Apollo HOSPITALS
TOUCHING LIVES

2011-12 Annual Report

APOLLO HOSPITALS ENTERPRISE LIMITED

progressive prescription

THINKING AHEAD

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This report is available online at:

www.apollohospitals.com

At Apollo, progress in healthcare excellence is a philosophy that we practice, each day, across our 50 hospitals.

Our healthcare delivery model has touched over 27 million patients, globally. It has touched lives with our characteristic Tender Loving Care (TLC) and continues to be inspired by our quest to create new healthcare paradigms. We are constantly thinking beyond today's realities, and evolving a smarter and better healthcare for tomorrow.

We recognised evolving trends in socio-economic conditions and lifestyles, and anticipated their consequent implications on India's healthcare framework and demand curve. We responded by ramping-up our facilities — from 150 beds, we are now at over 8,250 beds; continuous investments have been made to introduce cutting-edge technology and engage doctors with proven expertise. Facilitating the highest standards of healthcare delivery remains our enduring mission.

The past showcases significant accomplishments; the future promises a lot more.

Progressive contribution to healthcare

50
OWNED AND MANAGED HOSPITALS

OVER
8,250
BEDS

OVER
4,500
DOCTORS

OVER
8,200
NURSES

Dedicated mission

"Our 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."

Apollo Hospitals Enterprise Limited (Apollo) is India's leading private sector healthcare services provider, and is among Asia's largest hospital networks. It was founded by Dr. Prathap C. Reddy, a recipient of the prestigious Padma Bhushan (1991) and the Padma Vibhushan (2010).

Dr. Prathap C. Reddy was conferred with these awards by the Government of India in recognition of his pioneering contribution to Indian healthcare. The Padma Vibhushan, India's second highest civilian honour, felicitates Dr. Reddy's untiring efforts to take quality healthcare closer to a billion lives.

Over the years, we have strengthened healthcare delivery, focusing on high-end tertiary care to quaternary care, secondary care, primary care and day-care facilities across India. Our pan-India expansion of hospitals — across metros, tier II and tier III cities — testifies to our commitment to provide quality healthcare to people in need. We have been and continue to remain committed to delivering superior customer service in an environment of continuous improvement. We innovate, embrace change and run the extra mile to deliver on our promises, safely and responsibly.

OVER
2,700
PARAMEDICAL PERSONNEL

OVER
1,350
NETWORK OF STANDALONE PHARMACIES ACROSS INDIA'S 20 STATES

100
PRIMARY CLINICS OFFERING CONSULTATION, DIAGNOSTICS AND PREVENTIVE HEALTH CHECK-UPS

HOSPITALS, PHARMACIES, CLINICS, TELEMEDICINE, mBPO, CONSULTANCY, RESEARCH, EDUCATION AND INSURANCE

Apollo is in a position of strength across every key touch point of the healthcare delivery chain.

RELENTLESS PURSUIT OF PERFECTION

Apollo pioneered the concept of clinical excellence in India and has since elevated it to the highest pinnacle. A testimony of the Group's association with first-class healthcare is the fact that every year, patients from over 120 countries, come to Apollo for treatment.

TRINITY OF EXCELLENCE, EXPERTISE AND EMPATHY

The cornerstones of Apollo's legacy – our unwavering dedication of clinical excellence, our relentless pursuit of expertise and the ever tender Apollo empathy, continue to be the vital elements in our vision and plan for the future.

Globally admired

- Among the largest cardiovascular groups in the world
- World's No 1 in Solid Organ Transplant Program
- First to launch Novalis TX™ and G4 Cyberknife® Robotic Radiosurgery System for Cancer Treatment in India
- World's first Medical Institution to use Satellite Technology for Telemedicine
- Introduced India's first 320-Slice CT Scanner
- First to install 64 Slice Positron Emission Tomography-Computed Tomography (PET-CT) Scan System in India
- Installed South Asia's first-of-its-kind, full-field digital mammography with Tomosynthesis (3D) system
- Apollo Pharmacy is India's first and largest branded pharmacy network, with over 1,350 outlets in key locations

Chairman's message

OUR CUTTING-EDGE TECHNOLOGY AND PROTOCOLS HELP US DELIVER CLINICAL EXCELLENCE ON PAR WITH THE WORLD'S BEST. THIS WAS AND IT WILL ALWAYS BE INTEGRAL TO THE APOLLO MISSION.

Dear Shareholders,

As one surveys the panoramic landscape and assesses what the country needs to do to meet the huge gap in healthcare delivery, I am deeply concerned at the unfinished task facing all of us as citizens of this nation.

Apollo represents the hope and aspirations, deep within the heart of every individual and of the 27 million people who have come to Apollo for being treated. It is gratifying to note that your Company has been able to meet and surpass expectations by providing best-in-class treatment outcomes, combined with tender loving care to patients.

However, I still believe that the journey has just begun and the country needs to build a pipeline of professional talent comprising doctors, nurses, other paramedics and management professionals. I may not be very off the mark, if I state that the demand-supply gap is more aggravated now than when Apollo was conceived.

In line with our mission, we continue to deliver clinical excellence on par with the world's best benchmarks by adopting cutting-edge treatment technologies. Our commitment to advanced patient care has helped us put in place the world's busiest transplantation program. We have also undertaken initiatives such as the minimally invasive Robotic Surgery and have further strengthened our focus on our six centres of Excellence 'CONECT' (Cardiology, Orthopaedicss, Neurosciences, Emergency, Cancer and Transplant Medicine). The re-accreditation of our facilities at Chennai, Delhi, Bangalore and Dhaka by JCI and the NABH accreditation of our hospitals in Ahmedabad, Noida and Secunderabad further underscore our commitment on compliance with quality standards.

Our robust business model delivered sterling growth and improved profitability in 2011-12. Apollo crossed the ₹ 30 billion milestone, registering consolidated annual revenues of ₹ 31.5 billion, reflecting 20.8% growth. Consolidated Net Profit grew by 19.3% to ₹ 2,194 million and consolidated diluted EPS for the year stood at ₹ 16.30 per share. We have continued our practice of consistently rewarding our shareholders with a higher dividend. This year our dividend payout is 80% or ₹ 4 per share.

We have also been at the forefront of shaping healthcare sector policy indirectly through numerous suggestions to various governments over the years. The suggestions have been appreciated by all governments, and some of them received legislative support. The Cabinet Committee's decision to include hospitals in the Master-list of infrastructure sub-sectors and the 150% depreciation eligibility for new hospitals with over 100 beds under the Income Tax Act announced in the Union Budget are two important steps in the right direction.

It is reassuring to know that the government has planned to allocate 2.5% of the GDP on public health services by the end of the 12th Five Year Plan. In addition, announcements about the preparation of a clear roadmap to merge all the government health schemes, the plan to set up a national commission on health resources and efforts to strengthen facilities at primary health centres and district hospitals will provide a much needed fillip to Indian healthcare.

Your Company continues to be recognised by industry bodies, customers and media for its multi-dimensional healthcare excellence, receiving several awards and accolades during the year. The year ahead will witness further impetus to our key pillars of Patient Care Excellence, Clinical Excellence and Value Excellence, to bring the best of technical and clinical advances for the benefit of customers.

We have also initiated significant transformation initiatives that would further set us up to achieve balanced growth across all our Centers of Excellence, geographies and formats. The hopes and expectations of India's billion-plus people, not to mention those who travel from abroad, are yet to be fulfilled. Therefore, we welcome more players to share the responsibility of addressing the humongous un-served demand for quality healthcare.

We have simultaneously accelerated our focus on Preventive Healthcare through programmes like Billion Hearts Beating (BHB), as I strongly believe that prevention is as important as cure. A healthy India is a prosperous India, a powerful India. As the nation assumes its rightful position in the world, the challenge to keep India fit has to become the personal quest of every healthcare provider, every administrator and indeed every citizen. It's a march we have only just commenced. The journey ahead is long, but as they always say-the first steps are the most significant.

Apollo's role remains relevant as a progressive healthcare provider for the people of India, as it was three decades ago. We will continue to strive for the welfare and satisfaction of patients, providing faster, smarter and better care.

On behalf of the entire Company and the leadership team, I want to thank the Board of Directors, doctors, employees, bankers and financial institutions, the central and state governments and each shareholder for their support and commitment. I look forward to your continued support as your Company embarks on the next phase of its progressive journey.

Dr. Prathap C. Reddy
Executive Chairman

AS THE NATION ASSUMES ITS RIGHTFUL POSITION IN THE WORLD, THE CHALLENGE TO KEEP INDIA FIT HAS TO BECOME THE PERSONAL QUEST OF EVERY HEALTHCARE PROVIDER, EVERY ADMINISTRATOR AND INDEED EVERY CITIZEN.

Progressive healthcare delivery

AT APOLLO, WE RECOGNISE THAT HEALTHCARE DELIVERY IS A DYNAMIC PROCESS—A RESULT OF CONTINUOUS PROGRESSION IN THOUGHT AND ACTION.

Our journey started with the setting up of India's first corporate hospital, a multi-specialty hospital for high-end tertiary care in Chennai. Over the years, we upgraded our tertiary care hospitals in Chennai, Delhi, Kolkata and Hyderabad to include quaternary care as well.

We expanded our reach to make healthcare available to people in tier II locations through Apollo Reach Hospitals. This healthcare model takes advanced technology and experienced medical professionals to the people living in rural and semi-urban areas of the country.

Best-in-class treatment plans with advanced technologies and differentiated care led us towards single-specialty hospitals (focused on Cancer, Neurosciences and Paediatrics) with plans to commence Heart centres, Orthopaedic centres and Woman & Child care hospitals.

Our desire to facilitate day-to-day primary healthcare requirements led us to create a chain of neighbourhood clinics, offering routine diagnostics and preventive healthcare screening facilities in multiple locations.

As a part of our retail healthcare delivery focus, we are also planning to grow our Dental Clinics chain, Dialysis centres, Cosmetic centres and Birthing centres, including focused specialty clinics, such as Sugar Clinics for diabetes management and care.

2011 represents another landmark in our corporate existence, when we launched our ambitious programme 'Rocket 14', which aimed at strengthening our six Centres of Excellence, 'CONECT' (Cardiology, Orthopaedics, Neurosciences, Emergency, Cancer and Transplant Medicine). It reflects an unswerving effort to enhance clinical and service excellence, expanding into new areas of education and research.

65%

REVENUES DERIVED FROM THE HIGH END TERTIARY CARE SEGMENT

CANCER INSTITUTES

HEART INSTITUTES

INSTITUTE OF NEUROSCIENCES

APOLLO CANCER INSTITUTES

Apollo Cancer Institutes offer comprehensive cancer care facilities, encompassing every possible arena of cancer care – including advanced treatment options like Stereotactic Radiosurgery / Stereotactic Body Radiation Therapy (SRS / SRBT).

Our advanced healthcare offerings are facilitated by cutting-edge technologies. Apollo's team of outstanding consultants provides services of unmatched quality, competent support services, rehabilitation and other life care services. The facilities are provided across our hospitals in Chennai, Bangalore, Madurai, Hyderabad, Delhi, Ahmedabad and Kolkata.

Progression during the year

- Rendered services to 1,66,000 patients
- Provided radiation therapy to over 8,700 patients
- Operated over 5,200 patients
- Achieved a 66% growth in Bone Marrow Transplant Programme (BMT), making us one of the busiest private hospitals performing BMT in the country

APOLLO HEART INSTITUTES

The Heart Institutes at Apollo Hospitals, India, form one of the world's largest groups of Cardiology and Cardio-Thoracic Surgery. We have completed a record 110,000 + heart surgeries, coronary artery bypass surgery, surgery for all types of Valvular heart diseases and child heart surgery, with success rates comparable to international standards.

The commitment of our cardiologists and cardiothoracic surgeons to the prevention and treatment of heart disease has led to the achievement of better outcomes and improved quality of life for thousands of cardiac patients, who visit us each year, making Apollo Hospitals the most sought after hospital in India for bypass surgery and child heart surgery in India.

Progression during the year

- Over 57,000 cardiac health checks
- Over 8,000 major heart surgeries

APOLLO INSTITUTE OF NEUROSCIENCES

The Apollo Specialty Centres for Neurosciences are equipped to treat the entire range of neurological diseases. Transsphenoidal surgery for pituitary tumours, spinal fusions, X-Knife for fractioned treatment of benign and malignant tumours (stereo tactic radiotherapy), and many more cutting-edge treatments make Apollo Hospitals a leader in neurosurgical care. Ably supported by modern neuro-radiology services, neuro-intensive care facilities, as well as medical and radiation oncology services, neurological specialists at Apollo Hospitals achieve outcomes matching those of the leading institutions across the globe.

Progression during the year

- Touched over 160,000 lives
- Admitted over 20,000 patients
- Conducted 10,000 neurosurgeries
- Apollo Hospitals Delhi Neurosciences centre started the second opinion forum — Neuroboard, which helps in providing collective opinion from at least four Neurosciences experts at a time
- Apollo Hospitals Kolkata introduced a dedicated stroke unit to cater to stroke patients and a dedicated dementia unit for dementia patients
- Apollo Hospitals Kolkata introduced a weekly Neuro Radio Onco Spine Board meeting to discuss and review all critical cases, where neurologists, neurosurgeons, medical oncologists, radiation oncologists, spine surgeons, histopathologists and neuro-radiologists participate

APOLLO INSTITUTE OF ORTHOPAEDICS

We provide world-class programmes for the management of orthopaedic disorders. We offer the most comprehensive consultation and treatment of disorders of the musculoskeletal system.

Our team comprises highly trained specialists (orthopaedic surgeons, rheumatologists, dieticians, nurses, physical and occupational therapists) who are equipped to provide patients with the best diagnosis, assessment, rehabilitation and treatment.

Our Autologous Chondrocyte Transplantation (ACT) and custom fit joint replacement have been identified as path-breaking innovations.

Progression during the year

- Achieved 21%, 26% and 11% growth in knee replacements, hip replacements and spine surgeries, respectively
- Successfully conducted a bilateral knee replacement surgery on a 93-year-old man, one of the oldest men in the country to have undergone such a procedure

APOLLO EMERGENCY

We undertook a special endeavour towards reaching out to people in need of emergency medical care. Our progressive care is evident in identifying the areas of emergency and building a system of providing timely emergency care to our patients.

Progression during the year

- Implemented five clinical pathways on stroke, acute coronary syndrome, trauma, sepsis and seizures across multiple Apollo centres
- Conducted monthly emergency grand rounds through videoconferencing with participation and case presentations from all the Apollo centres
- Introduced technology to develop ED information system software, an efficiency improvement tool to standardise the processes in emergency department

APOLLO TRANSPLANT INSTITUTES

The Apollo Transplant Institutes provide a multi-disciplinary, highly skilled state-of-the-art service to patients under one roof, supported by cutting-edge medical technology and infrastructure.

The state-of-the-art services comprise peritoneal and haemodialysis, management of liver disease, management of kidney disease, liver and kidney transplantation, corneal transplantation, heart transplants, intestinal and GI transplant surgeries, gastroenterology, endoscopic procedures, GI surgery, paediatric gastroenterology and paediatric transplant services.

Progression during the year

- Completed 929 solid organ transplants in a single calendar year; one of the first programmes globally to cross the 900 mark in transplantation
- Started transplant facilities in our hospitals in Bhubaneswar and Ludhiana, while consolidating the programmes in Bangalore and Hyderabad

Progressive technology

IN INDIA, APOLLO HOSPITALS HAS BEEN THE PIONEER OF THE TECHNOLOGY REVOLUTION IN HEALTHCARE. OUR SOLUTIONS HAVE HELPED BUILD AN ADVANCED HEALTHCARE ECOSYSTEM, ENSURING EFFECTIVE CLINICAL OUTCOMES FOR ENHANCED PATIENT EXPERIENCE.

We have dedicated teams to constantly monitor technological innovations and medical advances to keep abreast of latest developments in global healthcare.

Apollo was among the first in India to adopt Novalis TX™ and G4 Cyberknife® Robotic Radiosurgery System for cancer treatment. Besides, the introduction of cutting-edge medical equipment (MRI, 320-Slice CT Scanner and 64 Slice PET-CT) in the past have been some of the pioneering initiatives, reflecting Apollo's think-ahead strategy.

The availability of sophisticated medical equipment ensures that we are among the few healthcare services providers in India, who are able to offer advanced healthcare procedures, such as stereo-tactic radio surgery and bone marrow transplants.

In addition, the contemporary Digital Mammography with Tomosynthesis (3D) technology was installed at Apollo Speciality Cancer Hospitals Chennai, the first-of-its-kind in South Asia. This contemporary equipment enables faster and accurate Stereotactic biopsies. This technology needs shorter examination time for diagnosis of breast cancer, and also significantly improves patient comfort and convenience.

