**83.82**
Additions	-
Disposals	-
Balance at end of year 2018	83.82
Accumulated depreciation and impairment	
Balance at beginning of year	**-**
Amortisation expense	6.17
Eliminated on Disposals	-
Balance at end of year 2017	**6.17**
Amortisation expense	6.17
Eliminated on Disposals	-
Balance at end of year 2018	**12.34**
Carrying amount as on March 31, 2017	77.65
Carrying amount as on March 31, 2018	71.48

Fair Value of Group's investment Property

The group obtained independent valuations for its investment property. Accordingly the fair value of the group's investment properties as at March 31, 2018 is ₹ 276.80 Million on the basis of valuation carried out by independent valuers not related to Company. The said valuers are registered with the authority which governs the valuers in India and have appropriate qualifications and relevant experience in the valuation of properties in the relevant locations.

Basis for arriving the fair value

The guideline value as pronounced by the government has been considered as base for fair valuation. Further, detailed enquiries have been made to arrive at the prevailing market rates for smilar plots in that area. Appropriate premiums as necessary as considered on a conservative basis taking into account the topography, location advantage.

7 Goodwill

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Balance	3,462.52	3,462.52
Accumulated impairment losses	(0.53)	-
Total	**3,461.99**	**3,462.52**

(i) Allocation of goodwill to cash generating units:

Goodwill has been allocated for impairment testing purposes to the following cash-generating unit. The following table presents the allocation of goodwill to reportable segments:

Cash generating units	As at March 31, 2018	As at March 31, 2017
Standalone Pharmacies	948.30	948.30
Healthcare	2,061.73	2,061.73
Clinics	384.49	385.02
Others	67.47	67.47
Total	**3,461.99**	**3,462.52**

(ii) Key assumptions used for value-in-use calculations

The Company tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which uses cash flow projections based on financial budgets approved by management covering periods ranging from 5 - 6 years as the Company believes this to be the most appropriate time scale for reviewing and considering annual performance before applying a fixed terminal value multiple to the final cash flows.

Key Assumptions	Standalone Pharmacy
Discount Rate	12% - 17%
Growth Rate (used for determining Terminal Value)	2% - 5%

Discount Rate- Management estimates discount rates using pre-tax rates that reflect current market assessments of the risks specific to the CGU, taking into consideration the time value of money and individual risk of the underlying asset that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and its operating segments and is derived from its weighted average cost of the capital (WACC)

Growth Rates- The growth rates are based on the industry growth forecast. Management determines the budgeted growth rate based on past performance and its expectation on its market development. The weighted average growth rate used were consistent with industry reports

Based on the assessment, the management has concluded that there is no impairment of goodwill in respect of CGU. The management believes that any reasonably possible further change in key assumptions on which recoverable amount is based would not cause the carrying amount to exceed its recoverable amount.

8 Intangible Assets

Particulars	As at March 31, 2018	As at March 31, 2017
Carrying amounts of:		
Software Licence	392.30	214.00
Trademark	2.29	21.77
Non Compete Fee	14.88	41.52
Total	**409.47**	**277.29**

Particulars	Software Licence	Trademark	Non Compete Fee	Total
Balance at beginning of the year	403.67	66.66	115.37	585.71
Additions	170.26	-	-	170.26
Disposals	(0.06)			(0.06)
Adjustment/Reclassification	0.05		(31.38)	(31.33)
Balance at end of year 2017	**573.92**	**66.66**	**83.99**	**724.58**
Additions	336.55	-	-	336.55
Disposals	(0.03)	(0.26)	(15.74)	(16.03)
Adjustment/Reclassification	0.69			0.69
Balance at end of year 2018	**911.12**	**66.40**	**68.25**	**1,045.79**
Accumulated depreciation and impairment				
Balance at beginning of year	281.39	21.32	22.59	325.31
Amortisation expense	80.35	23.56	25.31	129.22
Eliminated on Disposals	(1.86)		(5.44)	(7.30)
Adjustment/Reclassification	0.05			0.05
Balance at end of year 2017	**359.92**	**44.88**	**42.47**	**447.28**
Amortisation expense	157.28	19.45	5.81	182.54
Eliminated on Disposals	0.63	(0.23)	5.09	5.49
Adjustment/Reclassification	1.00			1.00
Balance at end of year 2018	**518.82**	**64.11**	**53.37**	**636.32**
Carrying amount as on March 31, 2017	**214.00**	**21.77**	**41.52**	**277.29**
Carrying amount as on March 31, 2018	**392.30**	**2.29**	**14.88**	**409.47**

9 Investment in Equity Accounted Investee

Name of the Body Corporate	Associate/ Joint Ventures	Quoted / Unquoted	As at 31st March, 2018		As at 31st March, 2017	
			Quantity	Amount	Quantity	Amount
Indraprastha Medical Corporation Limited	Associate	Quoted	20,190,740	657.71	20,190,740	640.99
Stemcyte India Therapeutics Private Limited	Associate	Unquoted	240,196	68.34	240,196	74.40
Apollo Gleneagles Hospitals Ltd	Joint Venture	Unquoted	54,675,697	1,137.06	54,675,697	1,212.60
Apollo Gleneagles PET-CT Pvt Ltd	Joint Venture	Unquoted	8,500,000	45.76	8,500,000	51.02
ApoKos Rehab Pvt Ltd	Joint Venture	Unquoted	5,750,000	69.88	5,750,000	69.51
Apollo Munich Health Insurance Company Ltd	Associate	Unquoted	35,709,000	434.41	35,709,000	419.17
Family Health Plan Limited	Associate	Unquoted	490,000	350.35	490,000	317.37
Total				**2,763.51**		**2,785.06**

Aggregate book value of quoted investments	657.71	640.99
Aggregate market value of quoted investments	975.21	1,104.43
Aggregate carrying value of unquoted investments	2,105.81	2,144.07

9.1 Details of material associates

The Group has interest in the following companies. The Group has significant influence either by virtue of shareholding being more than 20% or through Board representation. However the Group does not have control or joint control over any of them.

Name	Principal Activity	Place of Incorporation and Principal place of Business	Proportion of ownership interest / voting rights held by the Group	
			Amount 31st March, 2018	Amount 31st March, 2017
Indraprastha Medical Corporation Limited	Health Care and services	India	22.03%	22.03%
Stemcyte India Therapeutics Private Limited	Health Care and services	India	24.50%	24.50%
Apollo Munich Health Insurance Company Limited	Health Insurance	India	10.00%	10.00%
Family Health Plan Limited	Health Insurance	India	49.00%	49.00%

9.1.1 All the above associates are accounted for using the equity method in these consolidated financial statements.

9.1.2 In respect of its associate Company Apollo Munich Health Insurance Company Limited, although the group holds less than 20% of equity shares and less than 20% of voting power at shareholder meetings, the group exercises significant influence by virtue of its joint contractual right to appoint 4 out of 6 directors of that Company along with Apollo Energy Limited which has been jointly referred as "Apollo Group" in the shareholder agreement.

9.2 Summarised financial information of material associates

The summarised financial information below represents amounts shown in the material's associate financial statements prepared in accordance with Ind ASs adjusted by the Group for equity accounting purposes.

9.2.1 Indraprastha Medical Corporation Limited (IMCL)

	As at March 31, 2018	As at March 31, 2017
Non-current assets	3,000.87	3,005.04
Current assets	1,361.11	1,579.40
Non-current liabilities	(622.50)	(418.74)
Current liabilities	(1,416.35)	(1,857.40)
Net Assets	**2,323.13**	**2,308.30**
Ownership held by the group	22.03%	22.03%
Group's Share of Net Assets	511.79	508.52
Add: Goodwill on consolidation	160.21	160.21
Add: Others	(14.29)	(27.74)
Carrying amount of group's interest in IMCL	**657.71**	**640.99**

	As at March 31, 2018	As at March 31, 2017
Revenue	7,483.56	7,657.16
Profit from continuing operations (after tax)	211.03	262.45
Other comprehensive income for the year	2.43	6.94
Total comprehensive income for the year	213.46	269.39
Proportion of the Group's ownership interest in Total Comprehensive Income	**47.03**	**59.35**

9.2.2 Family Health Plan Insurance TPA Limited (FHPTL)

	As at March 31, 2018	As at March 31, 2017
Non-current assets	751.10	608.48
Current assets	419.65	342.86
Non-current liabilities	(204.88)	(134.76)
Current liabilities	(220.86)	(138.89)
Net Assets	**745.01**	**677.69**
Ownership held by the group	49%	49%
Group's Share of Net Assets	365.05	332.07
Add: Goodwill on consolidation	(14.70)	(14.70)
Carrying amount of group's interest in FHPTL	**350.35**	**317.37**

9.3 Investments in joint ventures

9.3.1 Details of material joint ventures

The Group has interest in the following companies. This has been accounted for using the equity method in the consolidated financial statements. The Group has joint control by virtue of contractual arrangements.

Name of associate	Principal Activity	Proportion of ownership interest / voting rights held by the Group	
		As at March 31, 2018	As at March 31, 2017
Apollo Gleneagles Hospitals Limited	Healthcare and services	50.00%	50.00%
Apollo Gleneagles Hospitals PET CT Private Limited	Healthcare and services	50.00%	50.00%
ApoKos Rehab Private Limited	Healthcare and services	50.00%	50.00%

9.3.2 Summarised financial information of material joint ventures

The summarised financial information below represents amounts shown in the joint venture Company's financial statements prepared in accordance with Ind ASs adjusted by the Group for equity accounting purposes.

	As at March 31, 2018	As at March 31, 2017
Non-current assets	3,569.00	3,722.18
Current assets	1,443.12	1,104.86
Non-current liabilities	(542.25)	(702.96)
Current liabilities	(2,286.48)	(1,789.60)
Net Assets	**2,183.39**	**2,334.48**
Ownership held by the group	50%	50%
Group's Share of Net Assets	1,091.70	1,167.24
Add: Goodwill on consolidation	45.36	45.36
Carrying amount of group's interest in AGHL	**1,137.06**	**1,212.60**

	As at March 31, 2018	As at March 31, 2017
Revenue	5,327.73	6,397.56
Loss from continuing operations (after tax)	(151.21)	325.47
Other comprehensive income for the year	0.11	(2.69)
Total comprehensive income for the year	(151.10)	322.78
Proportion of the Group's ownership interest in Total Comprehensive Income	**(75.55)**	**161.39**

9.3.3. Apollo Gleneagles Hospital Limited (AGHL)

	As at March 31, 2018	As at March 31, 2017
Revenue	1,085.79	940.32
Profit from continuing operations (after tax)	55.03	80.21
Other comprehensive income for the year	12.28	89.95
Total comprehensive income for the year	67.31	170.16
Proportion of the Group's ownership interest in Total Comprehensive Income	**32.98**	**83.38**

9.3.4 Apollo Gleneagles PET-CT Private Limited (Pet CT)

	As at March 31, 2018	As at March 31, 2017
Non-current assets	91.73	75.15
Current assets	34.85	49.15
Non-current liabilities	(19.46)	(7.62)
Current liabilities	(15.59)	(14.65)
Net Assets	**91.53**	**102.04**
Ownership held by the group	50.00%	50.00%
Group's Share of Net Assets	45.76	51.02
Carrying amount of group's interest in Pet CT	**45.76**	**51.02**

	As at March 31, 2018	As at March 31, 2017
Revenue	104.33	98.58
Profit from continuing operations (after tax)	(10.33)	(12.33)
Other comprehensive income for the year	(0.19)	(0.11)
Total comprehensive income for the year	(10.52)	(12.44)
Dividends received from the associate during the year	-	-
Proportion of the Group's ownership interest in Total Comprehensive Income	**(5.26)**	**(6.22)**

9.3.5 ApoKos Rehab Private Limited (ApoKos)

	As at March 31, 2018	As at March 31, 2017
Non-current assets	99.93	107.87
Current assets	59.49	41.45
Non-current liabilities	(1.55)	(0.82)
Current liabilities	(18.10)	(9.48)
Net Assets	**139.77**	**139.01**
Ownership held by the group	50%	50%
Group's Share of Net Assets	69.88	69.51
Carrying amount of group's interest in ApoKos	**69.88**	**69.51**

	As at March 31, 2018	As at March 31, 2017
Revenue	65.37	27.92
Profit from continuing operations (after tax)	0.92	(15.25)
Other comprehensive income for the year	(0.16)	(0.00)
Total comprehensive income for the year	0.76	(15.25)
Proportion of the Group's ownership interest in Total Comprehensive Income	**0.38**	**(7.62)**

9.4 The group's share of commitment and contingent liabilities in respect of its associates and joint venture is disclosed as part of Note 52 and Note 53.

10 Other Investments

Particulars	Year Ended March 31, 2018		Year Ended March 31, 2017	
	Non Current	Current	Non Current	Current
Investment carried at Fair Value through Profit and Loss				
(a) Mutual Funds	32.57	578.73	155.69	1,058.45
(b) Other Investments	129.90	-	133.67	-
Investments in equity instruments at FVTOCI				
(a) Investment in Equity instruments	5.63	-	5.08	-
Investments carried at amortised cost				
(a) Other Investments	37.23	-	34.37	-
(b) Investments in Government or Trust securities	0.02	-	0.04	-
(c) Guarantee Provided	0.39	-	0.39	-
Grand Total (A + B)	**205.74**	**578.73**	**329.24**	**1,058.45**
Less : Provision for diminution in the value of Investments	(112.30)	-	(112.30)	-
Total	**93.44**	**578.73**	**216.94**	**1,058.45**
Aggregate carrying value of unquoted investments	93.44	578.73	216.94	1,058.45
Total	**93.44**	**578.73**	**216.94**	**1,058.45**

10.1 Investment carried at Fair Value through Profit and Loss - Non Current

Name of the Body Corporate	Quoted / Unquoted	Partly Paid / Fully paid	Amount March 31, 2018	Amount March 31, 2017
Mutual Funds				
Reliance Income Fund Retail plan - Growth plan Option (Growth)	Unquoted	Fully paid	1.66	-
Kotak Flexi Debt	Unquoted	Fully paid	30.91	-
UTI Floating rate fund	Unquoted	Fully paid	-	3.90
DHFL Pramerica Insta Cash plus fund	Unquoted	Fully paid	-	32.72
IDFC All seasons Bond Fund	Unquoted	Fully paid	-	14.96
Kotak Floater short term	Unquoted	Fully paid	-	32.00
Kotak Bond short term	Unquoted	Fully paid	-	20.77
Reliance short term fund	Unquoted	Fully paid	-	20.64
Reliance income fund - 30231	Unquoted	Fully paid	-	1.61
Kotak flexi - 1386366	Unquoted	Fully paid	-	29.09
Total			**32.57**	**155.69**