Progression during the year

- Entered into a partnership with the healthcare division of Philips to offer MRI-guided high intensity focused ultrasound (HIFU) solution
- Signed an MoU with International Bariatric Institution to promote methods of performing bariatric surgery through endoscopy without incision
- Entered into an agreement with Cytori Therapeutics to offer the Celution R System in India, to provide the best-in-class regenerative medicine technology

Robotic Surgery at Apollo

Robotic Surgery has fast gained ground as a preferred surgery mode for select indications. The latest state-of-the-art 'da Vinci Si Robotic system' installed at Apollo Chennai, Kolkata and the Hyderabad hospitals is among the most advanced form of minimally-invasive robotic surgery that leads to faster recovery, reduces hospital stay and ensures precision and accuracy. The Robotic Surgery is already being performed for indications in Urology, Gynaecology, Bariatric Surgery and cardiac surgery for valve replacements and single-double vessel coronary artery bypass grafting.

Benefits to patients	Benefits to surgeons
Precise surgery with a very small incision	The Automated Endoscopic System for Optimal Positioning (AESOP), a 3D camera, ensures perfection in the microscopic surgeries that deal with nerves
Minimal scarring	Can reach places in the body that are normally unreachable by the human hand
Reduced risk of wound infection	Reduces fatigue from long operations, particularly that deal with nerve or tissue re-construction
Fewer blood transfusions and complications	
Shorter hospital stay	
Quicker recovery	

Progressive patient care

AT APOLLO, OUR FOCUS ON 'TENDER LOVING CARE' HAS ENABLED US TO DEVELOP A WIDE RANGE OF PRACTICES AND METICULOUSLY DETAILED PROTOCOLS TO ACHIEVE PERFECTION IN PATIENT EXPERIENCE.

7

HOSPITALS ACCREDITED BY JCI

5

HOSPITALS ACCREDITED BY THE NABH

A culture of patient-centricity, inculcated at Apollo encourages all in the team to stay focused on patient safety, clinical excellence and service excellence.

Our hospitals follow well-defined quality and patient safety protocols and adhere to accepted clinical standards in patient handling and care. A number of our facilities have been accredited by various Indian and international accreditation agencies. Indraprastha Apollo Hospital was the first hospital in India to be accredited by the JCI; six of our other hospitals have also been accredited by the JCI for meeting international healthcare quality standards for patient care and organisation management. In addition, five of our hospitals have been accredited by the NABH (National Accreditation Board for Hospitals & Healthcare Providers).

We introduced ACE@25, a balanced score card, to provide evidence-based quality care, safe environment to our patients, strengthening the functional efficiency of our hospitals and stimulating quality improvement, while reducing variations.

Our telemedicine programme further enhances our reach to the people residing in medically inaccessible areas. This technology allows patients to seek emergency medical care, share their medical reports for accurate diagnosis and also allows doctors to interact with their peers to discuss complicated cases or to get specialised opinion. The result is cost-effective healthcare delivery to the patients, allowing immediate and enhanced diagnosis.

OVER
27
MILLION PATIENTS TREATED SO FAR FROM 120 COUNTRIES

150
FROM CHENNAI RECEIVED A POST CABG HOME REVIEW IN A PILOT PROJECT

280,000+
INPATIENT ADMISSIONS IN 2011-12

25 lacs+
OUTPATIENT VOLUMES IN 2011-12

A testimony to quality healthcare

JCI has certified Apollo on the following parameters:

- Access to healthcare
- Health assessment and care processes
- Education and rights of patients
- Management of information and human resources
- Safety of facility
- Infection control
- Collaborative integrated management
- Facility management
- Performance measurement

Follow-up Care Programme for Post Coronary Artery Bypass Grafting (CABG) Patients

As a part of our continuous commitment to patient care, we launched 'Post CABG Home Review', a specially designed follow-up care programme. Under this programme a team, comprising an experienced doctor, qualified nurse and a professional physiotherapist, visits the home of a Post CABG patient and conducts a comprehensive review.

Unlocking the power of Collaboration – improving standards of excellence through shared knowledge

At Apollo, we believe in knowledge sharing at various platforms, where Apollo Group doctors and local emergency practitioners share their critical experiences, conduct case discussions and workshops. This enables us to address emergency situations with maturity and deep domain expertise, which greatly improves our standards of patient care.

Progressive initiatives

AT APOLLO, WE HAVE CONSTANTLY PROVIDED INNOVATIVE SOLUTIONS FOR THE WELL-BEING OF OUR PATIENTS AND THE SOCIETY AS A WHOLE. OUR DEPTH OF UNDERSTANDING OF THE HEALTHCARE ENVIRONMENT IS MATCHED BY THE BREADTH OF OUR EXPERTISE AND PRESENCE.

IN-HOUSE MEDICAL CONTENT, ACCESSIBLE TO THE MEDICAL COMMUNITY ANYTIME AND ANYWHERE

DOCTORS LINKED THROUGH THE APOLLO HEALTH HIWAY™ INITIATIVE

SOME OF OUR RECENT PIONEERING INITIATIVES INCLUDE:

Apollo Prism

- An online patient-controlled Personal Health Record database
- Users can import and manage health records created during various doctor visits
- Easy online access of health records and medical reports (anytime and anywhere) provides patients with the support needed to handle health outcomes and manage emergencies

Apollo Health Hiway™

- Seamless health information superstructure
- Online National Health Data Network provides on-demand patient health information to healthcare providers
- Improves healthcare services by mapping changing disease patterns, alerts medical establishments about emerging health problems, and enables doctors to make more informed decisions
- Benefits administrative functions by way of claims submission, processing systems, supply chain and procurement management

Pharmacy business

- Apollo's pharmacy division – Apollo Pharmacy – is considered to be among the largest retail chains in the country to supply medicines 24X7
- Enjoys a 1,350 + pharmacy network, spread across India's 20 states
- Offers wide range of medicines and surgical products, hospital consumables and over-the-counter products
- Offers value-added services like free home delivery to customers living within 5 km radius, prescription refilling and loyalty programmes, free health newsletters and bundled health insurance plans for regular customers
- Increasing penetration of private label sales, along with related advantages

Nursing institutes

- An initiative towards preparing competent and caring nurses in providing care of international standards
- Around 800 students pass out every year from 11 Nursing Institutions run by the promoters of Apollo Hospitals as trusts
- Offers courses on Bachelor of Science in nursing (4 years), Bachelor of Science for trained nurses (2 years) and Masters of Science in nursing (2 years)
- Following completion of the nursing course, nurses are recruited at any of the Apollo hospitals for two years of hands-on experience
- The Apollo-trained nurses get absorbed within Apollo hospitals and other leading healthcare organisations in India as well as the US, Europe, Singapore, Australia and other Asian countries

Education and knowledge

Apart from nursing schools and colleges, the trusts operated and managed by the Group and Medvarsity, India's 1st Medical online portal play a vital role in the field of medical and Para-medical education

- Offers courses in the domain of medical education, enhancing the knowledge of healthcare professionals and students
- Offers courses for over 20 specialities including General Medicine, General Surgery, Paediatrics, Orthopaedics, Cardiology, Cardiothoracic Surgery, among others
- Offers programmes to train paramedical personnel, emergency medical technicians and laboratory technicians
- Offers Royal College of General Practitioners, U.K, certified diploma in Family Medicine and Emergency Medicine
- Offers Diplomate National Board (DNB) training programme at Chennai, Hyderabad, New Delhi, Kolkata, Bangalore, Mysore, Madurai, Pune, Ludhiana, Ranchi and Bilaspur

Research

- AHERF, an independent entity recognised by DSIR as a Scientific and Industrial Research Organisation, undertakes and promotes scientific and medical research programmes, with a bearing on health needs, along with socio-economic and industrial needs
- Conducts a wide-range of research activities like clinical trials, clinical research training, basic and epidemiological research, stem cells research and therapy, bio-banking and research services, integrative medicine, customisation, validation and development of healthcare technology and research grants programme
- Collaborates and associates with leading academic and research organisations to bring about a healthier tomorrow

Life savers

- American Heart Association certified-BLS / ACLS courses were conducted at Hyderabad, Chennai, Kolkata and Bangalore to train professionals in managing community disasters
- Over 15,000 'Life Savers' trained across the country through a standardised material
- Initiative was conducted in collaboration with Save Life Foundation, Thane, Mumbai
- Units at Hyderabad and Ahmedabad play a lead role in community disaster drills, conducted by NDRF and airport authorities

Progressive performance

Consolidated Financial Performance

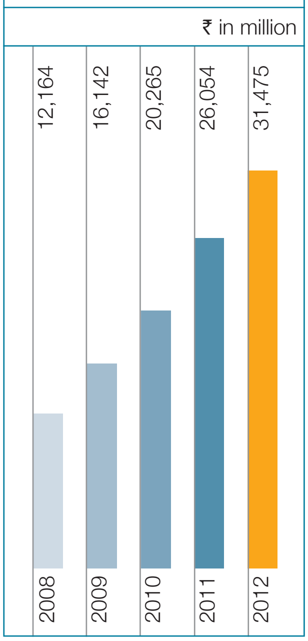
Rupees million, except for share data	Fiscal 2012	Fiscal 2011	Growth
Revenue from operations	**31,475**	**26,054**	**21%**
Operating EBITDA (Earnings before Interest Tax & Depreciation)	5,131	4,190	22%
Operating EBIT (Earnings before Interest & Tax)	3,892	3,243	20%
Profit Before Tax	3,260	2,613	25%
Profit After Tax	**2,194**	**1,839**	**19%**
Earnings per Share (EPS)-Basic	16.83	14.84	
Earnings per Share (EPS)-Diluted	16.30	14.37	

Consolidated Financial Position

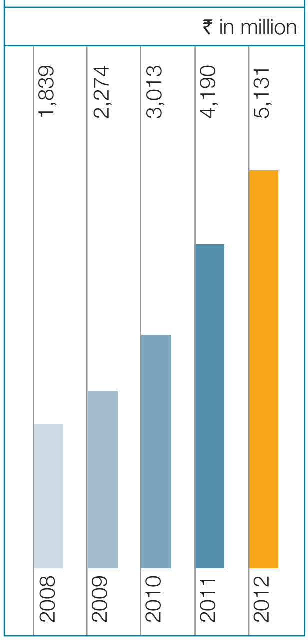
Rupees million	Fiscal 2012	Fiscal 2011
Application of Funds	**35,506**	**29,954**
Fixed Assets	20,855	18,229
Goodwill	1,350	677
Non-Current Investments	4,422	3,861
Net Current Assets & Long term advances	8,634	6,932
Deferred Tax Asset	245	255
Sources of Funds	**35,506**	**29,954**
Shareholders Funds	24,913	18,830
Capital Reserve on Consolidation	155	159
Minority Interest	126	249
Loan Funds and Long term provisions / liabilities	8,517	9,615
Deferred Tax Liablity	1,795	1,101

5-year graphical representation

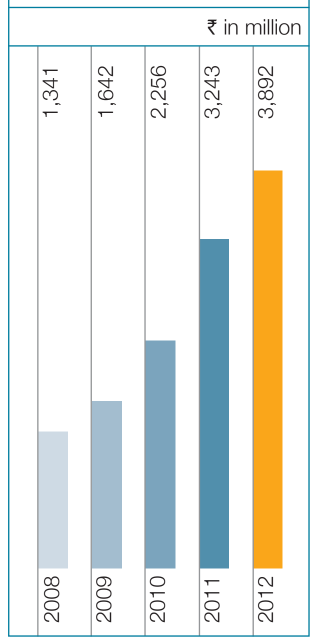
Revenue



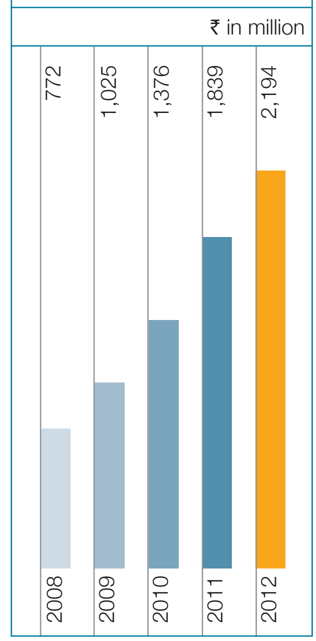
EBIDTA



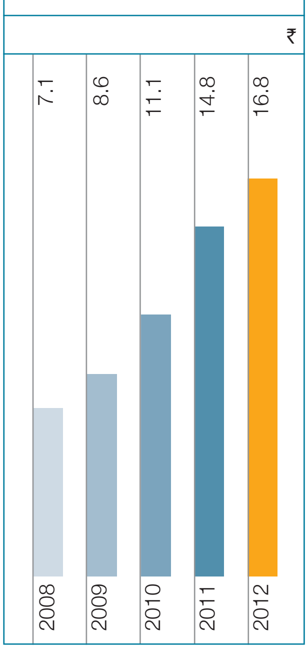
EBIT



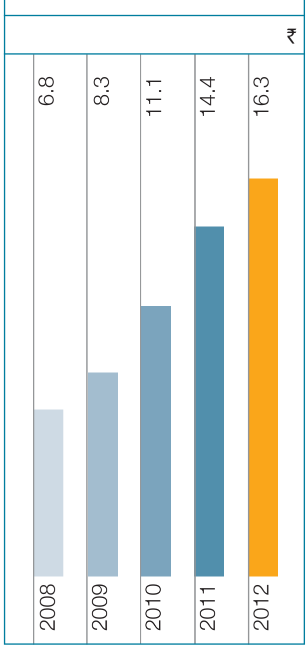
PAT



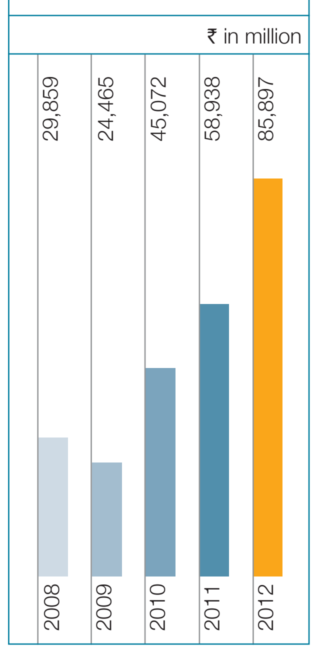
EPS (Basic)



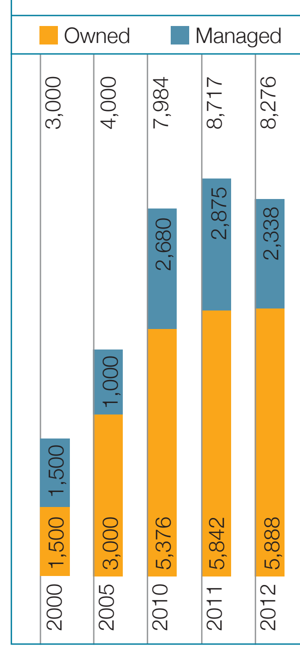
EPS (Diluted)



Market capitalisation



Bed growth



Progression round the year

CORPORATE HIGHLIGHTS

- Consolidated revenues crossed ₹ 30 billion / ₹ 3,000 crore landmark during the year
- Revenues from standalone pharmacies crossed ₹ 8 billion landmark during the year
- Added over 900 beds during the last 18 months across Apollo Hospitals in Hyderabad, Secunderabad, Hyderguda, Bhubaneswar, Karaikudi, Kolkata, Visakhapatnam, Bangalore and Delhi
- The Hon'ble Prime Minister Dr. Manmohan Singh inaugurated the Apollo Reach Hospitals at Karaikudi, Tamil Nadu in December, 2011
- Signed an agreement with the Government of Tanzania to start a 250-bed super-specialty hospital, offering world class healthcare services
- Finalised plans to set up a 250-bed hospital in Bangladesh under a Project Management Agreement
- Entered into an MoU with the University College London (UCL) for collaboration in training and clinical research
- Apollo Hospitals at Bangalore, Chennai, Delhi, Dhaka and Kolkata were re-accredited by the Joint Commission International (JCI) in 2011

- Apollo Hospitals at Ahmedabad, Noida and Secunderabad received the NABH accreditation in 2011
- Apollo Hospitals, Madurai was re-accredited by NABH and received the prestigious ISO 9001:2008 surveillance certification
- Apollo Hospitals launched its first ever Day Surgery Centre in 2011-12 at Alwarpet, Chennai
- Re-launched its Dental Care Chain in partnership with Trivitron Healthcare as 'White Dental Clinics'; the White Clinics will operate in four formats: Dental Spa, Dental Studio, Dental Clinic and Dental Express

MEDICAL HIGHLIGHTS

- Completed 1,000 tissue transfer surgeries in April, 2011
- Apollo Transplant Institutes became the busiest solid organ transplant programme, having conducted 929 liver, kidney and heart transplants
- Apollo Centre for liver disease and transplantation completed 100 liver transplantations in three years with a 90% success rate

- Apollo Specialty Hospital, Chennai performed total Femur Replacement surgery, enabling a 13-year-old boy from Mauritius to walk again
- Launched the Apollo Institute of Robotic Surgery in Chennai in November 2011 and the Institute successfully completed 55 surgeries in its first six months
- Introduced the MRI-guided High Intensity Fibroid Ultrasound (HIFU) for surgery free treatment of uterine fibroids at hospitals in Delhi and Hyderabad
- Successfully conducted total knee replacement surgery on a 93-year-old patient, who became the oldest ever patient to undergo this surgery
- Conducted first ever End luminal Bariatric Operation in South Asia at Chennai in January, 2012
- Doctors at Apollo Hospitals, Chennai, successfully performed an angioplasty, using a bifurcation stent (Nile Pax Stent) to treat a bifurcation lesion in the heart of a 55-year-old patient
- Doctors from Indraprastha Apollo Hospitals, Delhi, successfully conducted a 'Living-related Liver Transplant' on a 14-year-old boy from Qatar, who was diagnosed with a congenital liver disease, compounded by a liver-induced lung vascular disorder
- In a rare case of kidney transplantation, doctors at Apollo Hospitals in

Secunderabad successfully performed a complex case of 'Marginal Deceased Donor Transplantation' on a 49-year-old kidney failure patient

- Apollo, Bhubaneswar carried out two level Cervical Disc replacements for the first time in Odisha and eastern part of India; the patient, aged 54 years, had an excellent Neurological recovery and was discharged in 3 days
- For the first time in Eastern India, Medication Refractory Trigeminal Neuralgia was treated successfully with Stereotactic Radiosurgery using Brainlab and Novalis TX on a 73-year-old male patient
- The Awake Craniotomy surgery was performed for the first time at Apollo Gleneagles Hospital Kolkata to successfully treat a 32-year-old patient
- Apollo Gleneagles Hospital Kolkata performed its first Cadaver Renal Transplant successfully and became the first private sector hospital in the eastern region to accomplish this milestone

Accolades for progressive healthcare

- Dr. Prathap C. Reddy, Founder and Chairman, Apollo Hospitals Group was conferred with the "Lifetime Achievement Award" at the FICCI (Federation of Indian Chambers of Commerce and Industry) Healthcare Excellence Awards 2011. FICCI also conferred the Best Private Sector Hospital award to Apollo Hospitals
- Apollo Health City - Hyderabad was recognised as the "Best Medical Tourism Facility for 2009-2010" by the Ministry of Tourism - Government of India. It is the first hospital in India to receive this recognition
- Apollo's Billion Hearts Beating Campaign (BHB) was declared the winner in the Corporate Social Responsibility Practice category, at the 5th Indy's Awards 2011 (which is an annual event to honour the best talent for outstanding performance in the field of marketing, PR, advertising & branding)
- Superbrands, the independent authority and arbiter of branding, has included Apollo Hospitals among India's top 10 business Superbrands of 2011
- At the AIMA Managing India Awards, our Chairman Dr. Prathap C. Reddy was conferred with the " Life Time Achievement Award" for his remarkable contribution in the field of Medicine
- In the Week-Hansa Research Survey, Nov 2011:
  - Apollo Hospitals - Chennai was ranked the best private sector Multi-Specialty Hospital in the country
  - Apollo Hospitals - Chennai, Ahmedabad, Delhi, Hyderabad, and Kolkata were ranked No. 1 Multi-Specialty Hospitals in their cities
  - On the basis of specialties, several hospitals from the Apollo Hospitals Group were ranked in the top 10 for specialties such as Cardiology, Oncology, Orthopaedics, Nephrology, Neurology and Paediatrics

- FORTUNE India ranked Mrs. Preetha Reddy, Managing Director, as the 13th most powerful woman amongst India's 50 Most Powerful Women in Business, in its November, 2011 issue
- Apollo Hospitals Group won three awards at the Hospital Management Asia 2011 event in Singapore:
  - Apollo Hospital Chennai was the winner in the Operational Customer Service Category for its project "Excellence in patient experience at Emergency"
  - Apollo Gleneagles Hospital Kolkata was the Runner-up in the Cost Reduction Category for its project "CREW (Cost Reduction and Elimination of Waste)"
  - Apollo Hospital Hyderabad was the Runner-up in Clinical Service Improvement Category for its project "Wake Up Call – increasing compliances in clinical assessment"
- The Apollo Clinical Excellence Forum (ACEF) was adjudged among the top 3 in the Public Choice category under "Innovative Initiatives in Healthcare" at the eHealth World Awards 2011
- Indraprastha Apollo Hospital, New Delhi was awarded a Special Commendation for the Golden Peacock Environment Management Award for the hospital's environmental practices
- Apollo Gleneagles Hospital, Kolkata has become the first hospital in India to get the ISO 22000:2005-HACCP certification by BSI of UK for its F&B Department

CORPORATE REVIEW
PERFORMANCE HIGHLIGHTS
STATUTORY SECTION
BUSINESS REVIEW
FINANCIAL STATEMENTS

Pledge
for a better life

AT APOLLO HOSPITALS, WE BELIEVE THAT HEALTHCARE IS A RIGHT OF EVERY INDIVIDUAL. WE ARE COMMITTED TO THE GOOD HEALTH OF EVERY MAN, WOMAN AND CHILD IN OUR CIRCLE OF INFLUENCE. WE PLEDGE TO GO THE EXTRA MILE TO MAKE GOOD THIS COMMITMENT. WE ENCOURAGE INDIVIDUALS TO CARE FOR THEIR HEALTH, TO PLEDGE THEIR ORGANS AND GIVE SOMEONE A GIFT OF LIFE.

GIFT A LIFE

In view of the need for organ donation in the country, the Apollo Transplant Institutes founded the Gift A Life initiative in November, 2011, launched by ace cricketer Gautam Gambhir. The mission of Gift A Life is to ensure that no person in India dies for want of an organ.

The aim is to disseminate information and awareness on the issue of organ donation and at the same time connect doctors, citizens, hospitals, healthcare organisations, civil society organisations, Governments, NGOs and public sector institutions on a common platform to create awareness on this pressing issue of our times.

HOPE IS REAL

Hope is Real chronicles real stories of people who had the courage to fight cancer. Our online services received a momentum, following the launch of a 'Facebook page' and a web portal (www.hopeisreali.in), which function as a one-point communication and information platform for people seeking information about cancer, treatment modalities, life support services and latest global standards of treatment options.

To strengthen the campaign, ACI made four extraordinary films, based on real stories, culled from the world of Apollo Hospitals and they were aired for a month at primetime across India's leading TV channels.

BILLION HEARTS BEATING

In April 2010, Billion Hearts Beating (BHB), a national multi-media campaign to educate people and motivate positive action, was launched. Apollo's Billion Hearts Beating Foundation, a not-for-profit organisation, is spearheading the cause.

The campaign drew a heart-warming response: over 50,000 heart check-ups were conducted by Apollo hospitals across India; over 200,000 Indians promised to adopt a heart-healthy life on the Billion Hearts Beating web portal.

This initiative has encouraged us to touch a wider social cross-section: corporate houses, organisations, schools and colleges, individuals for their active support and partnerships.

BHB looks forward to the leaders of tomorrow to take forward the mission to reduce the incidence of heart disease and associated risks, ensuring health and happiness for all.

WORLD STROKE DAY

On World Stroke Day, our pan-India centres conducted stroke awareness programmes for the community. We launched 'Stroke Clubs' across the country, allowing stroke patients to interact with each other and support each other in their recovery.

ORAL CANCER AWARENESS CAMPAIGN

We conducted the Oral Cancer Awareness campaign in May, 2011, reaching out to a 50-lakh population and screened 300 people in the North-eastern states.

BREAST CANCER AWARENESS CAMPAIGN

We conducted a Breast Cancer Awareness Campaign and reached out to a 3-crore population across Chennai, Bangalore, Hyderabad, Delhi, Ahmedabad and Kolkata.

A web portal, www.5preciousminutes.com, demonstrating a self-check mechanism for breast cancer, recorded 10,000 hits in 15 days.

There were multifaceted activities across all COEs involving local GPs, clubs, women's organisations, colleges and NGOs. Over 1,000 enquires for mammography were received in our seven hospitals and more than 500 mammographies were done in a month.

Need for organ donation

- 175,000 Indians suffer from end-stage renal disease and they require a transplant, only 3,000 get an organ
- 50,000 Indians require a heart transplant, only 10-15 heart transplants are conducted annually in India
- 50,000 Indians require a liver transplant, only 400 liver transplants are done every year
- Every 10 minutes another name is added to the national organ transplant waiting list
- In Spain, 33 people in a million come forward and donate their organs voluntarily; in France the number is 23; in India it is 0.1

Board of Directors

Dr. Prathap C Reddy
Founder and Executive Chairman

Smt. Preetha Reddy
Managing Director

Smt. Suneeta Reddy
Joint Managing Director

Smt. Sangita Reddy
Executive Director-Operations

Smt. Shobana Kamineni
Executive Director-Special Initiatives

Shri. T.K. Balaji
Director

Shri. Deepak Vaidya
Director

Shri. Habibullah Badsha
Director

Shri. Khairil Anuar Abdullah
Director

Shri. Michael Fernandes
Alternate Director to Shri. Khairil Anuar Abdullah

Shri. Rafeeque Ahamed
Director

Shri. Raj Kumar Menon
Director

Shri. Sandeep Naik
Director

Shri. N Vaghul
Director

Shri. G. Venkatraman
Director

Corporate information

SENIOR MANAGEMENT TEAM

Shri. K. Padmanabhan
Group President

Shri. S. Premkumar
Group Chief Executive Officer

Shri. S.K. Venkataraman
Chief Strategy Officer

Shri. Krishnan Akhileswaran
Chief Financial Officer

Shri. S.M. Krishnan
Company Secretary

AUDITORS

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

BANKERS

Andhra Bank
Axis Bank
Canara Bank
Citibank
HDFC Bank
ICICI Bank
IDBI Bank
Indian Bank
Indian Overseas Bank
Oriental Bank of Commerce
State Bank of Travancore
Standard Chartered Bank
The Hongkong and Shanghai Banking Corporation

REGISTERED OFFICE

No. 19, Bishop Garden,
Raja Annamalaipuram
Chennai-600 028

ADMINISTRATIVE OFFICE

Ali Towers, III Floor
No. 55 Greams Road
Chennai-600 006
Email:apolloshares@vsnl.net
krishnan_sm@apollohospitals.com
www.apollohospitals.com

Audit Committee	Investors Grievance Committee	Remuneration & Nomination Committee	Investment Committee	Share Transfer Committee
Shri. Deepak Vaidya, Chairman	Shri. Rajkumar Menon, Chairman	Shri. N.Vaghul, Member	Smt. Preetha Reddy, Member	Smt. Preetha Reddy, Member
Shri. G.Venkatraman, Member	Smt. Preetha Reddy, Member	Shri. Deepak Vaidya, Member	Smt.Suneeta Reddy, Member	Shri. Rajkumar Menon, Member
Shri. Rajkumar Menon, Member	Smt.Suneeta Reddy, Member	Shri. G. Venkatraman, Member	Shri. N. Vaghul, Member	Shri. Rafeeque Ahamed, Member
		Shri. Sandeep Naik, Member	Shri. Deepak Vaidya, Member	
		Shri. Rafeeque Ahamed, Member	Shri. T.K. Balaji, Member	

Notice to the Shareholders

Notice is hereby given that the **Thirty First Annual General Meeting** of the Company will be held on Thursday, the 9th day of August 2012 at 11.00 a.m. at Kamaraj Arangam, No. 492 Anna Salai, Teynampet, Chennai- 600 006 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March 2012 and the Balance Sheet as at that date, the Directors' and Auditors' Report thereon.

2. To declare a dividend on equity shares for the financial year ended 31st March 2012.

3. To appoint a Director in place of Shri. N. Vaghul, who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint a Director in place of Shri. T.K. Balaji, who retires by rotation and being eligible, offers himself for re-appointment.

5. To appoint a Director in place of Shri. Rajkumar Menon, who retires by rotation and being eligible, offers himself for re-appointment.

6. To appoint a Director in place of Shri. G. Venkatraman, who retires by rotation and being eligible, offers himself for re-appointment.

7. To appoint Auditors for the current year and fix their remuneration, M/s.S.Viswanathan, Chartered Accountants, Chennai retire and are eligible for re-appointment.

SPECIAL BUSINESS

Item No. 8

To consider and, if thought fit, to pass with or without modification(s) the following resolution as a **SPECIAL RESOLUTION.**

"RESOLVED THAT subject to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereof, consent of the Company be and is hereby accorded to the renewal of the terms of payment of a sum equivalent to 5% of the net profits of the Company computed in accordance with the provisions of the Companies Act, 1956 as remuneration for each year to Dr.Prathap C Reddy, Permanent Chairman of the Company under Article 98(c) of the Articles of Association of the Company, for a period of five years commencing from 25th June 2012, and that the Board of Directors of the Company be and is hereby authorized to pay such remuneration either monthly, quarterly, half yearly or otherwise as they may deem fit."

By order of the Board
For **APOLLO HOSPITALS ENTERPRISE LIMITED**
S.M. KRISHNAN
General Manager - Project Finance &
Company Secretary

Place : Chennai
Date : 29th May 2012

NOTES:

1. **A member entitled to attend and vote at this Annual General Meeting may appoint a proxy to attend and vote on his / her behalf. A proxy need not be a member of the Company.** The instrument appointing the proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of the power or other authority shall be deposited either at the Registered Office of the Company at No. 19 Bishop Gardens, Raja Annamalaipuram, Chennai - 600 028 or at the Secretarial Department, Ali Towers, III floor, No. 55 Greams Road, Chennai - 600 006 not less than 48 hours before the commencement of the meeting.

2. The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of the Special Business as set out above is annexed hereto.

3. The Register of Members and Share Transfer Books will remain closed from **Saturday, 28th July 2012 to Thursday, 9th August 2012 (both days inclusive)**.

4. Dividend upon its declaration at the meeting will be paid on or before 22nd August 2012 to those members whose names appear:

   i) As members on the Register of Members of the Company as on 9th August 2012 after giving effect to all valid share transfers in physical form which would be received by the Company up to the closing hours of business on 27th July 2012.

   ii) As beneficial owners as per the list to be furnished by NSDL/CDSL as at the closing hours of business on 27th July 2012.

5. Members desiring any information as regards the accounts are requested to write to the Company at least seven days before the meeting so as to enable the management to keep the information available.

6. The Company transferred all unclaimed dividend declared up to the financial year ended 31st March 1994 to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978. Those Shareholders who have so far not claimed or collected their dividend up to the aforesaid financial year may claim their dividend from the Registrar of Companies, Tamil Nadu, Shastri Bhavan, Haddows Road, Chennai - 600 006.

7. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, as amended, the Company has transferred all unclaimed dividend for the financial years ended 31st March 1995 to 31st March 2004 to the Investor Education and Protection Fund (IEP Fund) established by the Central Government pursuant to Section 205 C of the Companies Act, 1956. It may also be noted that once the unclaimed dividend is transferred to the IEP Fund, no claim shall lie in respect thereof.

8. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, as amended, dividend for the financial year ended 31st March 2005 and thereafter, which remains unclaimed for a period of 7 years from the date of transfer of the same to the unclaimed dividend account as referred to in sub-section (1) of section 205A of the Act, will be transferred to the Investor Education and Protection Fund (IEP Fund) of the Central Government. Shareholders who have not encashed the dividend warrant(s) so far for the financial year ended 31st March 2005 or subsequent financial years are requested to make their claim to the Secretarial Department, Ali Towers, III Floor, No.55 Greams Road, Chennai - 600 006. It may also be noted that once the unclaimed dividend is transferred to the IEP Fund as above, no claim shall lie in respect thereof.

Information in respect of such unclaimed dividend when due for transfer to the IEP Fund is given below:-

Financial Year Ended	Date of Declaration of Dividend	Last date for claiming unpaid Dividend
31/03/2005	11/08/2005	16/09/2012
31/03/2006	07/08/2006	02/09/2013
31/03/2007 (Interim)	24/03/2007	30/04/2014
31/03/2007 (Final)	24/08/2007	30/09/2014
31/03/2008	28/08/2008	05/10/2015
31/03/2009	26/08/2009	03/10/2016
31/03/2010	26/07/2010	03/09/2017
31/03/2011	22/07/2011	29/08/2018

9. Members holding shares in physical form are requested to intimate the following directly to the Company's Registrar and Share Transfer Agents, Integrated Enterprises (I) Limited, Kences Towers, II Floor, No, 1 Ramakrishna Street, North Usman Road, T. Nagar, Chennai - 600 017.