10.2 Investment carried at Fair Value through Profit and Loss - Current

Name of the Body Corporate	Quoted / Unquoted	Partly Paid / Fully paid	Amount March 31, 2018	Amount March 31, 2017
Mutual Funds				
Canara Robeco Short Term Fund - Reg - Growth	Unquoted	Fully paid	-	13.70
DHFL Pramerica Short Maturity Fund - Growth	Unquoted	Fully paid	-	142.59
ICICI Prudential STP - Growth	Unquoted	Fully paid	-	119.97
Reliance Short Term Fund - Growth	Unquoted	Fully paid	-	367.80
Canara Robeco Medium Term Opportunities Fund - Reg - Growth	Unquoted	Fully paid	-	2.88
Canara Robeco Savings Plus Fund - Reg - Growth	Unquoted	Fully paid	-	35.70
HDFC Debt Fund for Cancer Cure 2014 - Reg - 100% Dividend Donation	Unquoted	Fully paid	20.06	20.05
Reliance Income Fund	Unquoted	Fully paid	0.02	8.68
Reliance Short term Fund	Unquoted	Fully paid	0.46	10.10
Birla Sun Life	Unquoted	Fully paid	53.64	59.68
HDFC High interest Fund	Unquoted	Fully paid	-	58.92
ICICI Prudential	Unquoted	Fully paid	54.39	59.92
Kotak Mutual Funds	Unquoted	Fully paid	-	30.13
DHFL Pramerica Banking PU Debt Fund	Unquoted	Fully paid	-	2.30
UTI Floating rate fund	Unquoted	Fully paid	4.17	
DHFL Pramerica Insta Cash Plus Fund	Unquoted	Fully paid	34.43	104.36
IDFC All Seasons Bond Fund	Unquoted	Fully paid	21.68	-
Kotak Floater Short Term	Unquoted	Fully paid	34.17	-
Kotak Bond Short Term	Unquoted	Fully paid	21.92	-
Reliance Short Term Fund	Unquoted	Fully paid	72.74	-
Axis Short Term Fund	Unquoted	Fully paid	20.53	-
Aditya Birla Sun life Short term fund	Unquoted	Fully paid	51.13	-
HDFC Short Term Opp. Fund	Unquoted	Fully paid	20.63	-
ICICI Equity Arbitrage Fund	Unquoted	Fully paid	51.34	-
ICICI Short Term Plan Growth	Unquoted	Fully paid	20.46	-
Reliance Short Term Fund - (STAGG)	Unquoted	Fully paid	4.58	-
SBI STD Fund - Reg plan Growth	Unquoted	Fully paid	50.96	21.67
IDFC Arbitrage Fund Growth	Unquoted	Fully paid	20.69	-
Kotak Equity Arbitrage Fund	Unquoted	Fully paid	20.73	-
Total			**578.73**	**1,058.45**

10.3 Investment carried at Fair Value through Profit and Loss (Non Current)

Name of the Body corporate	Face Value	Quoted/ Unquoted	Fully paid/ Partly paid	As at March 31, 2018		As at March 31, 2017	
					Amount	Quantity	Amount
Other Investments							
Searchlight Health Private Limited	10.00	Unquoted	Fully Paid	4,06,514	16.27	4,06,514	21.34
Kurnool hospitals Enterprise Limited	10.00	Unquoted	Fully Paid	1,57,500	1.73	1,57,500	1.73
AMG Health care Destination Private Limited	10.00	Unquoted	Fully Paid	12,32,500	12.33	12,32,500	12.33
Cureus .Inc (Stanford - US)	10.00	Unquoted	Fully Paid	9,35,000	27.43	9,35,000	27.43
British American Hospitals Enterprises Limited	100MUR	Unquoted	Fully Paid	4,64,333	67.94	4,64,333	67.94
Cholamandalam Finance	10.00	Unquoted	Fully Paid	1,000	1.45	1,000	0.96
The Karur Vysya Bank Ltd	10.00	Unquoted	Fully Paid	12,811	2.25	12,811	1.44
Matrix Agro Pvt Ltd	10.00	Unquoted	Fully Paid	5,00,000	0.50	5,00,000	0.50
Total					**129.90**		**133.67**

10.4 Investments in equity instruments at FVTOCI (Non-Current)

Name of the Body corporate	Face Value	Quoted/ Unquoted	Fully paid/ Partly paid	As at March 31, 2018		As at March 31, 2017	
					Amount	Quantity	Amount
Searchlight Health Private Limited	10.00	Unquoted	Fully paid	2,01,000.00	5.63	2,01,000.00	5.08
Sunrise Medicare Private Limited	10.00	Unquoted	Fully paid	78.00	0.00	78.00	0.00
Total					**5.63**	**2,01,078.00**	**5.08**

10.5 Investments carried at amortised cost (Non-Current)

Name of the Body corporate	Face Value	Quoted/ Unquoted	Fully paid/ Partly paid	As at March 31, 2018		As at March 31, 2017	
					Amount	Quantity	Amount
Other Investments							
Clover energy Private Limited	10	Unquoted	Fully Paid	1,929,250	14.16	1,929,250	16.22
Leap Green Energy Private Limited	10	Unquoted	Fully Paid	97,600	1.43	97,600	1.43
Indo Wind Power Private Limited	10	Unquoted	Fully Paid	10,650	-	10,650	0.15
Tirunelveli Vayu Energy Generation Private Limited	1000	Unquoted	Fully Paid	36	13.60	36	13.61
Iris Ecopower Venture Private Limited	10	Unquoted	Fully Paid	-	1.83	-	1.11
VMA Wind Energy India Private Limited	10	Unquoted	Fully Paid	130,000	1.30	130,000	1.30
Array land developers Private Limited	10	Unquoted	Fully Paid	50,000	0.50	50,000	0.50
Morgan securities & credit Private Limited	10	Unquoted	Fully Paid	5,000	0.05	5,000	0.05
Citron ECO Power Private Limited	10	Unquoted	Fully Paid	-	4.36	-	-
Total					**37.23**		**34.37**

10.6 Investments in Government or Trust securities

Name of the Body corporate	Quoted/ Unquoted	Fully paid/Partly paid	As at March 31, 2018	As at March 31, 2017
National Savings Certificate	Unquoted	Fully Paid	0.02	0.04
Total			**0.02**	**0.04**

11 Investments in Debentures

Name of the Body corporate	Face Value	No. of Shares/Units as at March 31, 2018	No. of Shares/Units as at March 31, 2017	Quoted/ Unquoted	Fully paid/ Partly paid	March 31, 2018	March 31, 2017
Investments carried at Amortised Cost							
Apollo Munich Health Insurance Company Limited (Redeemable non-convertible debentures)	10,00,000	80	-	Unquoted	Fully paid	80.00	-
Total						**80.00**	**-**
Aggregate carrying value of unquoted investments						80.00	-

12 Trade Receivables

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
Trade receivables				
Unsecured, considered good	-	8,846.18	-	7,505.34
Doubtful	-	1,182.32	-	716.60
Allowance for doubtful debts (expected credit loss allowance)	-	(1,182.32)	-	(716.60)
Total	**-**	**8,846.18**	**-**	**7,505.34**

Majority of the Groups' transactions are earned in cash or cash equivalents. The trade receivables comprise mainly of receivables from Insurance Companies, Corporate customers and Government Undertakings. The entity's exposure to credit risk in relation to trade receivables is low.

The average credit period on sales of services is 30-60 days.

The Group has used a practical expedient by computing the expected credit loss allowance for receivables. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix.

No single customer represents 10% or more of the group's total revenue during the year ended March 31, 2018 and March 31, 2017. Therefore the customer concentration risk is limited due to the large and unrelated customer base.

12.1 The provision matrix at the end of the reporting period is as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Less than 6 months past due	0.00%	0.00%
6 months to 12 months past due	upto 12.5%	upto 12.5%
1 to 2 years past due	Upto 35%	Upto 35%
2 to 3 years past due	upto 96%	upto 96%
>3 years past due	upto 100%	upto 100%

12.2 Ageing

Particulars	As at March 31, 2018	As at March 31, 2017
Less than 1 year	7,484.70	6,505.30
More than 1 year	2,543.80	1,716.64
Total	**10,028.50**	**8,221.94**

12.3 Movement in the expected credit loss allowance

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Balance at beginning of the year	**716.60**	**690.28**
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	465.72	26.32
Balance at end of the year	**1,182.32**	**716.60**

13 Other Financial Assets

(Unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
(a) Security Deposits	2,021.08	199.90	2,012.76	74.50
(b) Other Advances	173.00	1,092.90	472.07	1,106.19
(c) Advances for Investments	42.25	-	8.26	-
(d) Advances to employees	0.17	159.11	-	128.69
(e) Derivative Financial Instruments	285.85	-	396.06	-
(f) Interest receivable	1.00	91.26	-	61.84
(g) Rent Receivable		2.53	-	-
(h) Finance Lease Receivable (Refer Note (i))	4.54		6.97	0.54
(i) Unbilled Revenue		29.92	-	-
(j) Franchise Fee Receivable	-	28.59	-	23.92
Total	**2,527.89**	**1,604.21**	**2,896.11**	**1,395.68**

(i) Leasing arrangements

The Company entered into finance lease arrangements with AHERF for its Building in Hyderabad. All leases are denominated in Indian Rupees. The average term of finance leases entered into is 99 years.

Notes to the Consolidated financial statements as at and for the year ended March 31, 2018
(All amounts are in ₹ million unless otherwise stated)

Amounts receivable under finance leases

Particulars	As at March 31, 2018		Present value of minimum lease payments	
	As at March 31, 2018	As at March 31, 2018	As at March 31, 2018	As at March 31, 2018
Not later than one year	0.54	0.54	0.00	0.00
Later than one year and not later than five years	2.18	2.18	0.00	0.00
Later than five years	47.62	48.17	4.54	4.54
Less: unearned finance income	45.80	46.35	-	-
Present value of minimum lease payments receivable	4.54	4.54	4.54	4.54
Allowance for uncollectible lease payments	-	-	-	-
Total	**4.54**	**4.54**	**4.54**	**4.54**

The interest rate inherent in the leases is considered as the average incremental borrowing rate which is approximately 12% per annum (as at March 31, 2017: 12% per annum).

14 Inventories

Particulars	As at March 31, 2018	As at March 31, 2017
Inventories ((Lower of cost and net realisable value))		
(a) Medicines	5,196.57	4,107.30
(b) Stores and Spares	238.31	191.08
(c) Lab Materials	69.54	151.07
(d) Other Consumables	154.00	219.22
Total	**5,658.42**	**4,668.67**

The mode of valuation of inventories has been stated in note 3.19

The cost of inventories recognised as an expenses includes ₹14,609.72 Million as at March 31,2108 and ₹13,662.11 as at March 31, 2017.

15 Cash and Cash Equivalents

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Balances with Banks (including deposits with original maturity upto 3 months)		
(i) In Current Accounts	2,678.38	2,149.96
(ii) In Deposit Accounts	178.61	497.73
(b) Cash on hand	181.88	112.07
(c) Cheques on Hand	24.46	68.06
Total	**3,063.33**	**2,827.82**

16 Other Bank Balance

Particulars	As at March 31, 2018	As at March 31, 2017
Balances with Banks in earmarked accounts		
(a) Unpaid Dividend Accounts	34.44	31.98
(b) Term Deposits held as Margin Money	1,074.71	2,385.19
Total	**1,109.15**	**2,417.17**

17 Other Assets

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
(a) Capital Advances	641.70		2,190.55	-
(b) Advance to suppliers	7.21	762.29	11.05	920.90
(c) Prepaid Expenses	85.47	455.94	-	498.13
(d) Prepayment towards leasehold land (Refer Note i)	654.44		666.30	
(e) Balances with Statutory Authorities	281.47	1.60	254.63	-
(f) Other Receivable	-	121.40		-
Total	**1,670.30**	**1,341.23**	**3,122.54**	**1,419.03**

Note (i) : Includes ₹603.65 million (Previous year ₹615.52 million) being the upfront lease premium paid to the City and Industrial Development Corporation of Maharashtra Limited ("CIDCO") by the Company for granting a leasehold right for a period of 60 years to use the allotted land for developing a multi speciality hospital at Navi Mumbai.

18 Equity Share Capital

Particulars	As at March 31, 2018	As at March 31, 2017
Equity share capital		
Authorised Share capital		
200,000,000(2017-18 : 200,000,000) Equity Shares of ₹5/- each	1000.00	1000.00
1,000,000(2017-18 : 1,000,000) Preference Shares of ₹100/- each	100.00	100.00
Issued		
139,658,177 (2017-18: 139,658,177) Equity shares of ₹5/- each	698.29	698.29
Subscribed and Paid up capital		
139,125,159 fully paid equity shares of ₹5 each (as at March 31, 2017: 139,125,159)	695.63	695.63
Total	**695.63**	**695.63**

18.1 Fully paid equity shares

Particulars	Number of shares	Share capital
Balance at April 1, 2017	139,125,159	695.63
Movement during the year 2017-18	-	-
Balance at March 31, 2018	139,125,159	695.63

18.2 Details of shares held by each shareholder holding more than 5% shares

The Company has equity shares having a nominal value of ₹5 each. Accordingly, all equity shares rank equally with regard to dividend and share in the Company's residual assets. Each holder of equity shares is entitled to one vote per share. The equity shares are entitled to receive dividend as declared from time to time. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

18.3 Details of shares held by each shareholder holding more than 5% shares

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of Shares held	% holding of equity shares	Number of Shares held	% holding of equity shares
Fully paid equity shares				
PCR Investments Limited	27,223,124	19.57	27,223,124	19.57
Integrated (Mauritius) Healthcare Holdings Limited	-	-	6,654,172	4.78
Oppenheimer Developing Markets Fund	11,818,039	8.49	11,784,285	8.47

The Company had issued 9,000,000 Global Depository Receipts of ₹10 (now 18,000,000 Global Depository Receipts of ₹5) each with two-way fungibility during the year 2005-06. Total GDRs converted into underlying Equity shares for the year ended 31st March 2018 is 762,690 (31st March 2017 is 83,138) of ₹5 each and total Equity shares converted back to GDR for the year ended 31st March 2018 is 83,784 (31st March 2017 is 384,562) of ₹5 each. Total GDRs outstanding as at 31st March 2018 is 423,866 (Previous year 1,102,772).

19 Other Equity

Particulars	Note	As at March 31, 2018	As at March 31, 2017
General reserve	19.1	11,249.58	11,249.58
Securities premium reserve	19.2	17,138.52	17,138.52
Capital Reserves	19.3	30.44	30.44
Retained earnings	19.4	2,601.64	3,472.08
Capital redemption reserve	19.5	60.02	60.02
Debenture redemption reserve	19.6	1,750.00	1,297.50
Revaluation Reserve	19.7	77.61	77.61
Shares Options Outstanding Account	19.8	18.92	12.75
Reserve for defined benefit obligation through other comprehensive income	19.9	(409.64)	(238.54)
Reserve for equity instruments through other comprehensive income	19.10	(4.56)	(4.96)
IND AS Transition reserve		(693.11)	(693.11)
Balance at the end of the year		**31,819.42**	**32,401.89**

19.1 General reserve

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at beginning of year	11,249.58	11,249.58
Transfer from Profit and Loss	-	
Balance at the end of the year	**11,249.58**	**11,249.58**

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit or loss.

19.2 Securities premium reserve

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at beginning of year	17,138.52	17,138.52
Movement during the year	-	-
Balance at the end of the year	**17,138.52**	**17,138.52**

Securities premium is used to record premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013 (the "Companies Act").