   (a) Bank Mandate with full particulars for remittance of dividend directly into their bank accounts, if declared at the meeting.

   (b) Changes, if any, in their address at an early date.

   (c) Application for consolidation of folios, if shareholdings are under multiple folios.

   (d) Despatch of share certificates for consolidation.

   (e) Request for nomination forms for making nominations as per amended provisions of the Companies Act, 1956.

10. Members are requested to quote ledger folio numbers in all their correspondences.

11. Members holding shares in dematerialized form (electronic form) are requested to intimate any change in their address, bank mandate etc., directly to their respective Depository Participants.

12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore, requested to submit the PAN details to their Depositary Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar and Share Transfer Agents, M/s. Integrated Enterprises (India) Limited.

13. **Electronic Clearing Service (ECS) Facility:**

    With respect to payment of dividend, the Company provides the facility of ECS to shareholders residing at the following cities:

    Ahmedabad, Bangalore, Bhubaneshwar, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Kolkata, Mumbai, Nagpur, New Delhi, Patna and Thiruvananthapuram.

    Shareholders holding shares in physical form who now wish to avail ECS facility, are requested to forward their ECS mandate in the prescribed form to the Company's Registrar and Share Transfer Agent, Integrated Enterprises (I) Limited.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No.8

The Members at the Annual General Meeting held on 24th August 2007 approved the payment of remuneration up to 5% of the net profits of the Company to Dr.Prathap C Reddy, Permanent Chairman of the Company for five years from 25th June 2007. This approval expires on 24th June 2012. Your directors recommend that Dr. Prathap C Reddy continues to be paid remuneration equivalent to 5% of the net profits of the Company computed in accordance with the provisions of the Companies Act, 1956 for a further period of five years commencing from 25th June 2012. Accordingly a special resolution under Item No. 8 of the Notice is submitted for the consideration and approval of the members.

Memorandum of Interest of Directors

Dr. Prathap C Reddy is interested in the Special Resolution referred to above. Further Smt. Preetha Reddy, Smt. Suneeta Reddy, Smt. Shobana Kamineni and Smt. Sangita Reddy being the relatives of Dr. Prathap C Reddy are deemed to be interested in the aforesaid special resolution.

By order of the Board
For **APOLLO HOSPITALS ENTERPRISE LIMITED**

Place : Chennai
Date : 29th May 2012

S.M. KRISHNAN
General Manager - Project Finance &
Company Secretary

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT IN THE ANNUAL GENERAL MEETING

(Pursuant to Clause 49 of the Listing Agreement)

Name of the Director	Shri. N. Vaghul	Shri. T.K. Balaji	Shri. Rajkumar Menon	Shri. G. Venkatraman
Date of Birth	4th August 1936	12th July 1948	30th July 1944	4th November 1944
Date of Appointment on the Board	29th November 2000	17th September 2001	5th December 1979	12th December 2005
Relationship with other Directors	None	None	None	None
Expertise in Specific Functional area	Specialization in Finance	General Management	Business Management	Specialization in Banking
Qualification	B.Com (Hons.) from the University of Madras	Bachelor of Mechanical Engineering - Gold Medalist from the University of Madras	Graduated from St. Nicholas College, Somerset, England	Graduated from University of Bombay in Economics Post Graduate in Law from University of Bombay
		Completed Business Management Studies at IIM, Ahmedabad - Awarded Gold Medal for outstanding scholastic performance		Completed Certificated Associateship of the Indian Institute of Bankers (CAIIB)
Board Membership of other companies as on March 31, 2012	**Public Limited Companies**	**Public Limited Companies**	Nil	**Public Limited Companies**
	1. Mahindra World City Developers Limited, Chairman	1. India Nippon Electricals Limited, Chairman		1. Apollo Sindoori Hotels Limited, Director
	2. Mahindra & Mahindra Limited, Director	2. Lucas TVS Limited Chairman & Managing Director		2. SICOM Limited, Director
	3. Wipro Limited, Director	3. Delphi TVS Diesel Systems Limited, Managing Director		3. SICOM Investments & Finance Limited, Director
	4. Piramal Healthcare Limited, Director	4. Sundaram Clayton Limited, Director		4. Fortune Foods Limited, Director
	Private Limited Companies	5. Lucas Indian Services Limited, Director		5. Star Orchem Limited, Director
	5. Hemogenomics Pvt Limited, Director	6. Titan Industries Limited, Director		6. Precision Containeurs Limited, Director
	6. Universal Trustees Pvt Limited, Director	7. TVS Automotive Systems Limited, Director		7. Vas Infrastructure Limited, Director
	7. IKP Trusteeship Services Limited, Director	8. TVS Investments Limited, Director		**Private Limited Companies**
	Section 25 Companies	9. TVS Credit Services Limited, Director		8. PPN Power Generating Co Pvt Limited, Director
	8. ICICI Knowledge Park, Chairman	10. TV Sundaram Iyengar & Sons Limited, Director		
	9. Pratham India Education Initiative, Director	**Private Limited Companies**		

Name of the Director	Shri. N. Vaghul	Shri. T.K. Balaji	Shri. Rajkumar Menon	Shri. G. Venkatraman
	10. IKP Centre for Technologies in Public Health, Director	11. India Japan Lighting Private Limited, Chairman		
	11. IKP Centre for Advancement in Agricultural Practice, Director	12. Punarvasu Swasthi Private Limited, Director		
	12. Kaivalya Education Foundation Director	13. Hastham Swasthi Private Limited, Director		
	13. Institute for Policy Research Studies Director	14. Harita Electronics Private Limited, Director		
Chairman/Member of the Committee of the Board of Directors of the Company as on March 31, 2012				
	Remuneration & Nomination Committee - Member	Investment Committee - Member	Audit Committee - Member	Audit Committee - Member
	Investment Committee - Member		Share Transfer Committee - Member	Remuneration & Nomination Committee - Member
Chairman/Member of the Committee of Directors of other Companies in which he is a director as on March 31, 2012				
Audit Committee	**Chairman** 1. Wipro Limited 2. Piramal Healthcare India Limited	**Member** 1. Sundaram Clayton Limited 2. Titan Industries Limited		**Chairman** 1.SICOM Investments and Finance Limited 2. Precision Containers Limited 3. Vas Infrastructure Limited 4. PPN Power Generating Co Pvt Limited **Member** 1. Fortune Foods Ltd. 2. Apollo Sindoori Hotels Limited
Shareholders' / Investors' Grievance Committee	-	**Chairman** 1. Indian Nippon Electricals Limited **Member** 1. Sundaram-Clayton Limited		
Remuneration & Compensation Committee	**Chairman** 1. Mahindra & Mahindra Limited 2. Piramal Healthcare India Limited **Member** 1. Mahindra World City Developers Limited 2. Wipro Limited	**Chairman** 1. Titan Industries Limited		
Shareholding in the Company (as on 31/03/2012)	Nil	Nil	Nil	Nil

Directors' Report to the Shareholders

Your Directors are pleased to present the **THIRTY FIRST ANNUAL REPORT** and the audited statements of accounts for the year ended March 31, 2012.

FINANCIAL RESULTS (STANDALONE)

(₹ in million)

For the year ended	March 31, 2012	March 31, 2011
Income from operations	28,001	23,319
Profit before Taxation	3,375	2,693
Provision for Taxation	1,066	876
Net Profit after Taxation	2,310	1,817
Balance of Profit brought forward	1,648	1,474
Profit Available for appropriations	3,958	3,291
Appropriations		
Dividend (inclusive of dividend tax)	625	544
Transfer to General Reserve	1,500	1,000
Transfer to Debenture Redemption Reserve	70	100
Balance carried forward to Balance sheet	1,763	1,647

RESULTS OF OPERATIONS

During the year under review, the income from operations of the Company increased to ₹ 28,001 million compared to ₹ 23,319 million in the previous year, registering an impressive growth of 20%. The profit after tax for the year increased by 27% to ₹ 2,310 million compared to ₹ 1,817 million in the previous year.

During the year under review, the consolidated gross revenue of the Company increased to ₹ 31,475 million compared to ₹ 26,054 million in the previous year, registering an impressive growth of 21%. Net profit after minority interest for the group increased to ₹ 2,194 million from ₹ 1,839 million representing a growth of 19%.

CONSOLIDATED FINANCIAL STATEMENTS

The Ministry of Corporate Affairs (MCA) vide its circular No. 5/12/2007-CL-III dated February 8, 2011 had granted general exemption under Section 212(8) of the Companies Act, 1956 to companies from attaching the accounts of their subsidiaries in their annual reports subject to fulfillment of certain conditions prescribed. The Board of Directors of the Company at its meeting held on May 29, 2012 noted the provisions of the circular of the MCA and passed the necessary resolution granting the requisite approvals for not attaching the Balance Sheet, Profit & Loss Account, Report of the Board of Directors and Report of the Auditors of each of the Subsidiary Companies to the accounts of the Company. A statement of summarized financials of all subsidiaries of your Company, pursuant to Section 212(8) of the Companies Act, 1956 forms part of this report. Any further information in respect of the annual report and the financial statements of the subsidiary companies of your Company will be made available to the members on request and will also be available for inspection for any member at its Registered Office. In accordance with the Accounting Standard, AS-21 issued by the Institute of Chartered Accountants of India, the Consolidated Financial Statements presented by your Company includes the financial information of all its subsidiaries.

DIVIDEND

The Board of Directors recommend a dividend of ₹ 4 per equity share (80% on face value of ₹ 5/ - per share) (as against ₹ 3.75 per equity share on face value of ₹ 5/- each, 75% in the previous year) on the paid up equity share capital of the company for the financial year ended March 31, 2012, which if approved at the forthcoming Annual General Meeting on August 9, 2012 will be paid to those shareholders whose names appear in the Register of Members as at the closing hours of business on July 27, 2012. 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 July 28, 2012 to August 9, 2012 (both days inclusive).

TRANSFER OF RESERVES

Your Company proposes to transfer ₹ 1,500 million to the general reserve out of the amount available for appropriations. An amount of ₹ 1,763 million is proposed to be retained in the Profit & Loss Account.

CREDIT RATING

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

CRISIL Equities has upgraded Company's CRISIL IER fundamental grade to 5/5 from 4/5. The grade indicates that the Company's fundamentals are 'excellent' relative to other listed equity securities in India.

SUBSIDIARIES

Your Company has fourteen subsidiary companies (including fellow subsidiaries) as on March 31, 2012. The statement in respect of the details of the subsidiary companies viz., Unique Home Health Care Limited (UHHCL), AB Medical Centres Limited (ABMCL), Samudra Healthcare Enterprises Limited (SHEL), Apollo Hospital (UK) Limited (AHUKL), Apollo Health and Lifestyle Limited (AHLL), Western Hospitals Corporation Pvt Limited (WHCPL), Apollo Cosmetic Surgical Centre Pvt Limited (ACSPL), Pinakini Hospitals Limited (PHL), Imperial Hospital and Research Centre Limited (IHRCL), Alliance Medicorp (India) Limited (Alliance), ISIS Healthcare India Private Limited (ISIS), Mera Healthcare India Private Limited (MERA), Apollo Koramangala Cradle Limited (AKCL) and Alliance Dental Care Private Limited (Alliance Dental) pursuant to Section 212 of the Companies Act, 1956, is attached to this report.

Unique Home Health Care Limited (UHHCL)

UHHCL, a Wholly-owned subsidiary of the Company provides medical and paramedical services including doctor's consultation, physiotherapy direct to patient homes and also offers paramedical service in hospitals to critically ill patients. For the year ended March 31, 2012 UHHCL, recorded a revenue of ₹ 18.23 million and net profit of ₹ 1.01 million.

AB Medical Centres Limited (ABMCL)

ABMCL, a Wholly-owned subsidiary of the Company does not have any commercial operations as it has leased out its infrastructure viz., land, building and medical equipment to the Company for running the hospital. For the year ended March 31, 2012, ABMCL recorded an income of ₹ 6.52 million and a net profit of ₹ 4.44 million.

Samudra Healthcare Enterprises Limited (SHEL)

SHEL, a Wholly-owned subsidiary of the company, runs a 120 bed multi speciality hospital at Kakinada. For the year ended March 31, 2012, SHEL recorded revenues of ₹ 263.14 million and a net profit of ₹ 13.08 million.

Apollo Hospital (UK) Limited (AHUKL)

AHUKL is a Wholly-owned foreign subsidiary of the Company and is yet to commence its operations.

Apollo Health and Lifestyle Limited (AHLL)

AHLL, a Wholly-owned subsidiary of the Company is engaged in the business of providing primary healthcare facilities through a network of franchised clinics across India offering specialist consultation, diagnostics, preventive health checks, telemedicine facilities and a 24-hour pharmacy all under one roof. For the year ended March 31, 2012, AHLL recorded a consolidated revenue of ₹ 363.02 million and a net loss of ₹ 11.16 million.

Western Hospitals Corporation Private Limited (WHCPL)

During the year under review, your Company acquired a 60% equity stake held by Eleanor Holdings in Western Hospitals Corporation Private Limited (WHCPL), consequently, WHCPL has become a 100% subsidiary of the Company.

Pinakini Hospitals Limited (PHL)

As a part of its strategy to reach out to the Tier II towns and cities, the Company intends to build a hospital in Nellore through a subsidiary company, Pinakini Hospitals Limited.

Apollo Cosmetic Surgical Centre Pvt Limited (ACSPL)

ACSPL, a 69.40% subsidiary of the Company is engaged in the business of running cosmetic surgical centres. For the year ended March 31, 2012, ACSPL recorded a revenue of ₹ 40.45 million and a net loss of ₹ 3.24 million.

Imperial Hospital and Research Centre Limited (IHRCL)

IHRCL, a 85.76% subsidiary of the Company owns a 240 bed multi speciality hospital at Bengaluru. For the year ended March 31, 2012, IHRCL recorded a revenue of ₹ 1016.45 million and a net loss of ₹ 30.80 million.

Alliance Medicorp India Limited (Alliance)

Alliance, a 51% subsidiary of the Company is engaged in the business of running dialysis clinics. For the year ended March 31, 2012, Alliance recorded consolidated revenue of ₹ 122.47 million and a net loss of ₹ 14.14 million.

ISIS Health Care India Private Limited (ISIS)

ISIS, a subsidiary of Apollo Health and Lifestyle Limited is engaged in the business of providing healthcare services. For the year ended March 31, 2012,, ISIS recorded a revenue of ₹ 13.08 million and a net profit of ₹ 0.39 million.

Mera Health Care India Private Limited (MERA)

MERA, a subsidiary of Apollo Health and Lifestyle Limited is engaged in the business of healthcare services. For the year ended March 31, 2012,, MERA recorded a revenue of ₹ 10.52 million and a net profit of ₹ 0.06 million.

Apollo Koramangala Cradle Limited (AKCL)

AKCL, a subsidiary of Apollo Health and Lifestyle Limited is engaged in the business of healthcare services and is yet to commence its operations.

Alliance Dental Care Private Limited (Alliance Dental)

Alliance Dental, a subsidiary of Alliance Medicorp (India) Limited is engaged in the business of running dental clinics. For the year ended March 31, 2012, Alliance Dental recorded a revenue of ₹ 98.24 million and a net loss of ₹ 13.51 million.

QUALIFIED INSTITUTIONAL PLACEMENT (QIP) SCHEME

During the year under review, your Company successfully completed the issue of 6,666,666 equity shares of ₹ 5/- each, at a price of ₹ 495 per equity share, including a premium of ₹ 490 per equity share, aggregating to ₹ 3,300 million to Qualified Institutional Buyers (QIBs) under Qualified Institutional Placement Scheme in terms of Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI ICDR Regulations), as amended. The QIP issue was opened for subscription to QIBs on Thursday, July 14, 2011 and closed on Monday, July 18, 2011. There was a strong response for the said QIP issue from institutional investors and the issue was successfully subscribed. The equity shares were allotted on July 20, 2011.

The proceeds of the QIP issue would be utilized substantially for expansion activities of the Company.

INCREASE IN THE PAID-UP SHARE CAPITAL

During the year, the paid-up share capital of the Company increased from ₹ 623.55 million (consisting of 124,710,710 equity shares of ₹ 5/- each) to ₹ 672.33 million (consisting of 134,466,618 equity shares of ₹ 5/- each) consequent to the allotment of :-

i) 6,666,666 equity shares to Qualified Institutiona1 Buyers (QIBs) on July 20, 2011 under Qualified Institutional Placement (QIP) Scheme at a price of ₹ 495 per share of ₹ 5/- each including a premium of ₹ 490 per share.

ii) 3,089,242 equity shares to Dr. Prathap C Reddy, one of the promoters of the Company on December 10, 2011 upon conversion of warrants issued to him on June 12, 2010 at a price of ₹ 385.88 per share including a premium of ₹ 380.88 per share.

These shares have been listed at Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited, (NSE), Mumbai.

ISSUE OF WARRANTS CONVERTIBLE INTO EQUITY SHARES TO DR. PRATHAP C REDDY

Your Company allotted 3,276,922 convertible share warrants to Dr.Prathap C Reddy, one of the promoters of the Company on a preferential basis on February 5, 2011 under the applicable SEBI guidelines.

These warrants have been issued with a conversion option to be exercised within a period of 18 months from the date of allotment. Each warrant issued is convertible into one equity share of the company of nominal value of ₹ 5/- each at a price of ₹ 472.46 which includes a premium of ₹ 467.46 per share calculated in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

The objective of this preferential issue was to part fund the expansion activities, finance additional working capital requirements and for general corporate purposes.

ISSUE OF NON CONVERTIBLE DEBENTURES

During the year under review, your Company privately placed 1,000 Secured Redeemable Non-Convertible Debentures of ₹ 1 million each aggregating to ₹ 1,000 million to Banks and Financial Institutions.

PROCEEDS OF THE SECURITIES ISSUED

The details of utilization of proceeds of the securities issued up to March 31, 2012, are set out in the statement attached herewith as Annexure - A.

CORPORATE GOVERNANCE

Pursuant to Clause 49 (VII) of the Listing Agreement with the Stock Exchanges, a separate report on Corporate Governance forms part of the Directors' Report in the Annual Report. Your Company has been complying with the requirements of the Listing Agreement and necessary disclosures have been made in this regard in the Corporate Governance Report.

A certificate from the Auditors of the Company regarding compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

HUMAN RESOURCES DEVELOPMENT

Apollo warmly acknowledges the contribution by all its employees for ensuring its success as a leading tertiary healthcare provider in India. The talent and passion of our people is critical to our success and we foster it by providing an exhilarating working environment that inspires lateral thinking, fosters team spirit and encourages open communication.

Apollo's HR vision is to be an employer of choice where every employee is a brand ambassador of our superior medical service delivery, and an organization, where every individual shares the pride and commitment in taking Apollo to its next phase of development "to touch a Billion lives".

The Apollo's People Survey (Organisation Climate Survey) is one of the principal tools used to measure employee engagement; the degree of affiliation and commitment to the organization. It provides valuable insights into employees' views, and it has had a consistently high response rate.

We have a long-standing commitment to create a culture that embraces diversity and fosters inclusion. By embedding these principles in our operations, we understand better the needs of our varied customers, partners and stakeholders.

As a continuous learning and development process each member of the Apollo family is facilitated and encouraged to unleash their potential in a focused manner to deliver world class service to achieve organisational objectives. Apollo practices an ongoing learning process such as CME (Continuous Medical Education) and CNE (Continuous Nurses Education). Apollo also sponsors education programmes and has tie ups with leading institutions like XLRI, IIMs and CII for conducting various Management Development programmes.

As a part of the Reward & Recognition scheme, awards for 'Employee(s) of the year' , 'Outstanding Leader of the year' and 'Young Leader of the year' were institutionalized to recognise our employees who demonstrated exemplary leadership qualities by leading a high performing team with a focus on growth and development of team members.

Leadership development is a continuous process; it evolves as an individual gains experiences, assumes greater levels of responsibility, and faces increasing levels of complex organizational demands and problems. Hence, a 360 degree feedback process focusing on leadership competencies was implemented across the Group.

We value patients' satisfaction enormously and realize that the skill and service of trained manpower are key for maintenance of the trust reposed in us as a quality healthcare provider by our patients. Thus attrition of trained human capital can pose a challenge to effective service delivery to our patients and hence needs to be tackled systematically. We have devised an effective recruitment and human resources management process to prevent existing attrition of clinical/non-clinical manpower from impacting Apollo's superior healthcare delivery model. This robust process ensures a continuous supply of clinical manpower to support the organization's patient care delivery process. Total number of employees increased from 30,975 as on March 31, 2011 to 32,991 as on March 31, 2012.

Cognizant of the enormity and the complexity of identifying skilled resources, the Apollo Hospitals group is furthering its initiatives in the domain of Health Education - skilling & up-skilling in the healthcare space. The Group has been involved in reversing the brain drain of talented Indian doctors and has built quality education infrastructure which includes Nursing colleges, Courses for Allied Health professionals, Hospital Management programs and ongoing CME's for doctors and nurses. To meet the challenge of aligning Medical education to the healthcare needs of tomorrow, a vertical focused exclusively on Healthcare Education is being created.

A fair, structured and standardized Compensation and Benefits programme is followed across all levels. Salary revisions are sanctioned based on the individual performance ratings on Key Result Areas and Competencies. Periodical wages surveys are conducted to ensure that we remain competitive in the healthcare sector.

Apollo Hospitals won several awards at prestigious forums this year. Some of the major awards won by us this year are:

- **ASIA's BEST EMPLOYER BRAND AWARDS** for Innovation in Career Development.
- **ASIAN LEADERSHIP AWARD** for Best In Diversity And Impact Management.

- **World HR Congress Awards** in 3 categories :
  - Leading HR Practices in Learning & Human Capital Development
  - Talent Leadership & HR: HR Excellence award for Innovation in HR
  - Global HR Excellence Awards: Organization with Innovative HR Practices

CORPORATE SOCIAL RESPONSIBILITY

Touching lives is the goal at Apollo Hospitals, India. We are committed to the well-being of not just our patients, but society as a whole. Towards this end, several initiatives have been started by the Apollo Hospitals Group. Initiatives like SACHi, SAHI, CURE and DISHA aim to reach out and provide healthcare measures to the economically backward.

Saving a Child's Heart Initiative

Saving A Child's Heart initiative (SACHi) is one of Asia's largest voluntary organizations, dedicated to paediatric cardiac care for the underprivileged. In order to combat the escalating problem of congenital cardiac issues in children, Dr. Prathap C. Reddy, Chairman, Apollo Group of Hospitals established the Children's Cardiac Wing in the hospitals. SACHi exists today due to his vision towards removing barriers that deny any child the right to breathe freely, play, study and most importantly, live a full life. Ours is a story of positive change that has only just begun its journey.

SACHi Camps

Our team of doctors and paramedical staff offer free cardiac screening at medical camps in cities, towns and villages across India, for all children under 12 years of age. SACHi has conducted camps and screens children on a regular basis in Kolkata, Warangal, Vijayawada, Guntur, Karimnagar, West Godavari, Kurnool, and Medak in Andhra Pradesh; Ahmedabad, Nadiad, Vadodara and Surat in Gujarat; Bhubaneswar, Cuttack and Rourkela in Orissa; Pune, Nagpur, Chandrapur and Pusad in Maharashtra.

SAHI- Society to Aid the Hearing Impaired

SAHI strives to help poor children with hearing impairment. Every year in Andhra Pradesh approximately 2,500 children are born totally deaf. If not treated in the first 3-5 years of life they will remain hearing and speech challenged all their lives.

SAHI seeks to identify and treat children mainly in rural areas with little or no access to modern medical treatment. Since it was established, SAHI has been trying to address this problem by conducting camps in remote areas of the state. It is a well known that as children grow and develop, they learn about sound with little effort. But it can be a daunting task for a child with hearing impairment to understand sounds and develop language & communication skills, which in turn affects personal development and the process of reasoning and education.

Gift a Ear Project

The Cochlear implant surgery can help these children grow up as normal adults and lead a successful life. Unfortunately very few can afford this surgical treatment, as the cost of the Cochlear implant system, is very expensive. SAHI looks for sponsors who would fund the surgery of the children and give them a gift of senses.

Many generous donors have come forward to help the children and ensured a bright future for the children.

On August, 2011 SAHI and Apollo Cochlear Implant Clinic had their 500th Cochlear Implant surgery which made us one of the leading Cochlear Implant Clinics in the country having, in addition to India, patients from Sri Lanka, Oman, Kuwait, Dubai, Saudi Arabia, Tanzania, Nigeria, USA and Canada.

SAHI holds the world record for the largest number of Cochlear Implant surgeries done in a single day i.e. 24th Oct 2008. This is mentioned in the Limca Book of world records - 2010.

SAHI has conducted free camps in various districts of Andhra Pradesh like Kurnool, Guntur, Nalgonda, Kadapah, Anatapur, Mahbubnagar etc.

Cure Foundation

CURE Foundation is a spirited initiative to create consciousness on cancer prevention, early detection, cure & rehabilitation. In addition to spreading awareness for the benefit of the society, the Foundation has so far made available, quality cancer treatment, both free and subsidized, to more than 500 needy patients, and engaged in numerous rehabilitation, research and education programs. CURE is a non-profit organization.

CURE aims to spread awareness about cancer, its causes, symptoms and treatment options. This will benefit not only the population at large but also those at a high risk, such as chronic tobacco users, people with a family history of cancer etc. It will also guide general practitioners and health professionals in early detection of the disease.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies (Amendment) Act 2000, the Directors of the Company hereby state and confirm that:

- In the preparation of the annual accounts for the year, the applicable accounting standards had been followed along with proper explanations and there were no material departures;
- The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors had prepared the annual accounts on a going concern basis.

FIXED DEPOSITS

The total deposits with the Company as on March 31, 2012 was ₹ 490.47 million (₹ 579.16 million as on March 31, 2011) which include deposits for an aggregate of value of ₹ 16.67 million (₹ 9.17 million as on March 31, 2011) not claimed by the depositors. Out of these deposits, an aggregate value of ₹ 11.78 million have since been repaid / renewed.

DIRECTORS

As per the provisions of the Articles of Association of the Company, four directors of the company viz., Shri. N. Vaghul, Shri. T.K. Balaji, Shri. Rajkumar Menon and Shri. G. Venkatraman retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

AUDITORS

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

PARTICULARS OF EMPLOYEES AS PER SECTION 217(2A) OF THE COMPANIES ACT, 1956

In terms of provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, the names and other particulars of employees are set out in the Annexure to the Directors' Report. However, having regard to the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars as required to be disclosed as per the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are set out in the statement attached as Annexure - B.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation of the contribution made by the employees at all levels, to 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 : 29th May 2012

Dr. Prathap C Reddy
Executive Chairman

ANNEXURE - A TO THE DIRECTORS' REPORT

UTILISATION OF AMOUNTS FROM SECURITIES ISSUED

(₹ in million)

A.	**Funds Received through Preferential Issue**		
	Opening Balance as on 1st April 2011	387.05	
	Amount received from the promoter during the year	894.06	
	Total Funds Received		**1,281.11**
B.	**Particulars of Utilisation**		
	Capital Expenditure & Working Capital during the year		**1,281.11**

ANNEXURE - B 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 2011-2012.

1. Introducing hot water generation for patient rooms with heat pump instead of hot water (diesel) boiler.
2. Generation of electricity using wind mills.
3. Phasing out of mercury lamps with CFL lamps.

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

TECHNOLOGY ABSORPTION

Over the years, your Company has brought into the country the best that the world has to offer in terms of technology. In its continuous endeavour to serve the patients better and to bring healthcare of international standards within the reach of every individual, your company has introduced the latest technology in its hospitals.

1. Philips Sonalleve HIFU system

Uterine fibroids are noncancerous growths of the uterus that often appear during childbearing years. Existing treatment options for women include medication or surgical removal. In contrast to the existing treatment options of surgery to remove fibroids, MR-HIFU offers women a quicker, non-invasive and precise treatment option. The procedure can be performed on an outpatient basis, with the patient leaving the hospital the same day and getting almost fully recovered within a few days. It combines magnetic resonance (MR) imaging, with high-intensity focused ultrasound (HIFU). Since as many as 3 out of 4 women have uterine fibroids sometime during their lives; Apollo has installed these systems in several Group Hospitals to enable more patients avail these facilities for treatment.

2. Intuitive Surgical- da Vinci Robotic Surgical System

With a view to provide the best available surgical experience to patients, Apollo Group has introduced state of the art da Vinci Robotic surgical systems. These Systems combine computer and robotic technologies to create a new category of surgical treatment, robotic-assisted laparoscopic, thoracoscopic and endoscopic surgery. By providing surgeons with enhanced capabilities, the System makes it possible to treat a broader range of conditions using a minimally invasive approach for major surgery with only a few tiny incisions. In addition, the surgeons can operate with better visualization, precision, dexterity and control than traditional surgical approaches. The extended capabilities of the System will help surgeons provide better clinical outcomes as compared to outcomes arising from conventional open and minimally invasive surgery .

3. Varian Trubeam STX Linear Accelerator

To advance the treatment of lung, breast, prostate, head and neck, and other types of cancers, the TrueBeam platform for image-guided radiotherapy and radiosurgery has been ordered by Apollo Hospitals to treat even moving targets with unprecedented speed and accuracy. The system dynamically synchronizes imaging, patient positioning, motion management, and treatment delivery. "Intelligent" automation further speeds up treatments with an up to five-fold reduction in the number of steps needed for imaging, positioning and treating patients. The system can be used for all forms of advanced external-beam radiotherapy including image-guided radiotherapy and radiosurgery (IGRT and IGRS), intensity-modulated radiotherapy (IMRT), stereotactic body radiotherapy (SBRT) and RapidArcfi radiotherapy. New 'gated' RapidArc radiotherapy, which compensates for tumor motion by synchronizing imaging with dose delivery during a continuous rotation around the patient, is a powerful tool for treating cancers of the thorax, such as lung and liver cancer, when tumor motion is an issue.

4. Mazor Robotics' Renaissance Spine Surgery System

Surgical treatment of the spine requires planning and precision; and each patient's anatomy has unique challenges. 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 resumption of daily activities. Apollo is launching this one of its kind system in its Group Hospitals as a next step in the evolution of spine surgery in India.

FOREIGN EXCHANGE EARNINGS & OUTGO

Foreign Exchange Earnings: ₹ 218.54 million (This is exclusive of Rupee payments made by Non-Resident Indians and Foreign Nationals)

Foreign Exchange Outgo : ₹ 467.66 million towards purchase of medical equipment and capital expenditure.

Corporate Governance Report

THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

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

1. To recognize the respective roles and responsibilities of the Board and management.
2. To achieve the highest degree of transparency by maintaining a high degree of disclosure levels.
3. To ensure and maintain high ethical standards in its functioning.
4. To give 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.

I. BOARD OF DIRECTORS

The Company has an Executive Chairman. As per Clause 49 of the Listing Agreement, if the Chairman is an Executive Chairman, at least half of the Board should comprise of independent directors. The Board comprises 64 per cent of Non Executive Directors and 57 per cent of independent directors. The Board of Directors of the Company has a healthy blend of executive and non-executive directors, and consequently ensures the desired level of independence in functioning and decision-making. Moreover all the non-executive directors are eminent professionals, and bring the wealth of their professional expertise and experience to the management of the Company.

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

Director	Category	Designation	Share holding in the Company	Number of Directorships (out of which as Chairman) other than AHEL #	Number of Memberships in Board Committees other than AHEL ##	Whether Chairman / Member
Dr. Prathap C Reddy	Promoter	Executive Chairman	5,218,542	14(12)	-	-
Smt. Preetha Reddy	Promoter	Managing Director	3,366,540	11	-	-
Smt. Suneeta Reddy	Promoter	Joint Managing Director	3,001,590	10(3)	1 2	Chairman Member
Smt. Sangita Reddy	Promoter	Executive Director - Operations	4,372,508	14	1	Member
Smt. Shobana Kamineni	Promoter	Executive Director - Special Initiatives	2,189,952	11	3	Member
Shri. Rajkumar Menon	Independent	Director	-	-	-	-
Shri. Rafeeque Ahamed	Independent	Director	55,900	-	-	-
Shri. Habibullah Badsha	Independent	Director	10,806	1	-	-
Shri. Deepak Vaidya	Independent	Director	-	4(1)	2 4	Chairman Member
Shri. N. Vaghul	Independent	Director	-	4(1)	2	Chairman
Shri. T.K. Balaji	Independent	Director	-	10(1)	1 3	Chairman Member
Shri.Khairil Anuar Abdullah	Independent	Director	-	-	-	-
Shri.G.Venkatraman	Independent	Director	-	7	3 2	Chairman Member
Shri. Sandeep Naik	Non Executive	Nominee HSTN Aquisition (FII) Limited	-	-	-	-
Shri. Michael Fernandes	Non Executive	Alternate Director to Shri. Khairil Anuar Abdullah	-	1	-	-

\# Excluding Directorships in Foreign Companies, Private Companies and Section 25 Companies.