19.3 Capital Reserves

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at beginning of year	30.44	30.44
Movement		
Balance at the end of the year	**30.44**	**30.44**

19.4 Retained earnings

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at beginning of year	3,472.08	4,887.51
Movement during the year :-		
Gross Obligation over written Put Option	(500.45)	(3,581.58)
Profit attributable to owners of the Company	1,174.18	2,209.90
Non-Controlling Interest	(73.82)	-
Adjustments towards Non Controlling Interest	(9.48)	-
Transfer to Debenture Redemption Reserve	(452.50)	-
Payment of dividends on equity shares	(1,007.08)	(36.35)
Dividend Distribution Tax	(1.29)	(7.40)
Balance at the end of the year	**2,601.64**	**3,472.08**

In respect of the year ended March 31, 2018, the directors propose that a dividend of ₹5 per share be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. For the year 2016-17 dividend of ₹6 per share was paid.

19.5 Capital Redemption reserve

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at beginning of year	60.02	60.02
Movement during the year	-	-
Balance at the end the of year	**60.02**	**60.02**

The Companies Act requires that where a Company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet. The capital redemption reserve account may be applied by the Company, in paying up unissued shares of the Company to be issued to shareholders of the Company as fully paid bonus shares.

19.6 Debenture Redemption reserve

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at beginning of year	1,297.50	1,297.50
Movement during the year	452.50	-
Balance at the end the of year	**1,750.00**	**1,297.50**

Debenture Redemption Reserve is created out of the profits of the Company available for the payment of dividends and such reserve shall be utilised only for the redemption of debentures.

19.7 Revaluation reserve

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at beginning of year	77.61	77.61
Movement during the year	-	-
Balance at the end the of year	**77.61**	**77.61**

19.8 Share Options Outstanding Account

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at beginning of year	12.75	8.33
Movement during the year	6.17	4.42
Balance at the end the of year	**18.92**	**12.75**

Shares options outstanding account relates to share options granted by the Company to its employees under its employees share option plan. These will be transformed to retained earnings after the exercise of the underlying options.

19.9 Reserve for Defined Benefit Obligations through other comprehensive income

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at beginning of year	(238.54)	(19.03)
Movement during the year	(171.10)	(219.51)
Balance at the end the of year	**(409.64)**	**(238.54)**

19.10 Reserve for equity instruments through other comprehensive income

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at beginning of year	(4.96)	(5.47)
Movement during the year	0.40	0.51
Balance at the end the of year	**(4.56)**	**(4.96)**

20 Non-Controlling Interests

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Balance	1,245.75	779.30
Loss attributable to Non Controlling Interest (NCI)	(578.61)	(898.70)
Other comprehensive Income	(0.90)	-
Movement on account of share based compensation	43.10	-
Additional non-controlling interest on acquisition of a subsidiary	-	583.67
Movement on account of change in shareholding of existing subsidiaries	114.58	1,699.98
Gross obligation over written put option	500.45	(918.50)
Balance at end of year	**1,324.37**	**1,245.75**

20.1 Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of the Subsidiaries	Proportion of ownership interests and voting rights held by non - controlling interests		Profit (loss) allocated to non- controlling interest		Accumulated non - controlling interests Amount in Million	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Imperial Hospital and Research Centre Limited	10.00%	10.00%	9.00	8.13	65.95	56.95
Apollo Health & Lifestyle Limited	31.36%	31.36%	(549.84)	(839.26)	104.10	106.94
Apollo Rajshree Hospital Private Limited	45.37%	45.37%	(22.58)	(27.74)	9.44	32.93
Apollo Lavasa Health Corporation Limited	49.00%	49.00%	(18.50)	(19.08)	255.32	273.52
Sapien Biosciences Private Limited	30.00%	30.00%	0.57	(0.97)	(9.35)	(9.92)
Apollo Home Health Care Limited	26.00%	19.13%	(19.66)	(20.06)	(32.75)	(21.35)
Assam Hospitals Limited	38.76%	40.92%	17.06	20.71	379.83	362.78
Apollo Hospitals International Limited (Refer Note (i))	50.00%	50.00%	16.06	(6.37)	550.55	440.65
Future Parking Private Limited (Refer Note (ii))	51.00%	51.00%	(12.00)	(14.05)	-	3.25
Apollo Nellore Hospitals	20.56%	20.56%	1.28	-	1.28	-
Total			**(578.61)**	**(898.70)**	**1,324.37**	**1,245.75**

Note (i): In respect of the subsidiary Company Apollo Hospitals International Limited (AHIL), the group holds 50% ownership and voting power along with its wholly owned subsidiary Apollo Home Healthcare (India) Limited. Based on the contractual arrangements between the group and other investors, the group has the right in respect of appointment of Key Managerial Personnel (KMP) and approval of business plan coupled with the affirmative voting rights, the Company concluded that the group has the practical ability to direct the relevant activities and hence group exercises control on the AHIL.

Note (ii): In respect of the subsidiary Company Future Parking Private Limited (FPPL), though the group holds 49% ownership and voting power, based on the contractual arrangements between the group and other investor, the group has the unilateral right to direct the relevant activities and hence the Company concluded that the group exercises control on FPPL.

21 Borrowings

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
Unsecured				
(a) Term loans				
from banks	1,759.12	70.13	4,623.26	315.19
from other parties	70.98	142.05	-	-
(b) Deposits from Public	-	-	134.10	-
(c) Bank Overdrafts	-	888.03	-	391.68
Secured				
(a) Redeemable Non-Convertible Debentures	7,000.00	-	8,000.00	-
(b) Term loans				
from banks	20,259.60	1,937.44	16,407.42	-
(c) Finance Lease Obligations	24.73	-	40.59	-
(d) Letter of Credit	123.58	754.07	328.38	-
Total	**29,238.01**	**3,791.72**	**29,533.75**	**706.87**

(i) There is no breach of loan covenants as at March 31, 2018 and March 31, 2017

(ii) The secured listed non-convertible debentures of the Company aggregating to 7000 million as on March 31, 2018 are secured by way of first mortgage/charge on the Company's properties. The asset cover on the secured listed non-convertible debentures of the Company exceeds hundred percent of the principal amount of the said debentures.

21.1 Summary of Borrowing arrangements

(a) Redeemable Non-Convertible Debentures

Particulars	Principal Outstanding as at March 31, 2018	Principal Outstanding as at March 31, 2017	Details of repayment terms and maturity	Nature of Security	Rate of Interest March 31, 2018	Rate of Interest March 31, 2017
10.3% Non Convertible Debentures	-	1,000.00	During the current financial year 2017-18, 50% of the debentures were redeemed on December 28, 2017 and the balance 50% of the debentures were redeemed on March 22, 2018.	"Secured by way of Pari passu first charge on the fixed assets of the Company, existing and future along with Bank and Institutions; such Pari passu first charge ensuring at least a cover of 1.25 times the value of outstanding principal amount of the loan	10.30%	10.30%
10.2% Non Convertible Debentures	2,000.00	2,000.00	"The company issued 2000 nos of 10.20% Non Convertible Redeemable Debentures of 1 Million each on August 22, 2014 to banks and financial institutions, with an option to re-purchase/ re-issue some or all of its debentures in the secondary market or otherwise at any time prior to the specified date of redemption of August 22, 2028.	"Secured by way of Pari passu first charge on the fixed assets of the Company, existing and future along with Bank and Institutions; such Pari passu first charge ensuring at least a cover of 1.25 times the value of outstanding principal amount of the loan	10.20%	10.20%
8.7% Non Convertible Debentures	3,000.00	3,000.00	The company issued 3000 nos. of 8.70% Non Convertible Debentures of 1 Million each on October 7, 2016, with 2 call options to re-purchase/ re-issue some or all of its debentures in the secondary market or otherwise at any time prior to the specified date of redemption of October 7, 2026.	"Secured by way of Pari passu first charge on the fixed assets of the Company, existing and future along with Bank and Institutions; such Pari passu first charge ensuring at least a cover of 1.25 times the value of outstanding principal amount of the loan	8.70%	8.70%
7.8% Non Convertible Debentures	2,000.00	2,000.00	The company issued 2000 nos. of 7.80% Non Convertible Debentures of 1 Million each on March 7, 2017, and the specified date of redemption is March 7, 2022.	"Secured by way of Pari passu first charge on the fixed assets of the Company, existing and future along with Bank and Institutions; such Pari passu first charge ensuring at least a cover of 1.25 times the value of outstanding principal amount of the loan	7.80%	7.80%

21.1 Summary of Borrowing arrangements

(b) Secured and Unsecured borrowing facilities from banks and others

Particulars	Principal Outstanding as at March 31, 2018	Principal Outstanding as at March 31, 2017	Details of repayment terms and maturity	Nature of Security	Rate of Interest March 31, 2018	Rate of Interest March 31, 2017
HDFC Bank Limited	48.00	240.00	The Company has availed Rupee Term Loan of 1300 million which is repayable in twenty quarterly instalments commencing from September, 2013.	The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the Company along with minimum cover of 1.25 times the value of the outstanding .	8.50%	8.50%
HDFC Bank Limited	3,500.00	3,500.00	The loan is repayable in 22 half yearly instalments (with a moratorium period of 4 years from the date of the first disbursement) commencing from September 8, 2020.	The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the Company along with minimum cover of 1.25 times the value of the outstanding principal amount of the loan.	8.25%	8.50%
HDFC Bank - Bills Payable	-	15.84	During the year 2017-18, the last instalment was repaid in the month of June, 2017.		0.00%	0.00%
Axis Bank Limited	3,000.00	3,000.00	The loan is repayable in 40 Quarterly instalments (with a moratorium of 4 years from the date of 1st disbursement) commencing from December 15, 2018.	The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the Company along with minimum cover of 1.25 times) the value of the outstanding principal amount of the loan	8.25%	8.50%
Bank of India	2,500.00	2,500.00	This loan is repayable in 40 Quarterly instalments (with a moratorium of 4years from the date of 1st disbursement) commencing from December,30, 2018.	The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the Company along with minimum cover of 1.25 times the value of the outstanding principal amount of the loan.	8.40%	8.40%
HSBC	1,925.00	1,975.00	The Company has availed Rupee Term Loan of 2000 Million from HSBC Bank Limited, out of which 1000 Million is repayable in 16 semi-annual instalments commencing from March 2, 2017 and the balance 1000 Million is repayable in 16 semi-annual instalments commencing from November 13, 2018.	The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the Company ensuring at least a cover of 1.25 times the value of the outstanding principal amount of the loan.	8.05%	8.05%

Particulars	Principal Outstanding as at March 31, 2018	Principal Outstanding as at March 31, 2017	Details of repayment terms and maturity	Nature of Security	Rate of Interest March 31, 2018	Rate of Interest March 31, 2017
HSBC Bills Payable	329.42	463.16	The Company has availed a buyer's line of credit of from HSBC for the import of medical equipments which is repayable on various dates in FY2019	The loan is secured by first pari passu ranking charge on entire existing and future movable fixed asset of the Company with minimum cover of 1.25 times the value of the outstanding principal amount of the loan.	6 months libor +0.55	6 months libor +0.80 and libor +0.55
International Finance Corporation (External Commercial Borrowings	1,115.38	1,389.62	The Loan outstanding is repayable in 8 semi-annual instalments during September and March of each year.	The ECB loan is secured by way of pari passu first ranking charge on the fixed assets of the Company ensuring at least a cover of 1.25 times the value of the outstanding principal amount of the loan.	9.20%	9.20%
HSBC (External Commercial Borrowings)	650.31	1,037.42	The loan outstanding is repayable in 6 quarterly instalments starting from April, 2018.	The ECB loan is secured by way of pari passu first ranking charge on the fixed assets of the Company.	9.50%	9.50%
IDFC Bank Limited	548.52	582.84	This balance loan outstanding is repayable in 38 quarterly instalments falling due on April, July, October and January every year	The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the Company ensuring at least a cover of 1.25 times the value of the outstanding principal amount of the loan.	8.00%	8.35%
IDFC Infra Structure Debt Fund	1,000.00	1,000.00	During the year 2015-16 the Company availed loan of ₹ 1000 million which is repayable in 3 annual instalments of 20% at the end of December 2029 (14th year), 40% at the end of December 2030 (15th year) and balance 40% at the end of December 2031 (16th year) from the date of first disbursement.	The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the Company ensuring at least a cover of 1.25 times the value of the outstanding principal amount of the loan.	9.60%	9.60%
ICICI Bank Limited	1,450.00	1,450.00	The loan is repayable in 48 quarterly instalments commencing from June 30, 2019.	The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the Company.	8.50%	9.25% for 1100 and 9.20% for balance

Notes to the Consolidated financial statements as at and for the year ended March 31, 2018
(All amounts are in ₹ million unless otherwise stated)

Particulars	Principal Outstanding as at March 31, 2018	Principal Outstanding as at March 31, 2017	Details of repayment terms and maturity	Nature of Security	Rate of Interest March 31, 2018	Rate of Interest March 31, 2017
State Bank of India	2,050.44	500.00	The balance outstanding is repayable from February 1, 2019 in 41 quarterly instalments	The loan is secured by paripassu first charge with other term lenders and debenture holders on all the present and future movable and immovable fixed assets of the Company with a minimum cover of 1.25 times the value of outstanding principal amount of the loan.	8.00%	8.05%
HSBC- Cash Credit	817.70	339.00	The Company has been sanctioned 1000 Million overdraft facility by HSBC.		8.80%	8.70%
Fixed Deposits	94.70	150.21	These deposits are from public which will be repaid in the month of August, 2018.	-		
Bank of Tokyo – Mitsubishi UFJ (External Commercial Borrowings)	1,301.92	1,298.65	The loan is repayable in 3 annual instalments starting from the end of the 5th year from the date of advance.	-	9.20%	9.20%
Citi Bank - Bill Discounting	754.07	-	The Company has been sanctioned bill discounting facility from Citi Bank for maximum outstanding of 1000 million.	-	8%	-
HDFC Bank Limited	1,830.00	-	The amount outstanding is payable within June 2018.	-	Variable rates for few tranches ranging between 7.90% and 8.00%	-
Axis Bank	247.98	234.36	The repayment is agreed in 24 quarterly instalments commencing from the end of 51st Month from the date of first disbursement of Loan	Secured by way of pari passu first ranking charge on the fixed assets of the Company.	6 Month MCLR+0.65%. Interest rates reset will happen every 6 months."	12 Month MCLR + 0.90%

Particulars	Principal Outstanding as at March 31, 2018	Principal Outstanding as at March 31, 2017	Details of repayment terms and maturity	Nature of Security	Rate of Interest March 31, 2018	Rate of Interest March 31, 2017
Lavasa Corporation	97.23	97.23	The Company has taken Inter Corporate Deposit from Lavasa Corporation Limited amounting to ₹ 97.23 million.		12%	12%
Jugnu Jain - Director	2.36	2.36	The Company has taken loan from the director which is repayable on demand		11%	11%
Yes Bank	334.68	274.76	The Company has availed Two Rupee Term Loans of 310 million and INR 100.10 Mio from YES Bank Limited, which are repayable in thirty six quarterly instalments, commencing from 26th Mar-13 and 24th Jul-17 respectively. .The Company repaid38.94 million during the current financial year 17-18.	The loans are secured by first pari passu charge on all present and future movable and immovable fixed assets of the Company along with minimum cover of 1.75 times the value of the outstanding considering movable & immovable assets (subject to 1.5 times cover considering immovable assets	9.40%	10.75%
HDFC Bank	216.00	288.00	The Company has Rupee Term Loans of ₹ 409.50 million from HDFC Bank Limited, which are repayable in 28 quarterly instalments, commencing from 2nd Mar 2015. The Company repaid ₹ 72.00 million during the current financial year 17-18.	The loans are secured by first pari passu charge on all present and future movable and immovable fixed assets of the Company along with minimum cover of 1.75 times the value of the outstanding considering movable & immovable assets.	9.75%	10.15%
Yes Bank	70.13	51.97	Tenure for 12 months & OD Facility to be zeroized every year with cooling period of 2 days.	-	9.40%	10.75%
Cumulative Redeemable Preference Shares	19.87	9.82	Redeemable Preference shares were amended in 2016-2017 for a cumulative non -discretionary dividend of 9% per annum. These redeemable preference shares do not contain any equity component.			
Yes Bank	1,851.32	1,753.53	The loan is repayable in 28 structured quarterly instalments with an interest rate of 0.15% p.a over and above yearly MCLR payable monthly, after a moratorium period of 36 months from the date of disbursement to the Company.	Term loan from Yes Bank is secured by charge on movable fixed asset		
Optionally Convertible Debentures	7.45	8.80	The Company has issued zero% Optionally Convertible Debentures for 9,550,000 on March 29, 2016. These OCD's are convertible into equity shares at the option of the holder and repayable on after 5 years or upon leaving.			