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

None of the Directors on the Board hold the office of Director in more than 15 Companies, or Membership of Committees of the Board in more than 10 Committees and Chairmanship of more than 5 Committees, across all Companies.

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.

B) Remuneration policy for Directors

a) Executive Directors

The remuneration paid to Executive Directors is recommended by the Remuneration and Nomination Committee and approved by the Board of Directors subject to the approval of the Shareholders in the General Meeting.

b) Non Executive Directors

Non Executive Directors are paid sitting fees for the meetings of the Board and Committees, if any, attended by them. The commission paid to Non-Executive Directors is approved by the Board of Directors subject to approval of the Shareholders in the General Meeting.

c) Details of remuneration paid to the Directors

The details of the remuneration paid/accrued to the Directors for the year ended 31st March 2012 along with their relationships and business interests is detailed below:

(₹ in million)

Name of the Director	Relationship with other Directors	Remuneration paid/payable for the year ended 31st March 2012			
		Sitting Fee	Remuneration	Commission	Total
Dr. Prathap C Reddy	Father of Smt.Preetha Reddy, Smt.Suneeta Reddy, Smt. Sangita Reddy & Smt. Shobana Kamineni	NA	171.60	-	171.60
Smt. Preetha Reddy	Daughter of Dr. Prathap C Reddy, Sister of Smt.Suneeta Reddy, Smt.Sangita Reddy & Smt. Shobana Kamineni	NA	68.64	-	68.64
Smt. Suneeta Reddy	Daughter of Dr. Prathap C Reddy, Sister of Smt.Preetha Reddy, Smt.Sangita Reddy & Smt. Shobana Kamineni	NA	50.20	-	50.20
Smt. Sangita Reddy	Daughter of Dr. Prathap C Reddy, Sister of Smt.Preetha Reddy, Smt. Suneeta Reddy & Smt. Shobana Kamineni	NA	17.16	-	17.16
Smt. Shobana Kamineni	Daughter of Dr. Prathap C Reddy, Sister of Smt.Preetha Reddy, Smt. Suneeta Reddy & Smt. Sangita Reddy	NA	17.16	-	17.16
Shri. Rajkumar Menon	-	0.34	-	0.85	1.19
Shri. Rafeeque Ahamed	-	0.08	-	0.85	0.93
Shri. Habibullah Badsha	-	0.14	-	0.85	0.99
Shri. Deepak Vaidya	-	0.32	-	0.85	1.17
Shri. N. Vaghul	-	0.24	-	0.85	1.09
Shri. T.K. Balaji	-	0.12	-	0.85	0.97
Shri.Khairil Anuar Abdullah	-	0.08	-	0.85	0.93
Shri.G.Venkatraman	-	0.24	-	0.85	1.09
Shri. Sandeep Naik	-	0.10	-	0.85	0.95
Shri. Michael Fernandes Alternate Director to Shri. Khairil Anuar Abdullah	-	0.02	-	NA	0.02

Notes:

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

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

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

iv) Commission to the Non-Executive Directors for the year ended 31st March 2012 @ ₹ 0.85 million each per annum will be paid, subject to deduction of tax after adoption of accounts by shareholders at the Annual General Meeting to be held on 9th August 2012. Sitting fee also includes payment of fees for attending Board-level Committee Meetings.

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

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

d) Criteria for payment to Non-Executive Directors

Compensation to the non-executive directors takes the form of commission on profits. The shareholders and the Ministry of Corporate Affairs have approved payment of commission to Non Executive and Independent Directors within the overall maximum ceiling limit of 1% (one percent) of the net profits of the Company for a period of five years with effect from 1st April 2009, in addition to the sitting fees being paid by the Company for attending the Board/Committee Meetings of the Company.

The Board approved the payment of commission of ₹ 0.85 million to each Non Executive and Independent Director for the year ended 31st March 2012. The aggregate commission payable to all non-executive directors is well within the limit of 1% of the net profits of the Company calculated in accordance with the provisions of the Companies Act, 1956.

The sum 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. Further, the aggregate commission paid to all non-executive directors is well within the limit of 1 percent of the net profit as approved by the shareholders. The non-executive directors are also paid sitting fees as permitted by government regulations for all board and committee meetings attended by them.

C) Board Procedures

a) Number of Board Meetings held and dates on which held

Five board meetings were held during the financial year from 1st April 2011 to 31st March 2012. The dates on which the meetings were held are as follows:-

20th April 2011, 24th May 2011, 10th August 2011, 4th November 2011 and 10th February 2012.

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

Director	Number of Board Meetings held	Number of Board Meetings Attended	Last AGM attendance (Yes/No)
Dr. Prathap C Reddy	5	5	Yes
Smt. Preetha Reddy	5	5	Yes
Smt. Suneeta Reddy	5	5	Yes
Smt. Sangita Reddy	5	5	Yes
Smt. Shobana Kamineni	5	5	Yes
Shri. Rajkumar Menon	5	5	Yes
Shri. Rafeeque Ahamed	5	2	No
Shri. Habibullah Badsha	5	5	Yes
Shri. Deepak Vaidya	5	5	Yes
Shri. N. Vaghul	5	5	Yes
Shri. T.K. Balaji	5	2	Yes
Shri. Khairil Anuar Abdullah	5	4	Yes
Shri. G. Venkatraman	5	4	Yes
Shri. Sandeep Naik	5	4	Yes
Shri. Michael Fernandes, Alternate Director to Shri.Khairil Anuar Abdullah	5	1	No

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

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

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

D) 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. This Code helps the Company to maintain the Standard of Business Ethics and ensure compliance with the legal requirements, specifically under Clause 49 of the Stock Exchange Listing Agreements of the Company. The Code is aimed at preventing any wrongdoing and promoting ethical conduct at the Board and Senior Management level.

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

Code of Conduct for prevention of Insider Trading

The Company has adopted a code of conduct for prevention of insider trading in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992. Shri. S.M. Krishnan, General Manager - Project Finance & 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.

II. COMPOSITION OF BOARD COMMITTEES

Audit Committee	Investors Grievance Committee	Remuneration & Nomination Committee	Investment Committee	Share Transfer Committee#
Shri. Deepak Vaidya, Chairman	Shri. Rajkumar Menon Chairman	Shri. N. Vaghul, Member	Smt. Preetha Reddy, Member	Smt. Preetha Reddy, Member
Shri. G. Venkatraman, Member	Smt. Preetha Reddy, Member	Shri. Deepak Vaidya, Member	Smt. Suneeta Reddy, Member	Shri. Rajkumar Menon, Member
Shri. Rajkumar Menon, Member	Smt. Suneeta Reddy, Member	Shri. G. Venkatraman, Member	Shri. N. Vaghul, Member	Shri. Rafeeque Ahamed, Member
		Shri. Sandeep Naik, Member	Shri. Deepak Vaidya, Member	
		Shri. Rafeeque Ahamed, Member	Shri. T.K. Balaji, Member	

#1. Dr Prathap C Reddy ceased to be a member w.e.f 10th February 2012
2. Shri Rafeeque Ahamed was appointed as a member w.e.f 10th February 2012

1. Audit Committee

a) Composition of the Audit Committee

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

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

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

b) Meetings of the Audit Committee

The Audit Committee met five times during the year on 19th April 2011, 23rd May 2011, 9th August 2011, 3rd November 2011 and 9th February 2012.

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

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. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to the statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements 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 2AA of Section 217 of the Companies Act, 1956.
    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 judgement by management.
    d) Significant adjustments made in the financial statements arising out of audit findings.

e) Compliance with listing and other legal requirements relating to financial statements.

f) Disclosure of any related party transactions.

g) Qualifications in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.

6. Reviewing, with the management, performance of the statutory and internal auditors and adequacy of the internal control systems.

7. Reviewing the adequacy of internal audit function, if any including the structure of the internal audit department, staffing and seniority of the officials heading the department, reporting structure coverage and frequency of internal audit.

8. Discussing with internal auditors any significant findings and follow up thereon.

9. 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.

10. Discussion with statutory auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

11. To look into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

12. To review the functioning of the Whistle Blower Mechanism, in case the same is existing.

13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

14. The Audit Committee shall mandatorily review the following information.

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

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

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

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

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

In addition to the areas noted above, the audit committee looks into 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. REMUNERATION & NOMINATION COMMITTEE

a) Composition and Scope of the Remuneration & Nomination Committee

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

1. Shri. N. Vaghul
2. Shri. Deepak Vaidya
3. Shri. G. Venkatraman
4. Shri. Sandeep Naik
5. Shri. Rafeeque Ahamed

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

1. To submit recommendations to the Board with regard to -
   a) 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;
   b) Retirement of Directors liable to retire by rotation; and
   c) Appointment of Executive Directors.
2. 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, 1956.
   b) The amount of remuneration, including performance or achievement bonus and perquisites payable to the Executive Directors
3. To frame guidelines for Reward Management and recommend suitable schemes for the Executive Directors and Senior Management and
4. To determine the need for key man insurance for any of the company's personnel

b) Meetings of the Remuneration & Nomination Committee

During the year, the Remuneration & Nomination Committee met on 24th May 2011 and 10th February 2012.

Sl. No	Name of the Member	Position	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. Sandeep Naik	Member	2	1
5.	Shri. Rafeeque Ahamed	Member	2	1

3. INVESTMENT COMMITTEE

a) Composition and Scope of the Investment Committee

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

1. Smt. Preetha Reddy
2. Smt. Suneeta Reddy
3. Shri.N. Vaghul
4. Shri.T.K. Balaji and
5. Shri. Deepak Vaidya

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

b) Meetings of the Investment Committee

During the year, the Investment Committee met on 19th April 2011, 24th May 2011, 22nd July 2011 and 4th November 2011. The attendance details of the members are set out as follows :

Sl. No	Name of the Member	Position	Number of Meetings Held	Number of Meetings attended
1.	Shri. N. Vaghul	Chairman	4	4
2.	Smt. Preetha Reddy	Member	4	4
3.	Smt. Suneeta Reddy	Member	4	4
4.	Shri. Deepak Vaidya	Member	4	4
5.	Shri. T.K. Balaji	Member	4	4

4. INVESTORS' GRIEVANCE COMMITTEE

a) Composition and Scope of the Investors' Grievance Committee

The Shareholder/Investors' Grievance Committee specifically looks into issues such as redressing of shareholders' and investors' complaints such as transfer of shares, non-receipt of shares, non-receipt of declared dividends and ensuring expeditious share transfers.

This Committee comprises the following Directors:-

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

b) Meetings of the Investors Grievance Committee

The Committee met four times during the year on 9th April 2011, 8th July 2011, 6th October 2011 and 7th January 2012.

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

Name and designation of the Compliance Officer:-

Shri. S.M. Krishnan, General Manager - Project Finance and Company Secretary.

5. SHARE TRANSFER COMMITTEE

COMPOSITION AND SCOPE OF SHARE TRANSFER COMMITTEE

The Share Transfer committee comprises the following directors:

1. Smt. Preetha Reddy
2. Shri. Rajkumar Menon and
3. Shri. Rafeeque Ahamed (appointed as a member w.e.f 10th February 2012)

Note : Dr. Prathap C Reddy, ceased to be a member w.e.f 10th February 2012

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 the share transfers and other formalities once in a fortnight

III. SUBSIDIARIES

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

IV. DISCLOSURES

A) Related Party Transactions

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

The Company has allotted 3,089,242 equity shares to Dr. Prathap C Reddy one of the promoters of the Company as disclosed in Clause IV(D) (2) of the report.

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 discussion, nor do they vote in such matters. The Audit Committee of the Company also reviews related party transactions periodically.

B) Accounting Treatment

The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and in preparation of financial statements, the Company has not adopted a treatment different from that prescribed by any Accounting Standard.

C) 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.

D) Proceeds of Public, Rights and Preferential Issues

During the year, the Company has allotted:

1) 6,666,666 equity shares to Qualified Institutional Buyers (QIBs) under the Qualified Insitutional Placement (QIP) Scheme at a price of ₹ 495 per share of ₹ 5/- each including a premium of ₹ 490 per share aggregating to ₹ 3,300 million in accordance with the terms of Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations on 20th July 2011.

2) 3,089,242 equity shares to Dr. Prathap C Reddy, one of the promoters of the Company upon conversion of warrants issued to him at a price of ₹ 385.88 per share of ₹ 5/- each including a premium of ₹ 380.88 per share on 10th December 2011.

The Audit Committee reviews the utilization of proceeds periodically.

E) Management

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

F) Shareholders

1) Disclosures regarding appointment or re-appointment of Directors

As per the Companies Act, 1956, atleast two thirds of the Board should consist of retiring Directors , of these atleast one third are required to retire every year.

Except the Chairman and the Managing Director, all other Directors are liable to retire by rotation as per the provisions of the Companies Act, 1956.

During the year, Shri. N. Vaghul, Shri. T.K. Balaji, Shri. Rajkumar Menon and Shri. G. Venkatraman will retire and are eligible for re-appointment at the ensuing Annual General Meeting.

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

2) Communication to shareholders

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 two months from the end of the last quarter as stipulated under the Listing Agreement with the Stock Exchanges. For the financial year ended 31st March 2012, the audited annual results were announced on 29th May 2012. 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 Company also informs by way of intimation to the Stock Exchanges all price sensitive matters or such other matters which in its opinion are material and of relevance to the shareholders.

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

3) Investors' Grievances and Share Transfer

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

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

4) Details of Non-Compliances

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

5) General Body Meetings

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

Year	Date	Venue	Time	Special Resolutions Passed
2008-2009	Aug 26, 2009	Kamaraj Arangam, Chennai	10.00 A.M.	• Issue of 1500 Foreign Currency Convertible Bonds (FCCBs) of face value of USD 10,000 each aggregating to USD 15 million to International Finance Corporation, Washington. • Payment of Commission to Non Executive and Independent Directors within the maximum limit of 1% of net profits of the Company for a period of five years w.e.f. 1st April 2009.
2009-2010	July 26, 2010	Kamaraj Arangam, Chennai	10.00 A.M.	• Subdivision of each existing equity share of face value of ₹ 10/- each into 2 equity shares of face value of ₹ 5/- each • Alteration of Memorandum and Articles of Association to give effect to the subdivision of equity shares
2010-2011	January 22, 2011 (EGM)	Chinmaya Heritage Centre, Tapovan Hall, Chennai	11.00 A.M.	• Increasing the Authorized Share Capital of the Company from ₹ 850 million to ₹ 1,100 million and consequential amendments to the Memorandum and Articles of Association of the Company. • Raising of funds by way of equity through Qualified Institutional Placement (QIP) Scheme. • Issue of upto 3.27 million convertible warrants to Dr. Prathap C Reddy, Promoter of the Company on a preferential allotment basis
2010-2011	July 22, 2011	Kamaraj Arangam, Chennai	10.15 A.M.	No Special resolutions were passed.

6) Postal Ballots

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

V. CEO/CFO CERTIFICATION

As required by Clause 49 of the Listing Agreement, the certificate from Smt. Preetha Reddy, Managing Director and Smt. Suneeta Reddy, Joint Managing Director was obtained and placed before the Board of Directors at its meeting held on 29th May 2012.

VI. COMPLIANCE WITH CORPORATE GOVERNANCE NORMS

i) Mandatory Requirements

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

ii) Non-Mandatory Requirements

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

1. The Board :

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

b) No specific tenure has been specified for any of the Independent Directors.

2. Remuneration Committee:

Details are given under the heading 'Remuneration & Nomination Committee'.

3. Shareholder Rights:

Details are given under the heading 'Communication to Shareholders'

4. Audit Qualifications:

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

The Company has not adopted non-mandatory requirements such as training of board members, mechanism for evaluating the non-executive board members and whistle blower policy. However the Company has fully complied with SEBI guidelines relating to Corporate Governance in respect of compliance of mandatory require‹ments.

VII. AUDITORS REPORT ON CORPORATE GOVERNANCE

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

General Shareholders' information

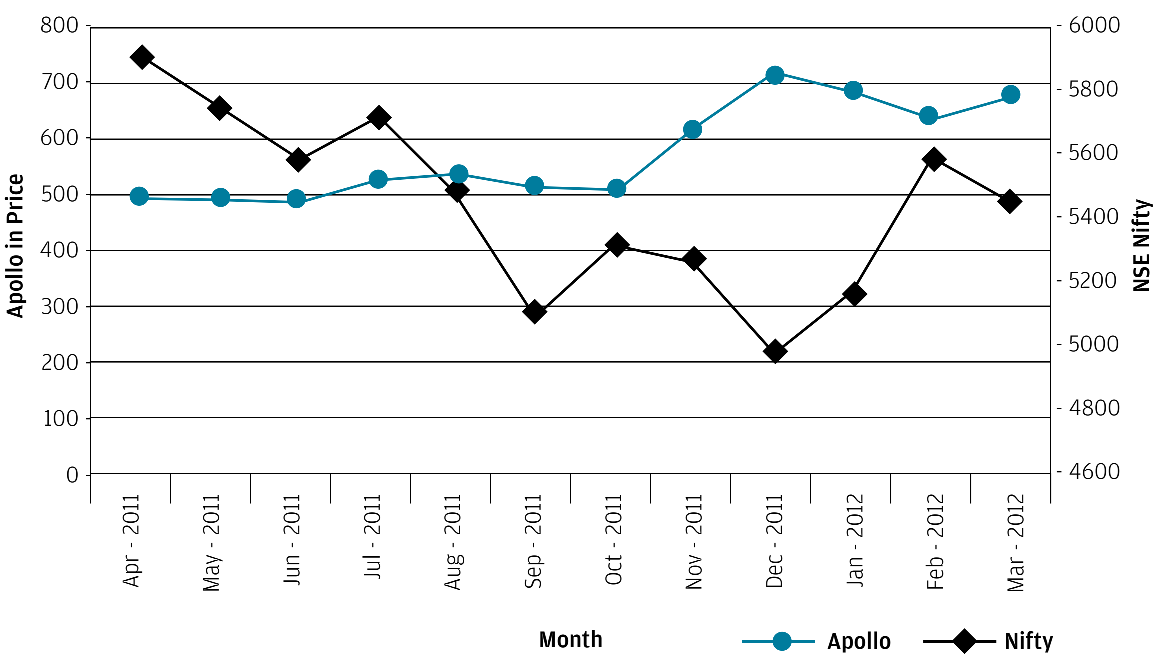
i)	AGM date, time and venue	9th August 2012 at 11.00 a.m. Kamaraj Arangam, No. 492 Anna Salai, Teynampet, Chennai 600 006.
ii)	Financial Calendar	
	1st Quarter	1st April to 30th June
	2nd Quarter	1st July to 30th September
	3rd Quarter	1st October to 31st December
	4th & last Quarter	1st January to 31st March
iii)	Date of Book Closure	28th July 2012 to 9th August 2012 (both days inclusive)
iv)	Dividend Payment	On or before 22nd August 2012
v)	Listing of	
	1) Equity Shares	i) Bombay Stock Exchange Ltd (BSE) Phiroze Jheejheebhoy 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 Ltd (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	EuroMTF of Luxembourg Stock Exchange, BP 165 L-2011 Luxembourg Traded at: Nasdaq - Portal Market
3) Non Convertible Debentures	Wholesale Debt Market Segment of National Stock Exchange of India 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 2011-2012 and 2012-2013
vi) Address of the Registered Office	No. 19 Bishop Gardens, Raja Annamalaipuram, Chennai - 600 028.
vii) a) Stock Exchange Security Code for	
1) Equity Shares	
i) The Bombay Stock Exchange Limited, Mumbai	i) 508869
ii) National Stock Exchange of India Limited, Mumbai	ii) APOLLOHOSP
2) GDRs	
i) Luxembourg Stock Exchange	US0376082055
ii) Nasdaq - Portal Market	AHELYP05
3) Non Convertible Debentures National Stock Exchange of India Limited, Mumbai	APOL 17, APOL20, APOL21
b) Demat ISIN Numbers in NSDL & CDSL for Equity Shares	INE437A01024
c) ISIN Numbers of GDRs	Reg. S GDRs - US0376082055 Rule 144a GDRs - US0376081065
d) ISIN Numbers of Debentures	INE437A07062 INE437A07070 INE437A07088
e) Overseas Depositary for GDRs	The Bank of New York Mellon 101 Barclay Street, 22W, New York, NY 10286
f) Domestic Custodian for GDRs	ICICI Bank Limited Securities Markets Services 1st Floor, Empire Complex, 414 Senapati Bapat Marg, Lower Parel, Mumbai - 400 013 Tel. +91-22-6667 2026 Fax +91-22-6667 2779/2740
g) Trustee for Debenture Holders	Axis Trustee Services Limited 2nd floor, Axis Bank Building, Bombay Dyeing, Pandurang Bhudkar Marg, Worli, Mumbai - 400025 Tel. +91-22- 24255212

viii) Monthly High and Low quotations along with the volume of shares traded in NSE & BSE during the year 2011-2012

Month	National Stock Exchange (NSE)			The Bombay Stock Exchange, (BSE)		
	High	Low	Volume	High	Low	Volume
	(₹)		Numbers	(₹)		Numbers
Apr-11	514.80	468.20	1,096,111	514.85	467.00	169,307
May-11	517.00	447.80	1,347,534	516.80	454.20	370,018
Jun-11	511.50	462.25	918,726	511.20	432.30	388,929
Jul-11	542.00	470.50	2,468,335	541.50	473.10	842,147
Aug-11	554.20	502.55	1,154,219	552.00	506.65	238,497
Sep-11	535.00	504.50	1,419,915	534.95	504.15	88,873
Oct-11	530.00	485.20	1,363,281	524.50	485.10	4,765,064
Nov-11	635.70	459.90	1,635,277	635.45	515.60	270,765
Dec-11	718.00	452.10	14,443,495	716.90	452.20	4,709,437
Jan-12	694.90	548.15	5,112,169	694.70	548.00	1,375,200
Feb-12	651.70	550.00	3,344,215	651.35	553.00	569,641
Mar-12	686.80	555.00	21,404,150	686.35	556.05	549,858

ix) Apollo Price Vs Nifty



x) Registrar & Share Transfer Agent:

Integrated Enterprises (India) Limited
'Kences Towers', II Floor, No.1 Ramakrishna Street,
North Usman Road, T. Nagar, Chennai - 600 017,
Tel. No.: 044 - 2814 0801, 2814 0803,
Fax No.: 044 - 2814 2479
E-mail : sureshbabu@integratedindia.in

xi) 1. Share Transfer System

Share transfer requests for shares held in physical form received by the Company are processed and the share certificates are returned within the stipulated time under the Companies Act, 1956 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.

	2011-2012	2010-2011
	(face value of ₹ 5/-)	(face value of ₹ 5/-)
Shares Transferred	42,537	74,508
Total No. of Shares as on 31st March	134,466,618	124,710,710
% on Share Capital	0.03	0.06

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

2) Shareholders' Services

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

Sl. No.	Nature of Complaints/Requests	Received	Replied	Pending
1.	Change of Address	165	165	-
2.	Revalidation and issue of duplicate dividend warrants	208	208	-
3.	Share transfers	229	229	-
4.	Split of Shares	2	2	-
5.	Change of Bank Mandate	122	122	-
6.	Correction of Name	1	1	-
7.	Dematerialisation Confirmation	563	563	-
8.	Rematerialisation of shares	14	14	-
9.	Issue of duplicate share certificates	12	12	-
10.	Transmission of shares	58	58	-
11.	General enquiry	277	277	-

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.

3) Legal Proceedings

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

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

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

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

During the year, the Company has transferred a sum of ₹ 1.67 million in aggregate which comprises ₹ 1.54 million as unclaimed dividend and ₹ 0.13 million as unclaimed deposit to the Investor Education and Protection Fund pursuant to Section 205C of the Companies Act, 1956 and the Investor Education and Protection Fund (Awareness and Protection of Investor) Rules, 2001.

xii) 1. Distribution of Shareholdings as on 31st March 2012

No. of Equity Shares		Shares				Holders			
		Physical		Electronic		Physical		Electronic	
		Nos.	%	Nos.	%	Nos.	%	Nos.	%
1	500	1,256,614	0.94	1,777,525	1.32	8,362	26.71	19,475	62.19
501	1000	521,956	0.39	786,555	0.58	687	2.19	1,018	3.25
1001	2000	591,194	0.44	707,398	0.53	347	1.11	450	1.44
2001	3000	391,522	0.29	335,837	0.25	148	0.47	132	0.42
3001	4000	395,690	0.29	336,500	0.25	111	0.35	93	0.30
4001	5000	84,436	0.06	158,458	0.12	18	0.06	34	0.11
5001	10000	869,868	0.65	667,472	0.50	110	0.35	92	0.29
10001	above	597,310	0.44	124,988,283	92.95	24	0.08	214	0.68
Total		**4,708,590**	**3.50**	**129,758,028**	**96.50**	**9,807**	**31.32**	**21,508**	**68.68**
Grand Total		**134,466,618**				**31,315**			

2) Categories of shareholders as on 31st March 2012

Category code	Category of Shareholder	Total number of shares	Percentage to total no. of shares
(A)	**Shareholding of Promoter and Promoter Group**		
1	Indian		
(a)	Individuals/ Hindu Undivided Family	23,183,693	17.24
(b)	Bodies Corporate	21,327,924	15.86
	Sub Total (A) (1)	**44,511,617**	**33.10**
	Total Shareholding of Promoter and Promoter Group		
(B)	**Public shareholding**		
1	Institutions		
(a)	Mutual Funds/ UTI	681,422	0.51
(b)	Financial Institutions / Banks	6,136	-
(c)	Central Government/ State Government(s)	323,708	0.24
(e)	Insurance Companies	2,215,029	1.65
(f)	Foreign Institutional Investors	53,839,997	40.04
	Sub-Total (B)(1)	**57,066,292**	**42.44**
B 2	**Non-institutions**		
(a)	Bodies Corporate	1,504,443	1.12
(b)	Individuals		
	i. Individual shareholders holding nominal share capital up to ₹ 1 lakh	7,053,990	5.25
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	321,466	0.24

(c)	**Any Other (Specify)**		
	Trusts	118,470	0.09
	Directors and their relatives	91,606	0.07
	Non Resident Indians	1,915,405	1.42
	Overseas Corporate Bodies	16,199	0.01
	Clearing Member	57,112	0.04
	Hindu Undivided Families	122,675	0.09
	Foreign Corporate Bodies	16,331,874	12.15
	Sub-Total (B) (2)	**27,533,240**	**20.48**
(B)	**Total Public Shareholding (B)= (B)(1)+(B)(2)**	**84,599,532**	**62.92**
	TOTAL (A)+(B)	**129,111,149**	**96.02**
(C)	**Global Depository Receipts (GDRs)**	**5,355,469**	**3.98**
	GRAND TOTAL (A)+(B)+(C)	**134,466,618**	**100.00**

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 2011-2012 are as under

Month	Reg. S			Rule 144 - A		
	High ($)	Low ($)	Closing ($)	High ($)	Low ($)	Closing ($)
Apr-2011	11.26	10.59	10.74	11.28	10.64	10.67
May-2011	10.99	10.29	10.99	11.00	10.31	11.00
Jun-2011	11.09	10.34	10.69	11.10	10.41	10.68
July-2011	12.11	10.80	11.93	12.08	10.73	11.95
Aug-2011	12.15	11.33	11.60	12.17	11.31	11.51
Sep-2011	11.60	10.31	10.62	11.56	10.28	10.57
Oct-2011	10.67	9.91	10.67	10.62	9.85	10.62
Nov-2011	12.00	10.29	11.68	11.97	10.42	11.70
Dec-2011	13.06	8.95	10.64	13.03	8.91	10.62
Jan-2012	12.67	10.47	12.14	12.78	10.37	12.17
Feb-2012	12.86	11.29	11.83	12.83	11.30	11.84
Mar-2012	13.07	11.21	12.54	13.03	11.29	12.56

Note : 1 GDR = 1 equity share.

xiii) 1) Dematerialization of Shares

As on 31st March 2012, 96.50% 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 Practicing Company Secretary carries out the Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total listed and paid up capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges and is also placed before the Board of Directors. The audit, interalia, confirms that the total listed and paid up capital of the Company is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

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

i) Pursuant to the resolution passed by the members in an Extraordinary General Meeting held on 24th May 2005, the Company had issued 9,000,000 Global Depositary Receipts (GDRs) and the details of GDRs issued and converted and outstanding (after adjusting the split into face value of 5/- per share) as on 31st March 2012 are given below :

Particulars		Nos.
Total GDRs issued		18,000,000
Add : Equity Shares converted into GDRs during the year		7,689,329
Less : GDRs converted into underlying equity shares during the year		
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	20,333,860
Outstanding GDRs as on 31st March 2012		5,355,469

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

ii) Pursuant to the resolution passed by the members in an Extraordinary General Meeting held on 22nd January 2011, 3,276,922 Equity Warrants with each warrant convertible into one equity share of the Company of the nominal value of ₹ 5/- each at a price of ₹ 472.46 which includes a premium of ₹ 467.46 per share was allotted to Dr. Prathap C Reddy, one of the Promoters of the Company on 5th February 2011. These warrants were issued with a convertible option to be exercised within a period of 18 months from the date of allotment i.e., on or before 4th August 2012.

xv) Investors Correspondence

a. **For queries relating to shares**

Shri. Suresh Babu, Asst. Vice President
Integrated Enterprises (India) Limited
'Kences Towers', II Floor,No.1 Ramakrishna Street,
North Usman Road, T. Nagar, Chennai - 600 017.
Tel. No. : 044 - 2814 0801, 2814 0803
Fax No. : 044 - 2814 2479
E-mail : sureshbabu@integratedindia.in

b. **For queries relating to dividend**

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

Designated Exclusive email-id:

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

xvi) 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 No. 159 E.V.R. Periyar Salai, Chennai - 600 010. Tel : 044 2821 1111, 2821 2222 Apollo Children Hospital, 15-A Shafi Mohammed Road, Chennai - 600 006 Tel : 044 2829 8282, 2829 6262 New No. 6, Old No. 24, Cenotaph Road, Chennai - 600 018, Tel : 044 2433 4455
Madurai	Lake View Road, K.K.Nagar, Madurai - 625 020, Tel : 0452-2580 199/2580 892/ 893
Karur	Apollo Loga Hospital, No. 163, Allwyn Nagar, Kovai Road, Karur - 639 002. Tel. : 04324 - 241900
Karaikudi	Managiri Sukkanenthal Village, Thalakkavur Panchayat, Kallal Panchayat Union, Karaikudi - 630 001 Tel. : 04565 - 237788 / 235588
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 - 500 008 Tel. No. 040 - 2434 2222 / 2211 / 3333 # 22-1-26/1 & 22-1-25/1 Bhagyanagar Colony, Kukatpally, Hyderabad - 500 072, Tel. No. 040 - 2316 0039/41 PET-CT Scan Centre, Apollo Hospitals Complex, Jubilee Hills, Hyderabad - 500 033 Tel.No. : 040-2360 7777 Extn: 5614 H.No. 9-1-87/1, Polisetty Towers, St. Johns Road, Secunderabad - 500 003. Tel. No. 040-2771 8888
Karim Nagar	Apollo Reach Hospital, H.No.4-72, Theegalgutta Pally, Subhash Nagar, Near Railway Station, G.P.Arepally Rev. Village, Karim Nagar. Tel. No : 0878 - 220 0000
Visakapatnam	No. 10-50-80 Waltair Main Road, Visakapatnam - 530 002, Tel.No.0891-272 7272, 252 9619
Kakinada	H.No. 13-1-3, Surya Rao Peta, Main Road, Kakinada - 533 001, Tel.No. 0884 - 2345 700/800/900
Mysore	Apollo BGS Hospitals, Adichunchanagiri Road, Kuvempu Nagar, Mysore - 570 023 Tel. No. 0821 - 256 6666, 256 8888
Bilaspur	Lingiyadi Village, Bilaspur - 495 001, Chattisgarh, Tel : 07752 - 240390 /243300-02
Bhubaneswar	#251, Sainik School, Unit 15, Bhubaneswar - 751 003, Tel : 0674 - 2304400 / 6661066
Bangalore	154/11 Bannerghatta Road, Opp. IIM, Bangalore - 560 076, Tel. No. 080-4030 4050
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

Life Style Centres

Woodhead Tower, No. 12 CP Ramaswamy Road Alwarpet, Chennai - 600 018,
Tel : 044-24672200 / 24988866

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

Apollo Emergency Centre, Near Santi Fire Works, Malakpet, Hyderabad - 500 036,
Tel : 040-2455 7551, 2455 7552

Apollo Emergency Centre, Mehdipatnam 'X' Roads, Mehdipatnam,
Hyderabad - 500 028, Tel : 040-2359 0677

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

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

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

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

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

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

For **APOLLO HOSPITALS ENTERPRISE LIMITED**

Place : Chennai
Date : 29th May 2012

PREETHA REDDY
MANAGING DIRECTOR

Auditors' Report on Corporate Governance

To

The Members,

Apollo Hospitals Enterprise Limited

We have examined the compliance of conditions of Corporate Governance by Apollo Hospitals Enterprise Limited, for the year ended 31st March 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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

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

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

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

Place: Chennai
Date : 29th May 2012

For **M/s.S.VISWANATHAN**
Chartered Accountants
Firm Registration No: 004770S

V.C. KRISHNAN
Partner
Membership No.: 022167

Management Discussion and Analysis

Healthcare Industry in India

The Indian Healthcare Industry, though vastly improved over the last decade, remains inadequate on most parameters. In terms of hospital infrastructure and manpower, India ranks below other developing countries including China and Brazil in terms of key healthcare adequacy metrics.