Notes to the Consolidated financial statements as at and for the year ended March 31, 2018
(All amounts are in ₹ million unless otherwise stated)

Particulars	Principal Outstanding as at March 31, 2018	Principal Outstanding as at March 31, 2017	Details of repayment terms and maturity	Nature of Security	Rate of Interest March 31, 2018	Rate of Interest March 31, 2017
HDFC Bank	309.95	5.08	The loan is repayable in 28 structured quarterly instalments, with an interest rate of 0.15% p.a over and above yearly MCLR payable monthly, after a moratorium period of 36 months from the date of disbursement to the Company.	Term loan from HDFC Bank is secured by charge on movable fixed assets, current assets and letter of comfort from Apollo Hospital Enterprises Limited		
ICICI Bank Limited	210.38	176.55	The loan is repayable in 28 structured quarterly instalments, with an interest rate of 0.40% p.a over and above One Year MCLR payable monthly, after a moratorium period of 36 months from the date of disbursement to the Company.	Term loan from ICICI Bank is secured by charge on movable fixed assets, current assets		
Dr GSK velu	0.32	-	The repayment is for a Tenure of 36 monthly Equal Instalments		14%	14%
Axis Bank	919.90	-	Complete repayment in the FY2026-27 (Instalment 1-8 - Each instalment is 2% of the value off the term loan (Total 16% of the term loan) and Instalment 9-36 (each instalment is 3% of the value of the term loan (total 84% of the term loan)	Exclusive charge on the moveable fixed assets of the company (present and future). Letter of comfort from Apollo Hospitals Enterprise Ltd		
Axis Bank Cash Credit	119.11	-	The Limit of Cash Credit is ₹ 150 million as at 31.03.2018	Exclusive charge on the entire current assets of the borrower, present and future. Collateral - All other securities / guarantees stipulated for Term Loan Facility	8.65%	
Yes Bank Term Loan II	-	20.00	The Loan was repaid in the FY 17-18	First charge on immovable fixed assets of borrower. Exclusive First charge on movable Property plant & equipment (present and future not exclusive charged to any other lender) of borrower. Exclusive charge on equipments purchased under YBL Term Loan. Second Charge on current assets (present and future) of borrower. Exclusive charge on equipments purchased under Yes Bank Term Loan. Deposits maintained as per the DSRA requirements	10.65%	10.65%

Particulars	Principal Outstanding as at March 31, 2018	Principal Outstanding as at March 31, 2017	Details of repayment terms and maturity	Nature of Security	Rate of Interest March 31, 2018	Rate of Interest March 31, 2017
Yes Bank Term Loan III	-	143.87	The Loan was repaid in the FY 17-18	First charge on immovable fixed assets of borrower. Exclusive First charge on movable fixed assets (present and future not exclusive charged to any other lender) of borrower. Exclusive charge on equipments purchased under YBL Term Loan. Second Charge on current assets (present and future) of borrower. Exclusive charge on equipments purchased under YBL Term Loan. Deposits maintained as per the DSRA requirements. Refer note 9.		10.70%
Indus Ind Bank Term Loan	-	162.47	The Repayment is in 20 quarterly instalment.	All present and future of the movable and immovable properties of the borrower - First pari-passu charge on all the movable fixed assets of the borrower (present and future) and Second pari-passu charge on all the current assets of the borrower both present and future. All present and future book debts. All present and future stock in trade. Deposits maintained as per the DSRA requirements. Refer note 9.		11.50%
HDFC Bank Ltd - Term Loan I	-	447.23	The Loan was repaid in the FY 17-18	First paripassu charge on movable and immovable fixed assets of the Company	0	10.20%
HDFC Bank Ltd - Term Loan 2	-	98.42	The Loan was repaid in the FY 17-18	First paripassu charge on movable and immovable fixed assets of the Company	0	9.85%
Philips India Pvt Ltd - PET CT - Finance Lease	40.59	54.66	Monthly Repayment Y1 1.24 m, Y2 ₹ 1.37m , Y3 1.49, Y4 1.65, Y5 1.65, Y6 1.65, Y7 1.65 starting from Dec 2013 for total 7 years	PET CT Equipment is given as the security to obtain the facility.	12%	12%

22 Other Financial Liabilities

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
(a) Interest accrued on borrowings	-	233.23	-	319.44
(b) Unpaid dividends (Refer Note i below)	-	34.44	-	31.98
(c) Security deposits	52.75	9.41	629.37	-
(d) Unpaid matured deposits and interest accrued thereon	-	96.31	-	17.92
(e) Current maturities of long-term debt	-	1,220.82	-	998.23
(f) Current maturities of Finance Lease Obligations		15.85	-	14.07
(g) Financial guarantee contracts (Refer Note ii below)		-		-
(h) Derivative Financial Instruments	43.68	-	59.03	-
(i) Capital subsidy	4.21	-	-	-
(j) Gross Obligation under written Put Option	4,620.47	-	4,500.07	-
(k) Other Payables	-	1,331.27	-	230.31
(l) Capital Creditors		1125.43	-	284.46
Total	**4,721.11**	**4,066.79**	**5,188.49**	**1,896.42**

(i) During the year 2017-18 , the amount transferred to the Investors Education and Protection Fund of the Central Government as per the provisions of Section 124 (5) and 124 (6) of the Companies Act, 2013 is ₹2.76 million (₹2.40 million as at March 31, 2017)

23 Provisions

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
Provision for Bonus (Refer Note i below)	-	420.28	-	421.55
Provision for Gratuity and Leave Encashment (Refer Note 43)	62.31	370.31	46.14	258.00
Other Provision		172.40		279.31
Total	**62.31**	**962.99**	**46.14**	**958.86**

(i) The provision for Bonus is based on the Management's policy in line with the Payment of Bonus Act, 1965.

24 Deferred Tax Liabilities [Net]

Particulars	As at 31-Mar-2018	As at March 31, 2017
Deferred Tax Assets	(5,802.28)	(4,790.89)
Deferred Tax Liabilities	8,367.37	7,204.04
Total	**2,565.09**	**2,413.15**

25 Deferred Tax Asset [Net]

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred Tax Assets	171.68	162.70
Deferred Tax Liabilities		
Total	**171.68**	**162.70**
Net Deferred Tax	**2,393.42**	**2,250.45**

The major components of deferred tax liabilities/(assets) arising on account of timing differences for the year ended March 31, 2018 are as follows :

Particulars	Opening Balance	Recognised in Profit or Loss	Recognised in other comprehensive income	Closing Balance
Property Plant and Equipment	8,087.85	262.47	-	8,350.32
Impairment of Trade Receivables as per Expected Credit Loss Model	15.90	(229.24)	-	(213.34)
Others Assets	10.29	(1.49)	0.14	8.94
Retirement Benefit Plans	(107.55)	(14.45)	(92.54)	(214.54)
Business Loss carried forward under Income Tax	(2,102.33)	1,001.85	-	(1,100.48)
Minimum Alternate Tax Credit	(3,672.23)	(778.31)	-	(4,450.54)
Others Liabilities	18.51	(5.46)	-	13.05
Total	**2,250.45**	**235.36**	**(92.40)**	**2,393.42**

The major components of deferred tax liabilities/(assets) arising on account of timing differences for the year ended March 31, 2017 are as follows :

Particulars	Opening Balance	Recognised in Profit or Loss	Recognised in other comprehensive income	Recognised through equity	Closing Balance
Property Plant and Equipment	5,832.72	2,251.20	-	3.93	8,087.85
Fair Value Adjustments on Financial Assets	(139.36)	152.97	-	2.29	15.90
Others Assets	54.44	(44.32)	0.17	-	10.29
Retirement Benefit Plans	15.81	(11.05)	(116.07)	3.77	(107.55)
Business Loss carried forward under Income Tax	(588.92)	(1,513.41)	-	-	(2,102.33)
Minimum Alternate Tax Credit	(2,907.94)	(764.29)	-	-	(3,672.23)
Others Liabilities	15.81	2.70	-	-	18.51
Total	**2,282.57**	**73.80**	**(115.90)**	**9.98**	**2,250.45**

26 Trade Payables

Particulars	As at March 31, 2018	As at March 31, 2017
Total outstanding dues of micro enterprises and small enterprises (Refer note 26.1)	160.71	119.48
Total outstanding dues of creditors other than micro and small enterprises	5,727.53	4,892.45
Total	**5,888.24**	**5,011.93**

(i) The average credit period on purchases of goods ranges from immediate payments to credit period of 45 days based on the nature of the expenditure. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

(ii) Amounts payable to related parties is disclosed in note 60.

(iii) The Company's exposure to currency and liquidity risks related to trade payable is disclosed in note 46.

26.1 Due to Micro, Small and Medium Enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2018 has been made in the financial statements based on information received and available with the Group. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ('The MSMED Act') is not expected to be material. The Group has not received any claim for interest from any supplier.

Particulars	As at March 31, 2018	As at March 31, 2017
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	160.21	119.48
- Interest	0.50	
The amount of interest paid by the buyer as per the MSMED Act	-	-
The amount of payments made to micro and small suppliers beyond the appointed day during the accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act	-	-

27 Tax Asset [Net]

Particulars	As at March 31, 2018	As at March 31, 2017
Tax Assets		
Advance Tax	2,714.28	2,648.40
Tax refund receivable	6,842.61	5,657.52
	9,556.89	**8,305.92**
Tax Liabilities		
Income tax payable	(7,787.24)	(6,967.72)
Total	**1,769.65**	**1,338.20**

28 Tax Liabilities [Net]

Particulars	As at March 31, 2018	As at March 31, 2017
Tax Liabilities (Net)		
Income tax payable	12.71	-
Total	**12.71**	**-**

29 Other Liabilities

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
(a) Deferred revenue arising from customer loyalty programme (Refer Note i)	-	176.87	-	157.33
(b) Patient Deposits	-	403.51	-	334.68
(c) Healing Card Deposit	-	19.32	-	65.41
(d) Deferred Lease Rent	-	27.00	-	69.47
(e) Balances with Statutory Authorities	-	261.50	-	387.76
(f) Retention money on capital contracts	-	-	-	13.26
(g) Others	29.65	63.03	-	31.57
Total	**29.65**	**950.24**	**-**	**1,059.48**

(i) Deferred revenue arises in respect of the Company's Loyalty Points Scheme recognised in accordance with Appendix B to Ind AS 18 Customer Loyalty Program.

30 Revenue from Operations

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
(a) Revenue from rendering of health care services	44,955.10	40,610.45
(b) Revenue from sale of pharmacies	32,688.80	27,851.93
(c) Revenue from Clinics	4,589.30	3,854.10
(d) Other Operating Income		
- Project Consultancy Income	146.63	176.06
- Management fees	18.35	18.79
- Income from Clinical Trials	36.50	45.69
Total	**82,434.68**	**72,557.03**

31 Other Income

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
a) Interest income		
Bank deposits	133.28	122.67
Other financial assets	51.19	-
Total	**184.47**	**122.67**
b) Dividend Income		
Dividend on Equity Investments	**9.70**	**7.78**
c) Other non-operating income		
Provision for investment write back	50.43	-
Others	0.03	0.03
Total	**50.46**	**0.03**
d) Other gains and losses		
Gain on disposal of Property Plant and Equipment	0.38	5.08
Net gain on disposal of financial assets	1.36	18.63
Net gain on financial assets measured at FVTPL	25.47	70.40
Miscellaneous Income	48.64	20.20
Net gain/(loss) on account of financial derivative contracts measured at FVTPL	(94.86)	(218.37)
Net gain on financial liabilities designated at FVTPL	19.09	10.06
Net foreign exchange gain	76.83	186.95
Gain on fair valuation of investment in Debentures	-	1.51
Gain on fair valuation of equity investments	-	1.29
Sub Total	**76.90**	**94.45**
Total (a+b+c+d)	**321.52**	**224.93**

32 Cost of materials consumed

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Opening stock	1,202.00	1,068.03
Add: Purchases	14,817.62	13,796.08
Less: Closing stock	1,409.90	1,202.00
Total	**14,609.72**	**13,662.11**

33 Changes in inventory of medical consumable and drugs

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Inventories at the beginning of the year:	3,466.67	2,993.26
Inventories at the closing of the year:	(4,248.52)	(3,466.67)
Total	**(781.85)**	**(473.41)**

34 Employee Benefits Expense

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Salaries and wages	12,050.58	10,132.64
Contribution to provident and other funds	996.64	795.66
Bonus	380.35	370.89
Staff welfare expenses	616.34	665.79
Total	**14,043.91**	**11,964.98**

35 Finance Costs

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Interest on bank overdrafts and loans	2,592.07	2,284.33
Other borrowing costs	358.61	289.17
Total	**2,950.68**	**2,573.50**

The weighted average capitalisation rate on funds borrowed generally is 8.59% per annum. The amount of interest capitalised to the qualifying asset is ₹ 349 Million (March 31, 2017 : ₹ 575 Million)

36 Depreciation and Amortisation Expense

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Depreciation of property, plant and equipment	3,401.58	3,005.01
Depreciation of investment property	6.17	6.17
Amortisation of intangible assets	182.54	129.22
Total	**3,590.30**	**3,140.39**

37 Other Expenses

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Professional charges to Doctors	4,720.74	3,709.07
Power and fuel	1,551.60	1,188.46
House Keeping Expenses	450.47	417.84
Water Charges	115.19	90.44
Rent	3,189.97	3,142.43
Brokerage Commission	22.26	-
Repairs to Buildings	216.71	153.80
Repairs to Machinery	617.92	683.99
Repairs to Vehicles	68.76	48.66
Office Maintenance & Others	793.55	903.79
Insurance	129.29	117.74
Rates and Taxes	186.29	163.56
Printing & Stationery	416.59	411.49
Postage & Telegram	150.36	38.88
Director Sitting Fees	5.88	3.85
Advertisement, Publicity & Marketing	1,742.75	1,320.28
Travelling & Conveyance	674.20	615.75
Subscriptions	22.26	8.95
Legal & Professional Fees	939.20	937.91
Continuing Medical Education & Hospitality Expenses	66.92	68.23
Hiring Charges	131.14	92.97
Seminar Expenses	58.64	41.01
Telephone Expenses	159.23	259.21
Books & Periodicals	17.51	11.35
Donations	8.73	22.67
Bad Debts Written off	110.89	180.06
Provision for doubtful debts	477.48	88.83
Outsourcing Expenses:		
Food and Beverages	952.79	796.01

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
House Keeping	825.80	736.67
Security Charges	283.29	223.85
Bio Medical Maintenance	184.24	150.80
Other Services	64.14	57.06
Loss on Sale of Property Plant and Equipment	80.47	52.01
Loss on sale Investment	-	0.04
Laboratory Testing Charges	80.56	53.68
Miscellaneous expenses	448.81	317.79
Stock based compensation	6.17	4.42
Franchise Service Charges	80.86	134.89
Total (a)	**20,052.66**	**17,248.44**
Expenditure incurred for corporate social responsibility (Refer note (i) below)	79.70	69.00
Total (a) +(b)	**20,132.36**	**17,317.44**

Note (i) :

Consequent to the requirements of section 135 of Companies Act 2013, the Company has made contributions as stated below . The same is in line with activities specified Schedule VII of Companies Act, 2013.

a) Gross amount required to be spent by the Company during the year is ₹ 79.70 million (previous year69 million)
b) Amount spent during the year ended March 31, 2018 on corporate social responsibility activities:

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Construction/acquisition of any asset	-	-
On purpose other than above	79.70	69.00

38 Income taxes relating to continuing operations

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Current tax		
In respect of the current year	883.68	835.79
Total	**883.68**	**835.79**
Deferred tax		
In respect of the current year	235.37	73.80
Total	**235.37**	**73.80**
Total income tax expense recognised in the current year relating to continuing operations	**1,119.05**	**909.59**

39 Amount recognised in Other Comprehensive Income (OCI)

Particulars	For the year ended March 31, 2018			For the year ended March 31, 2017		
	Before tax	Tax (Expense)/ Benefit	Net of Tax	Before tax	Tax (Expense)/ Benefit	Net of Tax
Items that will not be reclassified subsequently to profit or loss						
Re-measurement of defined benefit plans	(264.80)	92.54	(172.26)	(335.41)	116.07	(219.34)
Equity instruments through other comprehensive income	0.40	(0.14)	0.26	0.51	(0.17)	0.34

The income tax expense for the year can be reconciled to the accounting profit as follows:

The Tax expenses as per the provision of Income Tax Act is lower than the Tax Payable as per MAT provision u/s 115JB

Profit before share of equity accounted investee method and income tax	1,712.35	1,796.90
Tax using the Company's applicable domestic rate (current year 34.608% previous year 34.608%)	592.61	621.87
Tax Effect of:		
Weighted deduction under section 35D of Income Tax Act in respect of eligible capital expenses incurred	-	(589.44)
Adjustments in respect of current tax of prior years	-	85.00
Reassessment/Adjustments of Deferred Taxes on brought forward business losses	478.73	781.08
Income exempt from taxation	59.38	5.07
Expenses that are not deductible in determining taxable profit	(16.63)	-
Others	4.96	6.01
Income tax expenses reported	**1,119.05**	**909.59**

40 Segment Information

Operating Segments

The Board of Directors have been identified as the Chief Operating Decision Maker (CODM). Information reported to the CODM for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided.

The group operates mainly in India. Accordingly, there are no additional disclosures to be provided under Ind AS 108, other than those already provided in the financial statements.

The following are the accounting policies adopted for segment reporting:

a. Assets, liabilities, revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.

b. Healthcare segment includes hospitals and hospital based pharmacies. Retail pharmacy include pharmacy retail outlets. Clinics Segment include clinics, diagnostics, Spectra, Cradle, Sugar, Dental and Dialysis business. Other Segment includes revenue, assets and liabilities of companies not engaged in any of the aforementioned segments and treasury investments, fixed deposits and their related income of companies involved in all the three segments.

c. Inter segment revenue and expenses are eliminated.

The Company has disclosed this Segment Reporting in Financial Statements as per Ind AS 108.

40.1 Segment revenues and results

The following is an analysis of the Company's revenue and results from continuing operations by reportable segment.

Particulars	Segment Revenue		Segment Profit	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Healthcare	45,246.50	40,819.20	5,192.78	4,976.93
Retail Pharmacy	32,688.80	27,851.93	1,173.75	976.57
Clinics	4,589.30	3,854.10	(1,925.40)	(1,841.80)
Others	425.60	298.23	221.90	258.70
Total	**82,950.20**	**72,823.46**	**4,663.08**	**4,370.40**
Less: Inter Segment Revenue	194.00	41.50		
Total	**82,756.20**	**72,781.96**	**4,663.03**	**4,370.44**
Finance costs			2,950.68	2,573.50
Profit before tax (continuing operations)			**1,712.35**	**1,796.90**

Segment profit represents the profit before tax earned by each segment without allocation of finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

40.2 Segment assets and liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Segment Assets		
Healthcare	65,534.60	61,433.10
Retail Pharmacy	9,372.40	7,691.20
Clinics	5,058.10	5,681.70
Others	4,392.48	4,886.16
Total Segment Assets	**84,357.58**	**79,692.16**
Unallocated	1,770.70	1,500.70
Total Assets	**86,128.28**	**81,192.86**
Segment liabilities		
Health care	12,132.50	10,799.00
Retail Pharmacy	1,538.90	1,132.30
Clinics	1,623.60	1,127.20
Others	178.30	90.48
Total Segment Liabilities	**15,473.30**	**13,148.98**
Unallocated	36,815.56	33,666.10
Total liabilities	**52,288.86**	**46,815.08**

41 Earnings per Share

EPS is calculated by dividing the profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The earnings and the weighted average number of shares used in calculating basic and diluted earnings per share is as follows:

Particulars	March 31, 2018	March 31, 2017
Basic earnings per share	8.44	15.88
Total basic earnings per share	**8.44**	**15.88**
Diluted earnings per share	8.44	15.88
Total diluted earnings per share	**8.44**	**15.88**

41.1 Basic and Diluted earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic and diluted earnings per share are as follows.

Particulars	March 31, 2018	March 31, 2017
Profit for the year attributable to owners of the Company	1,174.18	2,209.90
Earnings used in the calculation of basic earnings per share	1,174.18	2,209.90
Weighted average number of equity shares for the purposes of basic and diluted earnings per share	139,125,159	139,125,159

Employee Benefit Plans

42 Defined Contribution Plans

The Company makes contributions towards provident fund and employees state insurance as a defined contribution retirement benefit fund for qualifying employees. The provident fund is operated by the regional provident fund commissioner. The amount recognised as expense towards contribution to provident fund amount to ₹781.03 million. The Employee state insurance is operated by the employee state insurance corporation. Under these schemes, the Company is required to contribute a specific percentage of the payroll cost as per the statute. The amount recognised as expense towards contribution to Employee State Insurance amount to ₹215.01 million. The Company has no further obligations in regard of these contribution plans.

43 Defined Benefit Plans

a) Gratuity

The Company operates post-employment defined benefit plan that provide gratuity. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement/exit. The Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation carried out by an independent actuary using the projected unit credit method. The Company recognizes actuarial gains and losses immediately in the statement of profit and loss. The Company accrues gratuity as per the provisions of the Payment of Gratuity Act, 1972 as applicable as at the balance sheet date.

The Company contributes all ascertained liabilities towards gratuity to the Fund. The plan assets have been primarily invested in insurer managed funds. The Gratuity plan provides a lump sum payment to the vested employees at retirement, death, incapacitation or termination of employment based on the respective employees salary and tenure of the employment with the Company.

The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Plan investment is a mix of investments in government securities, and other debt instruments.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

A. Change in Defined Benefit Obligation

Particulars	March 31, 2018	March 31, 2017
Opening defined benefit obligation	788.34	601.91
Current service cost	75.49	63.24
Past service cost,	12.23	2.00
Interest cost	51.31	44.89
Remeasurement (gains)/losses	80.96	122.58
Benefits paid	(49.37)	(46.28)
Closing defined benefit obligation	**958.96**	**788.34**

B. Changes in Fair value of Plan Assets

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening fair value of plan assets	601.04	491.10
Interest income	43.90	42.83
Return on plan assets (excluding amounts included in net interest expense)	(15.64)	17.61
Contributions from the employer	163.96	95.78
Benefits paid	(49.37)	(46.28)
Closing fair value of plan assets	**743.89**	**601.04**

C. Amount recognised in Balance Sheet

Particulars	March 31, 2018	March 31, 2017
Present value of funded defined benefit obligation	958.96	788.34
Fair value of plan assets	(743.89)	(601.04)
Funded status	**215.07**	**187.30**
Restrictions on asset recognised	-	-
Net liability arising from defined benefit obligation	**215.07**	**187.30**

D. Expenses recognised in statement of profit and loss

Particulars	March 31, 2018	March 31, 2017
Service cost:		
Current service cost	75.49	63.24
Past service cost and (gain)/loss from settlements	12.23	2.00
Net interest expense	7.41	2.06
Components of defined benefit costs recognised in profit or loss	**95.13**	**67.30**

E. Expenses recognised in Other Comprehensive Income

Particulars	March 31, 2018	March 31, 2017
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	15.64	(17.61)
Actuarial (gains) / losses arising from changes in demographic assumptions	(2.24)	(35.21)
Actuarial (gains) / losses arising from changes in financial assumptions	(15.48)	34.81
Actuarial (gains) / losses arising from experience adjustments	98.67	122.98
Components of defined benefit costs recognised in other comprehensive income	96.60	104.97
Total	**191.73**	**172.27**

F. Significant Actuarial Assumptions

Particulars	March 31, 2018	March 31, 2017
Discount rate(s)	7.06%-7.85%	6.46%-8%
Expected rate(s) of salary increase	5.5%-7.5%	5%-8%
Attrition Rate	8%-37%	8%-37%
Retirement Age	58.00	58.00
Pre-retirement mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

The expected rate of return on plan assets is based on market expectations at the beginning of the year. The rate of return on long-term government bonds is taken as reference for this purpose.

G. Category of Assets

Particulars	March 31, 2018	March 31, 2017
Insurer managed funds	743.89	601.04
Total	**743.89**	**601.04**

Each year Asset Liability matching study is performed in which the consequences of strategic investments policies are analysed in terms of risk and returns profiles. Investments and Contributions policies are integrated within this study.

H. Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumption		Increase in assumption		Decrease in assumption	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Discount rate	+100 basis points/ -100 basis points	+100 basis points/ -100 basis points	912.64	756.16	954.27	792.75
Salary growth rate	+100 basis points/ -100 basis points	+100 basis points/ -100 basis points	951.56	789.07	947.99	785.64
Attrition rate	+100 basis points/ -100 basis points	+100 basis points/ -100 basis points	920.97	760.94	920.72	750.29

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The defined benefit obligation shall mature in next 3 years.

The Company expects to make a contribution of ₹222 Million (as at March 31, 2017: ₹194 million) to the defined benefit plans during the next financial year.

44 Long Term Benefit Plans

Leave Encashment

The Company pays leave encashment benefits to employees as and when claimed subject to the policies of the Company. The Company provides leave benefits through annual contributions to the fund.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	Fair value of plan assets as at	
	March 31, 2018	March 31, 2017
Discount rate(s)	7.06%-7.85%	6.46%-8%
Expected rate(s) of salary increase	5.5%-7.5%	5%-8%
Attrition Rate	8%-37%	8%-37%
Retirement Age	58 Years	58 Years
Pre-mortality rate	Indian Assured Lives Mortality (2006-08) Ultimate	

45 Financial Instruments

45.1 Capital management

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt and total equity of the Company.

The Company is not subject to any externally imposed capital requirements.

The Company's risk management committee reviews the capital structure of the Company on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The Company has a target gearing ratio of 100% of net debt to total equity determined as the proportion of net debt to total equity. The gearing ratio at March 31, 2018 of 81% (Previous year 73%) was below the target range.

Particulars	As at March 31, 2018	As at March 31, 2017
Gearing ratio		
The gearing ratio at end of the reporting period was as follows.		
Debt (includes Borrowings , Current Maturities of Long term Debt, finance lease obligations and unpaid maturities of deposits)	34,362.73	31,270.84
Cash and bank balances (Refer Note 15 & Note 16)	4,172.48	5,244.99
Net Debt	**30,190.25**	**26,025.85**
Total Equity	**33,839.42**	**34,377.77**
Net debt to equity ratio	**89%**	**76%**

45.2 Categories of financial instruments

Particulars	As at March 31, 2018	As at March 31, 2017
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
(i) Investments in Equity Instruments (Other than Joint Ventures and Associates)	129.90	133.67
(ii) Investments in Mutual Funds	611.30	1,214.14
(iii) Derivative Financial Instruments	285.85	396.06
Measured at amortised cost		
(i) Cash and Cash Equivalents	4,172.48	5,244.99
(ii) Trade Receivables	8,846.18	7,505.34
(iii) Investment in Debentures	80.00	-
(iv) Other Financial Assets	3,846.24	3,895.73
(v) Other Investments	37.64	34.79
Measured at Cost		
(i) Investments	2,763.51	2,785.06
Measured at Fair Value Through Other Comprehensive Income (FVTOCI)	**5.63**	**5.60**
Financial liabilities		
Measured at amortised cost		
(i) Trade Payables	5,888.24	5,011.93
(ii) Loans	33,029.74	30,240.62
(iii) Other Financial Liabilities	4,123.76	2,525.80
(iv) Gross Obligation over written put options	4,620.47	4,500.07
Measured at fair value through profit or loss (FVTPL)		
(i) Derivative Financial Instruments	43.68	59.03

45.3 Financial risk management objectives

The Company's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non -derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Corporate Treasury function reports quarterly to the Company's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

The Company's activities expose it to the financial risks of changes in foreign currency exchange rates and interest rates. For the purpose of managing its exposure to foreign currency and interest rate risk, the Company enters into a variety of derivative financial instruments, i.e. cross currency interest rate swaps.

45.4 Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk using currency cum interest swaps.

45.5 Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Particulars	Liabilities as at		Assets as at	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Foreign Currency Borrowings (in USD)	52.21	64.82	-	-
Foreign Currency Borrowings (in INR)	3,395.74	4,202.93	-	-
Trade Receivables (In USD)	-	-	0.30	0.71
Trade Receivables (In INR)			19.80	45.83

Foreign currency sensitivity analysis

Of the above, The borrowings of USD 47.15 Million as at March 31, 2018 and USD 57.43 Million as at March 31, 2017 is completely hedged against foreign currency fluctuation using forward contracts and Interest rate swaps. Therefore the exposure of the Company of foreign exchange risk is limited to unhedged borrowings for which below sensitivity is provided:

The Company is mainly exposed to currency dollars.

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

Impact of USD

Particulars	2017-2018		2016-2017	
	+10%	-10%	+10%	-10%
Impact on Profit or Loss for the year	(32.91)	32.91	(47.83)	47.83
Impact on Equity for the year	(32.91)	32.91	(47.83)	47.83

The Company has entered into derivative contracts with banks for its External Commercial Borrowings for interest and currency risk exposure to manage and mitigate its exposure to foreign exchange rates.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

45.6 Interest rate risk management

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

Interest rate sensitivity analysis

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

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's:

• profit for the year ended March 31, 2018 would decrease/increase by ₹ 106.86 Million (for the year ended March 31, 2017: decrease/ increase by ₹ 89.53 million). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings

Cross Currency Interest rate swap contracts

Under interest rate swap contracts, the Company agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Company to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures on the issued variable rate debt. The average interest rate is based on the outstanding balances at the end of the reporting period. The Cross Currency Interest Rate Swaps on External Currency Borrowings hedges the interest rate risk on the USD Borrowing.

Outstanding Contracts	Average Exchange Rates	Foreign Currency	Nominal Amount	Fixed Interest Rate	Fair Value
Contract 1	66.41	USD 20,000,000	13282,00,000	9.20%	43.68
Contract 2	54.56	USD 30,000,000	16368,00,000	9.20%	(189.61)
Contract 3	54.20	USD 25,000,000	13550,00,000	9.50%	(96.24)

45.7 Credit risk management

Credit risk is a risk of financial loss to the Company arising from counter party failure to repay according to contractual terms or obligations. Majority of the Company's transactions are earned in cash or cash equivalents. The Trade Receivables comprise mainly of receivables from Insurance Companies, Corporate customers, Public Sector Undertakings, State/Central Governments etc. The Insurance Companies are required to maintain minimum reserve levels and the Corporate Customers are enterprises with high credit ratings. Accordingly, the Company's exposure to credit risk in relation to trade receivables is considered low. Before accepting any new credit customer, the Company uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed annually. The outstanding with the debtors is reviewed periodically.

Refer Note 12 For the credit risk exposure , ageing of trade receivable and impairment methodology for financial assets

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

46 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

46.1 Liquidity and interest risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the un-discounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	Weighted average effective interest rate(%)	3 months to 1 year	1 Year to 5 years	> 5 years
March 31, 2018				
Non-interest bearing	-	8,622.05	47.89	4,673.22
Variable interest rate instruments	8.47%	2,811.50	5,365.94	14,058.64
Fixed interest rate instruments	9.05%	2,035.35	2,024.73	5,000.00
		13,468.90	**7,438.56**	**23,731.86**
March 31, 2017				
Non-interest bearing	-	5,878.13	59.04	5,129.45
Variable interest rate instruments	8.47%	1,375.91	4,757.30	13,189.23
Fixed interest rate instruments	9.05%	21.02	3,201.84	5,016.90
		7,275.06	**8,018.18**	**23,335.58**

The carrying amounts of the above are as follows:

Particulars	March 31, 2018	March 31, 2017
Non-interest bearing	13,343.16	11,066.62
Variable interest rate instruments	22,236.08	19,322.44
Fixed interest rate instruments	9,060.08	8,239.76
Total	**44,639.32**	**38,628.83**

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will he earned on those assets. The inclusion of information on non -derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	Weighted average effective interest rate(%)	3 months to 1 year	1 Year to 5 years	> 5 years
March 31, 2018				
Non-interest bearing	-	15,201.59	506.81	4,878.03
Fixed interest rate instruments	8.40	-	-	80.00
		15,201.59	**506.81**	**4,878.03**
March 31, 2017				
Non-interest bearing	-	15,204.46	883.35	5,014.76
Fixed interest rate instruments	-	-	-	-
	-	15,204.46	883.35	5,014.76

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

The following table details the Company's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted gross outflows on settlement of these derivatives. These derivatives are taken by the Company as against the External Commercial Borrowings (ECB) which have already been included as part of the Fixed rate instruments under the financial liabilities section.

Particulars	3 months to 1 year	1-5 years
March 31, 2018		
Net settled:		
- Cross Currency interest rate swaps	928.96	2,137.61
	928.96	2,137.61
March 31, 2017		
Net settled:		
- Cross Currency interest rate swaps	756.95	2,951.69
	756.95	2,951.69

47 Financing Facilities

The Company has access to financing facilities as described below. The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

Particulars	As at March 31, 2018	As at March 31, 2017
Secured bank loan facilities		
- amount used	32,150.72	29,486.81
- amount unused	8,425.42	9,065.51
	40,576.14	**38,552.32**
Unsecured bank loan facilities		
- amount used	2,212.00	1,784.03
- amount unused	210.00	694.17
	2,422.00	**2,478.20**

48 Fair Value Measurement

The following guidance has been followed for classification and measurement of financial assets that are measured at fair value :

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the- counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

	Fair Value as at		Fair Value Hierarchy	Valuation technique and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Financial Assets/ Financial Liabilities	**31st March, 2018**	**31st March, 2017**				
Derivative Instruments	Assets- ₹285.85	Assets- ₹396.06	Level 2	Discount cash flow, Future Cash Flows are estimated based on forward exchange rates and contract forward rates discounted at a rate that reflects the credit risk of various counterparties	-	-
	Liabilities- ₹43.68	Liabilities - ₹59.03	Level 2		-	-
Investments in Mutual Funds	611.30	1,214.14	Level 1	Quoted bid price in n active market	-	-
Investments in equity Instruments	18.00	18.00	Level 3	Discounted Cash Flow-Income approach	Discount rate, Risk free Return, Long term Market rate of return are the assumptions used	A slight change in assumptions will change the Fair value of the Investment
Investments in equity instrument at FVTOCI (unquoted)	5.63	5.08	Level 3	Discounted cash flow model under income approach was used to capture the present value of the expected future economic benefits to be derived from the ownership of the investee.	Long term growth rates, taking into account management's experience and knowledge of market conditions of the specific industry at 5%.	A slight change in assumptions will change the Fair value of the Investment

49 Fair Value of Financial Assets and Financial Liabilities that are not measured at fair value (but fair value disclosure are required)

The Company considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements at amortized cost will reasonably approximate their fair values.

50 Reconciliation of Level 3 Fair Value Measurements

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Balance	23.08	22.57
Gain/Loss	0.55	0.51
Closing Balance	23.63	23.08

51 Operating Lease Arrangements

51.1 The Company as lessee

Leasing arrangement

The Company has an options to purchase the equipment for a nominal amount at the end of the lease term. The Company's obligations under finance leases are secured by the lessors' title to the leased assets. The Company has taken various medical equipment, hospital premises, office and residential premises under Operating leases. The leases typically run for a term ranging from 25-30 years for Hospitals and 1-3 years for Pharmacy with an option to renew the lease after term completion. The escalation clause range from 5 to 10% per annum effectively.

Payments recognised as an expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Payments recognised as an expense		
Minimum lease payments	3,189.97	3,142.43
Total	3,189.97	3,142.43

Non-cancellable operating lease commitments

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Not later than 1 year	355.60	391.26
Later than 1 year and not later than 5 years	1,124.60	1,175.81
Later than 5 years	4,600.10	4,841.34
Total	6,080.30	6,408.41

51.2 Finance lease liabilities

Particulars	Minimum Lease Payments		Present Value of Minimum Lease Payments	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Not later than one year	19.87	19.87	15.85	14.07
Later than one year and not later than five years	26.92	46.80	24.73	40.59
Later than five years	-	-	-	-
	46.79	66.67	40.58	54.66
Less: future finance charges	6.21	12.01	-	-
Present value of minimum lease payments	40.59	54.66	40.58	54.66

Included in the financial statements as:

Particulars	March 31, 2018	March 31, 2017
- Current maturities of finance lease obligations	15.85	14.07
- borrowings	24.73	40.59
	40.59	54.66

52 Commitments

Particulars	March 31, 2018	March 31, 2017
Commitments to contribute funds for the acquisition of property, plant and equipment	8,880.80	8,827.54
Commitments to contribute funds towards Equity	1,710.25	800.00

53 Contingent Liabilities

Particulars	March 31, 2018	March 31, 2017
(a) Claims against the Company not acknowledged as debt	2,463.68	1,911.50
(b) Guarantees excluding financial guarantees		
Bank Guarantees	2,005.85	1,517.38
Letters of Comfort	4,072.68	3,031.80
(c) Letter of Credit	13.62	40.83
(d) Other money for which the Company is contingently liable		
Customs Duty (Refer iii)	99.70	100.04
Service Tax (Refer ii)	84.71	96.43
Value Added Tax	0.05	24.93
Income Tax (Refer i)	521.96	150.10
Other Matters	26.51	10.63
Total	**9,288.76**	**6,883.64**

e) In respect of the subsidiary Company, Apollo Lavasa Health Corporation Limited (ALHCPL), ALHCPL has taken Inter Corporate Deposit from Lavasa Corporation Limited amounting to ₹ 97.23 million and also provided interest on this ICD. During the FY 17 Lavasa Corporation Limited has unilaterally converted the outstanding interest amounting to ₹ 62.22 Million into an Inter Corporate Deposit. Lavasa Corporation Limited has charged interest on the same amounting to ₹10.84 Million (Previous year ₹8.12 Million). ALHCPL has disputed the conversion of interest into ICD and further interest on the same amounting to ₹18.95 Million ALHCPL has taken up the matter at appropriate levels for discussion and is confident of a favourable outcome.

Notes:

(i) In respect of the Apollo Hospitals Enterprise Limited (Parent), relating to the proceedings pending before the relevant income tax authority for the assessment years 2009-10 to 2016-17, the parent is of the opinion that no additional provision for tax expense is considered necessary in the financial statements.

(ii) In respect of the subsidiary Company Imperial Hospital & Research Centre Limited (IHRCL) for Financial year 2006 – 2007 to 2010-2011, the service tax department has raised a demand of ₹1.89 million which is disputed and the Company has deposited a sum of ₹1.89 million under protest against this demand. The Company has filed an appeal against the said demand before CESTAT-Bengaluru, and the liability has been considered contingent until the conclusion of the appeal.

In respect of the subsidiary Company Imperial Hospital & Research Centre Limited (IHRCL) for Assessment year 2007-2008, the income tax department has raised a demand of ₹1.43 million which is disputed and appealed against by the Company. The Company has deposited a sum of ₹1.43 million under protest against this demand, pending disposal of its appeal. The liability will be considered contingent until the conclusion of the appeal.

(iii) In respect of the subsidiary Company Imperial Hospital & Research Centre Limited (IHRCL), Additional Commissioner of Customs has issued a demand cum show cause notice for non-fulfilment of export obligation under EPCG License no 0730005797. Total demand raised in the said Show cause notice is ₹ 0.345 million. Redemption certificate for this license also has been received in the month of April 2016 and submitted to concerned authority for Cancellation of Bank Guarantee. During the FY16-17, the redemption letter has been received from Office of the JDGFT, Koramangala, Bengaluru and has been submitted to the Customs Authorities to withdraw the showcause notice and the showcause notice was withdrawn.

54 Expenditure in foreign currency

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
a. CIF Value of Imports:		
Machinery and Equipment	511.81	1054.65
Stores and Spares	0.69	63.78
Other Consumables	20.57	57.01
b. Expenditure.		
Travelling Expenses	57.56	82.3
Professional Charges	49.68	18.75
Royalty	-	1.09
Advertisement	12.39	1.65
Business Promotion	17.97	4.06
c. Dividends		
Amount remitted during the year in foreign currency on account of dividends excluding the payment of dividends directly to the share-holder's Non-resident external bank account.	4.49	-
Non-Residents shareholders to whom remittance was made (Nos.)	170.00	-
Shares held by non-resident share-holders on which dividend was paid (Nos.)	6,24,264.00	-

55 Earnings in foreign currency

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Hospital Fees	999.70	1,113.31
Project Consultancy Services	17.77	17.34
Pharmacy Sales	1.93	1.31
Total	**1,019.40**	**1,131.96**

56 Share-based payments

Employee share option plan of the Company

(i) Apollo Health and Lifestyle Limited

The Company has allotted 194,698 Ordinary (Equity) Shares of ₹ 10 each during the year ended 31st March, 2012 to the eligible employees of the Company. Options are granted under Employee Stock Option Plan - 2012 ("the Scheme") which vest over a period of four years commencing from the respective date of grant.

The compensation costs of stock options granted to employees are accounted by the Company using the Black Scholes option valuation method.

Summary of stock options	No. of stock options
Options outstanding on April 1, 2017	48,675
Options granted during the year	-
Options forfeited/lapsed during the year	-
Options exercised during the year	-
Options outstanding on March 31, 2018	48,675
Options vested but not exercised on March 31, 2018	48,675

Exercise price is ₹30

The fair values of options granted during the previous year is valued at ₹30

(ii) The Company has allotted 412,500 Ordinary (Equity) Shares of ₹10 each during the year ended 31st March, 2014 to the eligible employees of the Company. Options are granted under Employee Stock Option Plan - 2013 ("the Scheme") which vest over a period of four years commencing from the respective date of grant.

The compensation costs of stock options granted to employees are accounted by the Company using the Black Scholes option valuation method.

Summary of stock options	No. of stock options
Options outstanding on April 1, 2017	82,500
Options granted during the year	-
Options forfeited/lapsed during the year	-
Options exercised during the year	-
Options outstanding on March 31, 2018	82,500
Options vested but not exercised on March 31, 2018	82,500

Exercise price is ₹ 30

The fair values of options granted during the previous year is valued at ₹30

(iii) Apollo Specialty Hospitals Private Limited

The Company by virtue of service and subscription agreement entered into with the doctors for continuance of services with Apollo Specialty Hospitals Private Limited (ASH) inline with the scheme implemented by the erstwhile Company (i.e. Nova Speciality Hospitals Private Limited) has agreed to issue Fully Convertible Debentures (FCD) for a value calculated in accordance with performance based formulae at the time of acquisition.

These FCD are issued in respect of the future services which will be rendered by the doctors' and hence is in the nature of share based payment in terms of Ind AS 102. These FCD issued would be convertible upon the expiry of service requirement and other conditions as stipulated by the respective agreements.

The compensation costs of stock options granted to employees are accounted by the Company using the Black Scholes option valuation method.

Summary of stock options	No. of stock options
Options outstanding on April 1, 2017	1,595
Options granted during the year	-
Options forfeited/lapsed during the year	-
Options exercised during the year	-
Options outstanding on March 31, 2018	1,595
Options vested but not exercised on March 31, 2018	-

Exercise price is ₹Nil

The fair values of options granted during the previous year is valued at ₹25,764

(iv) Apollo Sugar Clinics Limited

The Company has allotted 44,370 Ordinary (Equity) Shares of ₹10 each during the year ended 31st March, 2018 to the eligible employees of the Company. Options are granted under ASCL Employee Stock Option Plan - 2017 ("ESOP 2017") which vest over a period of three years commencing from the respective date of grant.

The compensation costs of stock options granted to employees are accounted by the Company using the Black Scholes option valuation method.

Summary of stock options	No. of stock options
Options outstanding on April 1, 2017	44,370
Options granted during the year	-
Options forfeited/lapsed during the year	-
Options exercised during the year	-
Options outstanding on March 31, 2018	44,370
Options vested but not exercised on March 31, 2018	11,093

Exercise price is ₹89.42

The fair values of options granted during the previous is valued at ₹275.70

(v) Alliance Dental Care Limited

The Company has allotted 56,735 Ordinary (Equity) Shares of ₹ 10 each during the year ended 31st March, 2017 to the directors and eligible employees of the Company. Options are granted under Alliance Dental ESOP Scheme 2016, which vest over a period of four years commencing from the respective date of grant.

The compensation costs of stock options granted to employees are accounted by the Company using the Black Scholes option valuation method.

Summary of stock options	No. of stock options
Options outstanding on April 1, 2017	56,735
Options granted during the year	-
Options forfeited/lapsed during the year	-
Options exercised during the year	28,367
Options outstanding on March 31, 2018	28,368
Options vested but not exercised on March 31, 2018	-

Exercise price is ₹10

The fair values of options granted during the previous year is valued at ₹194

(vi) Apollo Dialysis Private Limited

The Company has allotted 55,566 Ordinary (Equity) Shares of ₹10 each during the year ended 31st March, 2017 to the directors of holding Company and directors and eligible employees of the Company. Options are granted under Apollo Dialysis ESOP Scheme 2016, which vest over a period of four years commencing from the respective date of grant.

The compensation costs of stock options granted to employees are accounted by the Company using the Black Scholes option valuation method.

Summary of stock options	No. of stock options
Options outstanding on April 1, 2017	55,566
Options granted during the year	-
Options forfeited/lapsed during the year	-
Options exercised during the year	27,783
Options outstanding on March 31, 2018	27,783
Options vested but not exercised on March 31, 2018	-

Exercise price is ₹10

The fair values of options granted during the previous year is valued at ₹27

57 Written Put option over Non-controlling Interest of subsidiary

Pursuant to the shareholder agreement read with put option agreement dated October 26, 2016 entered into with International Finance Corporation (IFC), IFC has the right to exercise the put option on shares from the end of 8th year to 12th year of subscription (i.e. 2016) either on Apollo Hospitals Enterprises Limited ("AHEL") or Apollo Health and Lifestyle Limited ("AHLL", subsidiary of AHEL).

The management based on the assessment of this put option, has accounted the same in accordance with note 3.23 included in the significant accounting policies.

58 The Company has advanced loans to its subsidiary companies. The disclosures pursuant to Regulation 34(3) read with para A of Schedule V to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

59 Particulars of Loans, Guarantees & Investments

Details of loans, Guarantees and Investments covered under the provisions of section 186 of the Companies Act, 2013 are provided in notes 9,10,11 and 21 to the financial statements.

60 Information on Related Party Transactions as required by Ind AS 24 - Related Party Disclosures for the year ended March 2018

Sl. No.	Name of the Company	Country of Incorporation	% of Holding as at March 31, 2018	% of Holding as at March 31, 2017
A)	**Subsidiary Companies: (where control exists)**			
1.	Apollo Home Healthcare (India) Limited	India	100	100
2.	AB Medical Centres Limited	India	100	100
3.	Apollo Health and Life Style Limited	India	68.64	68.64
4.	Apollo Nellore Hospitals Limited	India	79.44	79.44
5.	Imperial Hospitals and Research Centre Limited	India	90	90
6.	Samudra Health Care Enterprises Limited	India	100	100
7.	Western Hospitals Corporation (P) Limited	India	100	100
8.	Apollo Hospitals (UK) Limited	United Kingdom	100	100
9.	Sapien Biosciences Private Limited	India	70	70
10.	Assam Hospitals Limited	India	61.24	59.08
11.	Apollo Lavasa Health Corporation Limited	India	51	51
12.	Apollo Rajshree Hospitals Private Limited	India	54.63	54.63
13.	Total Health	India	100	100
14.	Apollo Home Healthcare Limited	India	74	80.87
15.	Apollo Healthcare Technology Solutions Limited	India	40	40
16.	Apollo Hospitals International Limited	India	50	50
17.	Future Parking Private Limited	India	49	49
18.	Apollo Hospitals Singapore Private Limited	Singapore	100	100
B)	**Step Down Subsidiary Companies**			
1.	Alliance Dental Care Limited	India	70	70
2.	Apollo Specialty Hospitals Pvt Ltd	India	99.92	99.92
3.	Apollo Dialysis Private Limited	India	70	70
4.	Apollo Sugar Clinics Limited	India	80	80
5.	Apollo CVHF Limited	India	63.74	50
6.	Kshema Health Private Limited	India	100	100
7.	Apollo Bangalore Cradle Limited	India	100	100
C)	**Joint Ventures**			
1.	Apollo Gleneagles Hospital Limited	India	50	50
2.	Apollo Gleneagles PET-CT Private Limited	India	50	50
3.	ApoKos Rehab Private Limited	India	50	50
D)	**Associates**			
1.	Family Health Plan Insurance TPA Limited	India	49	49
2.	Indraprastha Medical Corporation Limited	India	22.03	22.03

Sl. No.	Name of the Company	Country of Incorporation	% of Holding as at March 31, 2018	% of Holding as at March 31, 2017
3.	Apollo Munich Health Insurance Company Limited	India	10	10
4.	Stemcyte India Therapeutics Private Limited	India	24.5	24.5
5.	Apollo Amrish Oncology Services Pvt Ltd (Associate of Apollo Hospitals International Limited)	India	50	50
E)	Key Management Personnel			
1.	Dr. Prathap C Reddy			
2.	Smt. Suneeta Reddy			
3.	Shri. Krishnan Akhileswaran			
4.	Shri. S M Krishnan			
5.	Smt. Preetha Reddy			
6.	Smt. Shobana Kamineni			
7.	Smt. Sangita Reddy			
F)	Directors			
1.	Shri. Habibullah Badsha *		-	-
2.	Shri. Sanjay Nayar		-	-
3.	Shri. Vinayak Chatterjee		-	-
4.	Shri. Rafeeque Ahamed *		-	-
5.	Shri. N Vaghul		-	-
6.	Shri. Deepak Vaidya		-	-
7.	Shri. Rajkumar Menon *		-	-
8.	Shri. G Venkatraman		-	-
9.	Dr. T. Rajgopal		-	-
10.	Shri. BVR Mohan Reddy		-	-
	(*) Resigned wef 14th August 2017			
G)	**Enterprises over which key managerial personnel and their relatives are able to exercise significant influence / control / joint control**			
1	ABC Trading Corporation	India	-	-
2	Adeline Pharma Private Limited	India	-	-
3	AMG Health Care Destination Private Limited	India	-	-
4	Apex agencies	India	-	-
5	Apollo Education Research Foundation, Chennai	India	-	-
6	Apollo family benevolent fund trust	India	-	-
7	Apollo Hospital Educational Trust	India	-	-
8	Apollo Medskills Limited	India	-	-
9	Apollo Shine Foundation	India	-	-
10	Apollo Sindoori Hotels Limited	India	-	-
11	Apollo Tele Health Services Pvt Ltd	India	-	-
12	Apollo Telemedicine Networking Foundation	India	-	-
13	Associated Electrical Agencies	India	-	-
14	Bona Sera Hotels Limited	India	-	-
15	BVR Mohan Reddy	India	-	-
16	Cadila Pharmacuticals Limited	India	-	-
17	Dasve Convention Center Limited	India	-	-
18	Dhruvi Pharma pvt ltd	India	-	-
19	Dishnet Wireless Limited	India	-	-

Sl. No.	Name of the Company	Country of Incorporation	% of Holding as at March 31, 2018	% of Holding as at March 31, 2017
20	Dr GSK Velu	India	-	-
21	Ecomotel Hotel Limited	India	-	-
22	Faber Sindoori Management Services Private Limited	India	-	-
23	Focus Medisales Private Limited	India	-	-
24	Full Spectrum Adventure Limited	India	-	-
25	Gleneagles Development Pte Ltd	India	-	-
26	Gleneagles Management Services Pte Ltd	India	-	-
27	Green Channel Travels Services Private Limtied	India	-	-
28	Healthnet Global Limited	India	-	-
29	Indian Hospitex Private Limited	India	-	-
30	IRM Enterprises Private Limited	India	-	-
31	Keimed Private Limited	India	-	-
32	Kurnool Hospitals Enterprise Limited	India	-	-
33	Lakeshore Watersport Company Ltd	India	-	-
34	Lavasa Corporation Limited	India	-	-
35	Lavasa Hotel Ltd	India	-	-
36	Lifetime Wellness Rx International Limited	India	-	-
37	Lucky pharmaceuticals pvt ltd - New Delhi	India	-	-
38	Matrix Agro	India	-	-
39	Maxivision Laser Centre Private Limited	India	-	-
40	Medihauxe International Private Limited	India	-	-
41	Medihauxe Pharma Private Limited - Hyderabad	India	-	-
42	Medsmart Logistics Private Limited	India	-	-
43	Medvarsity Online Limited	India	-	-
44	Meher Distributors Private Limited - Mumbai	India	-	-
45	Munchener Ruckvesicherung Geseil schaft	India	-	-
46	My City Technology Ltd	India	-	-
47	Neelkanth Drugs Pvt Ltd	India	-	-
48	P Obul Reddy & Sons	India	-	-
49	Palepu Pharma Private Ltd	India	-	-
50	PPN Power Generating Company Private Limited	India	-	-
51	Rajshree Catering Services	India	-	-
52	Reasonable Housing Limited	India	-	-
53	RJN Spectra Hospitals Pvt Ltd	India	-	-
54	Sahayadri City Management	India	-	-
55	Sahyadri City Management Limited	India	-	-
56	Sanjeevani Pharma Distributors Private Limited	India	-	-
57	Sanofi Synthelabo (India) Limited	India	-	-
58	Searchlight Health Private Limited	India	-	-
59	Srinivasa Medisales Private Limited	India	-	-
60	Starlit Resort Limited	India	-	-
61	Stemcyte Inc, USA	India	-	-
62	Stemcyte India Therapeutics Private Limited	India	-	-
63	Together Against Diabetic Foundation Trust	India	-	-
64	Trivitron Healthcare Private Limited	India	-	-
65	Vardhman Pharma Distributors Private Limited	India	-	-

Notes to the Consolidated financial statements as at and for the year ended March 31, 2018
(All amounts are in ₹ million unless otherwise stated)

Sl. No.	Name of the Company	Country of Incorporation	% of Holding as at March 31, 2018	% of Holding as at March 31, 2017
66	Vinayak Chatterjee	India	-	-
67	Warasgaon Power Supply Ltd	India	-	-
68	Whistling Thrust Facility Service	India	-	-
69	Wipro GE Health Care	India	-	-
70	Wipro Limited	India	-	-

60.1 Realated Party Transactions

S. No	Name of related parties	Nature of Balance/Transactions	March 31, 2018	March 31, 2017
1	Apollo Gleneagles Hospitals Limited	Investment in Equity	393.12	393.12
		Advertisement Reimbursement	-	
		Revenue from operations during the year	205.06	210.92
		Reimbursement of expense during the year	111.70	103.65
		Claim payments	51.84	47.45
		Deposit premium Balance	0.12	0.12
		Receivable as at year end	758.26	521.08
2	Apollo Gleneagles PET-CT Private Limited	Investment in Equity	85.00	85.00
		Receivables	1.00	6.08
		Revenue from Operation during the year	1.74	3.27
		Reimbursement of expense during the year	2.87	
3	Apollo Munich Health Insurance Company Limited	Investment in Equity	357.09	357.09
		Group mediclaim expense incurred	459.77	102.36
		Revenue	201.41	232.12
		Investment In Debentures	80.00	-
		Medical Health Insurance Premium	53.18	48.24
		Receivable as at year end	74.72	47.25
4	Family Health Plan Limited	Investment in Equity	4.90	4.90
		Revenue from operations during the year	378.85	592.33
		Claim payments	-	
		TPA Fees	347.51	257.10
		Deposit premium Balance	1.91	1.56
		Receivables as at year end	39.60	154.76
5	Indraprastha Medical Corporation Limited	Investment in Equity	393.72	393.72
		Receivables as at year end	40.67	450.14
		Dividend received	30.29	36.35
		Reimbursement of expense during the year	70.75	77.25
		Commission on Pharmacy	138.01	147.22
		Licence Fee	12.45	13.79

S. No	Name of related parties	Nature of Balance/Transactions	March 31, 2018	March 31, 2017
		Deposit premium Balance	1.67	2.34
		Claim payments	161.74	134.91
		Revenue from operations during the year	223.61	198.10
6	Stemcyte India Therapeutics Private Limited	Investment in Equity	80.00	80.00
		Revenue from operations during the year	14.11	3.60
		Reimbursement of expense during the year	2.31	2.47
		Receivables as at year end	8.62	0.92
7	Dr.Prathap C Reddy	Remuneration Paid	95.86	108.22
8	Smt.Preetha Reddy	Remuneration Paid	38.22	42.04
9	Smt.Suneeta Reddy	Remuneration Paid	38.22	42.04
10	Smt.Sangita Reddy	Remuneration Paid	37.32	41.43
11	Smt.Shobana Kamineni	Remuneration Paid	38.76	42.64
12	Apollo Sindoori Hotels Limited	Food and Beverage expense Incurred during the year	1,224.02	815.59
		Reimbursement of expense during the year	6.79	4.08
		Rent Paid	4.07	3.19
		Food Supply in Marketing events	0.18	-
		Payables as at year end	104.89	26.42
13	Faber Sindoori Management Services Private Limited	Outsourcing expense of house keeping incurred during the year	1,096.18	820.38
		Premium Income	2.09	2.68
		Claim payments	0.02	0.34
		Reimbursement of expense during the year	55.33	8.37
		Deposit premium Balance	0.24	0.24
		Payables as at year end	187.01	129.59
		Outsourcing expense during the year	115.80	10.42
		Revenue from operations during the year	22.62	11.75
		Reimbursement of expense during the year	1.78	1.44
		Deposit premium Balance	0.11	0.02
		Receivable as at year end	135.10	17.40
14	P Obul Reddy & Sons	Receivable as at year end	2.17	1.50
		Premium Income	-	0.12
		Capital expenditure incurred during the year	-	23.03
15	Keimed Private Limited	Payables at the year end	176.63	103.17
		Purchases during the year	4,764.35	3,816.01
		Premium Income	0.95	0.70
		Deposit premium Balance	0.01	-
		Reimbursement of expense during the year	17.49	-
16	Medvarsity Online Limited	Transactions during the year	-	
		Reimbursement of expense during the year	0.05	7.89

Notes to the Consolidated financial statements as at and for the year ended March 31, 2018
(All amounts are in ₹ million unless otherwise stated)

S. No	Name of related parties	Nature of Balance/Transactions	March 31, 2018	March 31, 2017
		Revenue from operations during the year	3.09	3.06
		Deposit premium Balance	0.21	0.02
		Receivable as at year end	8.45	1.23
17	Kurnool Hospitals Enterprise Limited	Investment in Equity	1.73	1.73
		Revenue from operations during the year	2.51	2.95
		Receivables as at year end	9.29	8.56
18	AMG Health Care Destination Private Limited	Investment in Equity	12.33	12.33
		Rent expense incurred during the year	32.36	33.13
		Premium Income	0.14	
		Revenue	-	2.79
		Reimbursement of expense during the year	7.05	14.50
		Lease Deposit	70.00	70.00
		Receivables/(Payable) during the year	181.73	224.80
		Reimbursement of expense during the year	-	24.13
		Receivable	605.19	157.60
19	Palepu Pharma Private Ltd	Payables as at year end	78.66	12.96
		Medicine purchases during the year	4,491.12	3,952.16
20	Medihauxe International Private Limited	Payables as at year end	52.76	46.44
		Medicine purchases during the year	531.37	465.77
21	Vardhman Pharma Distributors Private Limited	Payables as at year end	7.31	19.62
		Medicine purchases during the year	161.50	508.59
22	Focus Medisales Private Limited	Payables as at year end	2.13	27.99
		Medicine purchases during the year	170.72	521.76
23	Srinivasa Medisales Private Limited	Payables as at year end	202.39	92.02
		Medicine purchases during the year	2,181.27	1,052.79
24	Meher Distributors Private Limited - Mumbai	Payables as at year end	34.90	19.41
		Reimbursement of expense during the year	2.09	-
		Medicine purchases during the year	637.72	456.33
25	Lucky pharmaceuticals pvt ltd - New Delhi	Payables as at year end	49.59	36.86
		Reimbursement of expense during the year	2.25	-
		Medicine purchases during the year	994.93	1,035.88
26	Neelkanth Drugs Pvt Ltd	Payables as at year end	86.48	90.33
		Reimbursement of expense during the year	1.83	-
		Medicine purchases during the year	1,649.41	1,417.74
27	Dhruvi Pharma pvt ltd	Payables as at year end	64.18	29.84
		Medicine purchases during the year	702.03	450.72

S. No	Name of related parties	Nature of Balance/Transactions	March 31, 2018	March 31, 2017
28	Apokos Rehab Private Limited	Investment in equity	84.75	84.75
		Revenue from operations during the year	0.43	1.36
		Reimbursement of expense during the year	17.66	3.55
		Receivable as at year end	2.81	0.74
29	Shri. Habibullah Badsha	Remuneration paid	0.05	1.65
30	Shri. Sanjay Nayar	Remuneration paid	1.30	1.50
31	Shri. Vinayak Chatterjee	Remuneration paid	1.55	1.50
32	Shri. Rafeeque Ahamed	Remuneration paid	0.10	1.50
33	Shri. N.Vaghul	Remuneration paid	1.70	1.70
34	Shri. Deepak Vaidya	Remuneration paid	1.95	1.95
35	Shri. Rajkumar Menon	Remuneration paid	0.20	2.14
36	Shri. BVR Mohan Reddy	Remuneration paid	1.03	-
37	Dr T. Rajgopal	Remuneration paid	1.44	
38	Shri. G. Venkataraman	Remuneration paid	1.90	1.95
39	Apollo Tele Health Services Pvt Ltd	Reimbursement of expense during the year	0.01	6.40
		Loans and Advances	0.01	0.01
		Revenue	0.06	-
		Consultancy fee to doctors	12.64	6.40
		Receivables as at year end	1.33	6.80
40	Apollo Medskills Limited	Reimbursement of expense during the year	8.63	-
		Premium Income	4.63	-
		Receivables as at year end	6.94	-
41	Sanjeevani Pharma Distributors Private Limited	Payable as at Year end	116.04	55.94
		Purchases	4,264.01	4,044.39
42	Medihauxe Pharma Private Limited - Hyderabad	Payable as at Year end	16.73	12.14
		Purchases	262.66	185.35
43	Adeline Pharma Private Limited	Payable as at Year end	33.00	4.28
		Purchases	404.89	17.50
44	Apollo Aamrish Oncology Services Private Limited	Receivable as at Year end	88.76	
		Reimbursement of expense during the year	84.21	
		Services availed	24.07	
		Revenue from operations during the year	27.22	
45	Matrix Agro	Power charges paid	28.56	25.12
		Payables as at Year end	0.84	0.93
46	Apollo family benevolent fund trust	Company's Contribution to the trust fund	0.84	0.77
		Employee contribution collected and remitted to the trust	8.54	9.04
47	Wipro Limited	Annual maintenance contract	0.22	-
		Receivables as at Year end	0.26	-

Notes to the Consolidated financial statements as at and for the year ended March 31, 2018
(All amounts are in ₹ million unless otherwise stated)

S. No	Name of related parties	Nature of Balance/Transactions	March 31, 2018	March 31, 2017
48	Wipro GE Health Care	Annual Maintenance contract	2.38	-
		Purchase of Capital goods	4.62	-
		Receivables as at Year end	0.25	-
		Purchase of Material	4.88	-
49	ABC Trading Corporation	Rental income	0.60	-
		Receivables as at Year end	0.13	
50	Maxivision Laser Centre Private Limited	Revenue from operations during the year	0.86	-
		Availing of services	4.46	-
		Receivables during the year	0.13	-
51	Searchlight Health Private Limited	Health Record services	3.78	1.10
		Payables during the year	1.82	-
52	Healthnet Global Limited	Call Centre services	8.09	1.45
		Payables during the year	0.46	0.51
53	Trivitron Healthcare Private Limited	Availing of services	5.82	3.20
		Payable during the year	3.70	1.32
54	Sanofi Synthelabo (India) Limited	Availing of services	1.00	1.00
		Share Capital	7.34	7.34
		Securities Premium Reserve	495.94	495.94
55	Together Against Diabetic Foundation Trust	Revenue from Operations	0.34	-
		Receivables	2.90	-
56	Medsmart Logistics Private Limited	Payable during the year	7.69	-
		Purchases	36.64	-
57	Indian Hospitex Private Limited	Purchases	0.15	2.60
		Payable as at year end	-	0.50
58	Rajshree Catering Services	Food and Beveages Outsourced	11.14	8.52
		Payables as at year end	1.16	2.05
59	Lavasa Corporation Limited	Revenue from Operations	1.82	1.85
		Share Capital	6.27	6.27
		Inter Corporate Deposit Outstanding	97.24	97.24
		Interest accrued but not due	87.60	74.91
		Interest on Inter Corporate Deposit	14.10	14.10
		Project and Other Services	0.20	0.27
		Trade Receivables	5.48	4.62
60	Full Spectrum Adventure Limited	Revenue from Operations	0.00	-
		Trade Receivables	0.01	-
61	Bona Sera Hotels Limited	Revenue from Operations	0.03	0.02
		Trade Receivables	0.07	-
62	Ecomotel Hotel Limited	Revenue from Operations	0.04	0.10
		Trade Payables	0.04	-
		Project and Other Services	0.06	0.07

S. No	Name of related parties	Nature of Balance/Transactions	March 31, 2018	March 31, 2017
63	Lavasa Hotel Ltd	Revenue from Operations	0.05	0.01
		Trade Receivables	0.16	0.02
64	Sahyadri City Management Limited	Revenue from Operations	0.00	
		Payables	7.04	0.07
		Project and Other Services	2.28	0.02
65	Starlit Resort Limited	Revenue from Operations	0.01	0.02
		Payables	0.00	
66	Lakeshore Watersport Company Ltd	Revenue from Operations	-	
67	Dasve Convention Center Limited	Revenue from Operations	0.02	0.23
		Trade Receivables	0.02	
68	Reasonable Housing Limited	Project and Other Services	0.68	0.60
		Advances	0.68	0.26
69	My City Technology Ltd	Trade Payables	2.43	1.93
70	Sahayadri City Management	Trade Payables	7.04	7.50
71	Whistling Thrust Facility Service	Trade Payables	0.68	0.48
72	Warasgaon Power Supply Ltd.	Trade Payables	0.02	
73	Cadila Pharmaceuticals Limited	Purchase	6.57	7.34
		Income from Operations	2.63	3.91
		Trade Receivables	1.25	-
74	Green Channel Travels Services Private Limited	Services availed	6.90	7.94
		Trade Payables	0.15	0.14
75	IRM Enterprises Private Limited	Services availed	0.04	0.05
		Rental Income	0.12	0.07
		Trade Receivables	0.01	
76	Apollo CVHF Limited	Reimbursement of expenses	2.34	
77	Apollo Shine Foundation	Reimbursement of expenses	0.10	
78	Dr.GSK VELU	Unsecured Loan	0.40	
79	Dishnet Wireless Limited	Purchase	1.87	2.49
80	Apex agencies	Premium Income	0.18	0.09
		Deposit Premium Balance		
81	Associated Electrical Agencies	Premium Income	0.30	0.19
82	Munchener Ruckvesicherung Geseil schaft	Premium on cession o reinsurers	1,736.60	386.74
		Reinsurance commission earned	618.58	135.36
		Losses recovered from reinsurer	596.81	93.37
		Debentures Issued		
		Payable as at year end	486.79	158.02

S. No	Name of related parties	Nature of Balance/Transactions	March 31, 2018	March 31, 2017
83	Gleneagles Management Services Pte Ltd	Trademark, Management and Technical Fees	124.26	118.46
		Payable as at year end	225.14	
		Unsecured Loan	36.54	36.54
84	Gleneagles Development Pte Ltd	Unsecured Loan	124.39	124.39
85	Apollo Telemedicine Networking Foundation	Income from Jute Bags	-	0.14
86	Stemcyte Inc, USA	Reimbursement of expenses	0.48	0.50
		Receipt of transplant coordination charges	-	0.07
		Payable as at year end	-	5.07
87	RJN Spectra Hospitals Pvt Ltd	Revenue Sharing	-	0.18
		Payable as at year end	-	0.13
88	PPN Power Generating Company Private Limited	Deposit Premium Balance	-	

61 There are no subsequent events after the reporting period

62 Figures for the previous year are reclassified / regrouped wherever necessary.

For and on behalf of the Board of Directors

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
Vice President - Finance
& Company Secretary

Place: Chennai
Date : May 30, 2018

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Executive Vice Chairperson

Suneeta Reddy
Managing Director

CONSOLIDATED STATEMENT OF CASH FLOWS

PARTICULARS		For the year ended March 31, 2018	For the year ended March 31, 2017
A.	**Cash flow from Operating Activities**		
	Profit for the year	595.57	1,311.20
	Adjustments for:		
	Depreciation and Amortisation expense	3,590.30	3,140.39
	Income Tax	1,119.05	909.59
	Loss on disposal of Property Plant and Equipment (net)	80.47	52.01
	Gain on disposal of Property Plant and Equipment (net)	0.38	5.08
	Finance costs	2,950.68	2,573.50
	Interest from Banks/others	(184.47)	(122.67)
	Dividend on current investments	(9.70)	(7.78)
	Provision for doubtful debts & advances	588.37	268.89
	Net gain/(loss) arising on financial assets designated as at FVTPL	(7.98)	(26.20)
	Impairment of Goodwill	1.00	-
	Unrealised Foreign Exchange Gain (net)	12.49	238.12
	Provision for investment write back	(50.43)	-
	Expenses recognized in respect of shares issued in exchange of consultancy services	6.17	4.42
	Operating Cash Flow before working capital changes	8,691.90	8,346.56
	(Increase)/decrease in operating assets		
	Inventories	(989.75)	(607.34)
	Trade receivables	(2,366.51)	(1,618.17)
	Other Financial Assets	404.38	(150.50)
	Current Financial Assets	(452.14)	1,609.10
	Other Non-Current Assets	(5.75)	(206.78)
	Other Current Assets	(106.31)	632.43
		(3,516.08)	**(341.26)**
	Increase/(decrease) in operating liabilities:		-
	Trade payables	1,086.30	(1,157.89)
	Other Non Current Financial Liabilities	(99.64)	112.44
	Other Current Financial Liabilities	831.21	678.31
	Provisions	(200.90)	48.38
	Other Current Liabilities	(172.22)	(124.79)
		1,444.75	**(443.55)**
	Cash generated from operations	**6,620.57**	**7,561.75**

Consolidated financial statements for the year ended March 31, 2018
(All amounts are in ₹ million unless otherwise stated)

PARTICULARS	For the year ended March 31, 2018	For the year ended March 31, 207
Income Tax Paid	(1,250.97)	(1,336.24)
A. Net cash generated from operating activities	**5,369.60**	**6,225.51**
B. Cash flow from Investing Activities		
Acquisition of Property, plant & equipment	(6,213.88)	(6,734.53)
Proceeds on disposal of Property, plant & equipment	8.93	47.10
Investment in Bank Deposits	1,308.96	(1,981.88)
Purchase of Investments	(466.61)	(3,027.28)
Proceeds from sale of Investments	1,104.12	50.00
Interest received	199.67	120.03
Dividend Received	9.70	7.78
B. Net cash used in Investing Activities	**(4,049.11)**	**(11,518.79)**
C. Cash flow from Financing Activities		
Proceeds from issue of equity instruments	83.25	6,055.89
Proceeds from Borrowings	5,717.02	7,942.83
Repayment of Borrowings	(2,698.73)	(5,886.17)
Finance costs	(3,178.15)	(3,343.00)
Dividend paid on equity shares (including Dividend Distribution Tax Paid)	(1,008.37)	
C. Net cash (used)/ generated in Financing Activities	**(1,084.98)**	**4,769.55**
Net increase / (decrease) in cash and cash equivalents (A+B+C) = (D)	**235.51**	**(523.73)**
Cash and cash equivalents at the beginning of the year (Refer Note 15)	2,827.82	3,351.55
Net Cash and Cash Equivalents Movement at the beginning of the year	**2,827.82**	**3,351.55**
Cash and cash equivalents at the end of the year (Refer Note 15)	3,063.33	2,827.82
Net Cash and Cash Equivalents Movement at the end of the year	**3,063.33**	**2,827.82**

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date attached
For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Registration No. 117366W/W-10018
Vikas Bagaria
Partner
Membership No. 060408
Place : Singapore
Date : May 30, 2018

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
Vice President - Finance
& Company Secretary
Place: Chennai
Date : May 30, 2018

For and on behalf of the Board of Directors
Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Executive Vice Chairperson

Suneeta Reddy
Managing Director

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For the kind attention of shareholders

Shareholders / Proxy holders attending the meeting should bring the attendance slip to the meeting and handover the same at the entrance duly signed

Apollo Hospitals Enterprise Limited
[CIN : L85110TN1979PLC008035]
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Secretarial Dept: Ali Towers III Floor, No.55, Greams Road, Chennai – 600 006
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