As per the World Health Organisation's (WHO) report on world health statistics 2012, India's healthcare industry constituted around 4.2% of GDP in 2009. The country's per capita healthcare expenditure stood at USD 124 (on a purchasing power parity basis), far behind the global median of around USD 483.

	Health expenditure (as a % of GDP) (2009)	Per capita healthcare expenditure (PPP basis USD)
US	17.6	7,960
UK	9.8	3,438
Brazil	8.8	921
China	5.1	347
India	4.2	124
Japan	9.5	3,045
Global average	6.6	483

The health care industry in India has reported a remarkable growth rate over the last decade due to the significant growth in the country's GDP and less than commensurate capacity creation in the healthcare sector in the past. The industry also progressed in adoption of new technology and the skills upgradation of Indian medical practitioners.

Health Care Services in India - Current characteristics and Projected Scenario

The healthcare services industry can be broadly divided into four segments: hospitals, pharmaceuticals, diagnostic centers and ancillary services such as health insurance and medical equipment.

According to CRISIL, the public sector accounted for only around 32% of the total healthcare expenditure in India which is amongst the lowest in the world. Due to low public expenditure and the non-discretionary nature of healthcare delivery services, the private sector accounts for around 68% of the total healthcare expenditure in India amongst the highest proportions of private healthcare spending in the world. The private sector comprises of various health care providers such as not-for-profit and voluntary organizations and trusts and commercially run organizations including corporate houses, stand alone specialist services, diagnostic laboratories and pharmacies.

Over the last two decades the private sector in India has been the key engine for capacity addition and improvements in quality. Currently, the Indian public healthcare sector is under-funded and too small to meet the current health needs of the country. Further, a majority of public sector institutions are facing a resource crunch curtailing their ability to upgrade infrastructure, maintain equipment, retain top notch medical talent and pay for consumables. This has led to the emergence and preference for private hospitals in India.

Based on the health indicators for India released by WHO,CRISIL research estimates the Indian healthcare delivery industry to grow at a compounded rate of 12% and reach a size of ₹ 4,200 billion by 2015-16 . The growth is expected to be driven by a number of factors such as a shift in demographics, increasing health awareness and the increased penetration of health insurance.

The hospital sector is highly capital-intensive requiring substantial investments in land, building and medical equipment.

Over the next 5 years,assuming a capital expenditure of ₹ 2.5 million per bed excluding land cost, CRISIL research estimates that in order to meet the global benchmark of 24 beds per 10,000 individuals, an investment of approximately ₹ 5,600 billion would be required .

FUTURE OUTLOOK AND TRENDS

The healthcare delivery industry is favourably placed for growth due to strong fundamentals. The following trends are emerging across the healthcare delivery landscape in India.

Growth in population and change in population mix

The population growth in India is expected to increase the demand for additional beds in the future. India's population is predicted to grow from approximately 1.1 billion in 2009-10 to over 1.4 billion by 2026. Further, with improving life expectancy, the proportion of the population that is above 60 years old is also expected to increase to over 12% from the current levels of around 8%. This will sharply increase the healthcare delivery needs of the country.

Increasing Health Awareness

Due to improving socio-economic characteristics and a rise in literacy levels across the country there is growing awareness about the need for high quality preventive and curative healthcare services. This is expected to result in an increase in the hospitalization rate (percentage of people who actually visit a hospital when unwell) and demand for health care delivery services in general.

Increase in Income Levels

Although healthcare is largely considered a non-discretionary expense, high-quality healthcare facilities are unaffordable for a large percentage of the population. However, a steady increase in disposable incomes in India is expected to lead to higher demand for quality healthcare.

Changing Disease Profile

Due to changing demographics and rising incomes there has been a change in dietary patterns and lifestyle habits of a significant percentage of the populace. This is leading to a change in the disease profile of the country with heightened incidence of lifestyle-related diseases such as diabetes and hypertension. An increasing prevalence of such lifestyle diseases is expected to increase the demand for healthcare delivery and associated medical facilities. India is host to the largest diabetic population in the world, has the largest number of people suffering from cardiovascular diseases and is the global capital for cancer patients.

Increasing Penetration of Health Insurance

According to CRISIL research, over 95% of India's private healthcare expenditure is paid for by out-of-pocket expenditure or corporate healthcare plans while health insurance coverage is under 5%. As the penetration of health insurance increases, healthcare is likely to become more affordable for a larger percentage of the population. As a result, hospitalization rates and supporting clinical and diagnostic facilities are expected to increase.

Medical Value Travel

Governments and patients worldwide struggle with soaring healthcare costs with financial constraints placing increased challenges on sovereign healthcare programs. As a result, there is an increasing prevalence of patients opting for medical treatment in emerging healthcare regions.

While countries like Singapore and Thailand have gained prominence for their high-quality medical institutions, India is fast emerging as a major medical tourist destination. The relatively low cost of surgery and critical care in India and its ability to offer advanced medical facilities in critical areas adds to its competitive advantage. India is extremely competitive in healthcare costs. Further, the presence of large private hospital chains, whose hospitals are globally renowned, enhances India's status as an attractive destination for medical tourism.

Evolving Business Models

The capital intensive nature of the healthcare services business coupled with increased sophistication in customer requirements are driving the emergence of innovative structures and business models in healthcare delivery. While state sponsored or standalone hospitals were dominant earlier, the last two decades has seen the emergence of private hospital chains, single specialty chains and boutique healthcare centres. Further, service providers are branching out from end-to-end ownership and management into structures like leased out premises, franchise arrangements and operating and management contracts to enhance their presence. Stand-alone clinics as well as integrated healthcare delivery centres are also emerging as alternative business models in the Indian healthcare services industry.

Increased Dispersion of Capacity into Non-Metro Cities

The last 10-15 years have seen rapid addition of hospitals beds by large private players. However, these additions have been largely confined to major cities across the country. The bed density in Mumbai,National Capital Region, Bangalore, Hyderabad, Chennai, Kolkata, Pune and Ahmedabad amounted to approximately 215,000 as of October 2010. It accounted for approximately 20% of the country-wide supply of beds even though these cities constitute only approximately 5-6% of the overall population. This uneven distribution of beds is reflected in the fact that the average number of beds per 1,000 individuals in these cities is 3.2 which is over 3 times higher than the country-wide average of approximately 0.9. The rapid increase in the addition of beds has led to intense competition. Therefore healthcare players are now aiming to expand their reach to smaller cities and towns.

PHARMACIES

The pharmacy retailing industry is a highly fragmented one and is dominated by stand-alone drug retailing units.

Standalone pharmacies or pharmacy retailing in India is largely dominated by traditional/local chemists. In the last 10 years organised players have made their presence felt in the pharma retail sector by providing better service, ambience and value added services to increase the profitability per store.

In India, the unorganized sector commanded over 95% of the overall market share as of 2011. The total retail pharmacy market has been growing at an average of 18% per annum over the last few years, and is expected to continue its robust growth in the future. The organised retail pharmacy segment as a subset of the overall pharmacy market has been growing at an average of 25% year-on-year and is expected to accelerate its growth rate to 35%-40% year-on-year over the next decade. (Source: Pharmaleaders February 2011)

HEALTH INSURANCE

As per statistics released by the Insurance Regulatory and Development Authority (IRDA), the Indian Health Insurance industry recorded 33.1% growth in health insurance premiums collected in FY11. Most non-life insurance companies recorded double-digit growth rates in the health segment.

The introduction of the option of health insurance portability during the year is expected to offer more convenience to customers and make the industry more competitive. It is likely that a slew of innovative health insurance plans may be announced as insurers compete to attract and retain customers.

The health insurance market continues to be dominated by the four state-owned non-life insurers, which together accounted for about 59% of the health premiums written during FY11. However, private insurers are more aggressive and reporting higher growth rates. (Source: Tower Watson)

A move that will further enhance the attractiveness of the domestic health insurance industry is the widening of the Preferred Provider Network (PPN) of hospitals providing cashless treatment for health insurance policyholders to cover smaller cities. The PPN network is already in force in Tier-I cities.

MEDICAL BUSINESS PROCESS OUTSOURCING (mBPO)

The Indian IT-BPO industry has developed rapidly and emerged as a large contributor to GDP, employment creation and wealth generation in just over a decade. It has helped to accelerate India's progression as a global economic powerhouse and established the country as an integral trading partner for many developed economies.

As the economic recovery slowly moves forward, outsourcing is assuming a more prominent role for organizations across the globe.

The opportunity is attractive as healthcare payers and providers are looking for ways to contain escalating costs and better manage the dynamics among physicians, hospitals and patients.

HfS Research estimates that the size of the US healthcare BPO market was $1.2 billion in 2011 and will continue to grow at 15-20% over the next three years. This is due to the pressure on payers to manage regulatory reforms arising from the recent enactment of the Patient Protection and Affordable Care Act in the United States.

OPPORTUNITIES AND THREATS

OPPORTUNITIES

Significant demand supply gap in healthcare infrastructure

As mentioned earlier, there exists a significant demand supply gap in healthcare infrastructure given that currently, India has a bed to population ratio of only 9 beds per 10,000 persons much lower than the global median of 24 per 10,000 persons. Further, India's growing population and increasing preference for private health services over public services is augmenting the growth of the health care delivery market.

Changing disease patterns

We believe that a combination of factors, including changing demographics, increasing affluence of the Indian population and changing dietary patterns will lead to an increase in lifestyle-related diseases such as heart disease and diabetes. This is in turn will increase the demand for quality healthcare services, particularly tertiary healthcare services. We have therefore identified key focus areas for our tertiary care hospitals and are structuring our delivery model to increase market share of these complex, high value treatments.

Increasing demand for life enhancing procedures and elective surgeries

With increasing disposable incomes and health awareness, there is a growing demand for elective or planned surgeries. We intend to concentrate on this market and build a strong presence in this segment.

Increasing prevalence of medical value travel

India is fast emerging as a major medical tourist destination. India is highly competitive in terms of healthcare costs compared to other regions. The increase in number of facilities, higher number of accreditations and good reputation of Indian doctors and improving track record are further accentuating India's position as a destination for medical value travel.

THREATS

Limited supply of Human Health care resources

There is a dearth of supply of human health care resources in India as compared to global benchmarks. This translates into a critical scale-up challenge for the health care industry. Doctors, nurses and paramedical personnel and the retention of key personnel are the key enablers for the success of hospitals. In the last few years, the Government of India has taken certain initiatives to address the shortage of doctors and nurses through the relaxation of regulations and permitting private medical colleges and nursing institutions to set up facilities to ensure adequate supply of healthcare professionals. However, these are not adequate to bridge the healthcare infrastructure deficit that currently exists.

Increase in competition intensity

As a result of the significant growth opportunities in the industry, competition in the healthcare services landscape, including the hospital and stand-alone pharmacy businesses, has increased competition for patients and customers among hospitals, stand-alone pharmacies and other healthcare services providers has intensified in recent years. This will cause increased competition for business, resources, locations and market share.

High Capital investment requirements

Establishing a health care facility involves investing substantial amounts of capital towards acquiring land especially in the metros and Tier I cities apart from investments in medical equipment and other costs. Further, ongoing investments are required to upgrade medical equipments and introduce new treatment technologies. Healthcare investments also involve a significant gestation period.

Obsolescence of Medical Equipment

The healthcare industry is characterized by frequent product innovations and evolving technologies. The problem is compounded by the limited skill sets available in India with regard to medical devices manufacturing which necessitates imports of expensive equipments.

Increasing inflation

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. Increasing inflation in India could cause a rise in the price of transportation, wages, raw material, equipment and other expenses, and pose a challenge for health care providers to manage the twin issue of sustaining margins while tackling input cost increases.

Group Overview

We are a leading private healthcare services provider in India offering comprehensive end-to-end healthcare services. Our primary line of business is the provision of healthcare services, through hospitals, pharmacies, projects and consultancy services, and primary clinics. In addition, we provide mBPO services and health insurance services. To complement our primary business, we also provide telemedicine services, education and training programs and research services.

We have continuously invested in beds and have increased the bed capacity under our management. From approximately 150 operational beds at the commencement of our hospital services business in 1983 we now have 8,276 operational beds in 50 hospitals located in India and overseas as of March 31, 2012. Of the 8,276 beds, 5,888 beds are in 36 hospitals owned by us and 2,388 beds are in 14 hospitals under our management through operations and management contracts.

We have a presence both in India and abroad including the Republic of Mauritius, Bangladesh and Kuwait. We have also recently signed a preliminary joint venture agreement with the Board of Trustees of the National Social Security Fund, Tanzania and the Tanzanian Ministry of Health & Social Welfare, in connection with the establishment of an advanced healthcare facility in the city of Dar es Salaam.

Our healthcare facilities provide treatment for acute and chronic diseases across primary, secondary, and tertiary care sectors. Our tertiary care hospitals provide advanced levels of care in over 50 specialties, including cardiac sciences, oncology, radiology & imaging, gastroenterology, neurosciences, orthopedics and critical care services. We have a special focus on core specialties such as cardiology, oncology, neurology, orthopedics, radiology & imaging and transplants, and we also specialize in minimally invasive surgery across various specialties.

HEALTHCARE SERVICES

We have 8,276 beds across 50 hospitals in India. We reported ₹ 15,511 million, ₹ 19,295 million and ₹ 22,222 million in revenues from the hospitals segment during FY10, FY11 and FY12 respectively. This includes revenues from our hospitals, global projects and consulting and pharmacies located within the premises of our hospitals.

During FY12, hospitals owned by us, our subsidiaries, associates and joint ventures handled over 2.78 million in-patient and out-patient cases.

We constantly seek to be in the forefront of the healthcare industry by providing new services and introducing specialized healthcare models. Our healthcare facilities provide treatments for acute and chronic diseases across primary, secondary, and tertiary care sectors. Seven of our hospitals have received accreditations from the Joint Commission International ('JCI') USA for the delivery of quality healthcare services and meeting JCI's standards for patient safety. Three of our hospitals have received accreditations from the National Accreditation Board for Hospitals & Healthcare Providers ('NABH') for the delivery of high quality patient care.

Given the huge demand for tertiary care services in India, we recognize the need to maximize our market share of procedures performed in each of our key focus areas referred to as 'Centres of Excellence' ('COEs').

We intend to become the first choice for patients in each COE by providing the highest standards of care and constantly improving our clinical outcomes in all procedures performed under each COE.

PROJECTS & CONSULTANCY SERVICES

Our projects and consultancy services business is among the leading healthcare consulting organizations in India. We provide pre-commissioning consultancy services which include feasibility studies, infrastructure planning and design advisory services (functional design and architecture review), human resource planning, recruitment and training and medical equipment planning, sourcing and installation services. We also provide post-commissioning consultancy services, which include management contracts (providing day-to-day operational support), franchising and technical consultation (such as human resource planning and training and the establishment of medical and administrative protocols). We provide these services to third party organizations globally for a fee.

Our international consultancy projects include providing operations management services for a tertiary care hospital in Bangladesh and licensing the "Apollo" brand name for use by the radiology and laboratory services department of a large hospital in Kuwait.

APOLLO REACH HOSPITALS

With the objective of making high quality healthcare services and advanced medical technology available in semi-urban and rural areas in India, we started the 'Apollo REACH' initiative. We are currently in the process of establishing a network of smaller hospitals with around 100 to 200 beds in Tier II and Tier III cities in India.

We have already established Apollo REACH hospitals in Tier II cities including Kakinada, Karaikudi, Karimnagar, Bhubaneswar and Karur and are planning to establish additional Apollo REACH hospitals across the country.

We believe that this initiative will give patients in such locations greater access to high quality healthcare services without having to travel to the Tier 1 cities. At the same time, these hospitals will allow us to expand our network and penetrate different markets in the Tier II and Tier III cities.

We have identified a number of Tier II andTier III cities across the country that are currently under-served in terms of healthcare services but have a sizable population and spending potential. Based on our experience, capital costs per hospital bed in a Tier II or Tier III city are generally lower compared to a Tier I city. As income levels in these markets rise, purchasing power will accordingly increase. Therefore, we expect revenues generated from providing healthcare services in these markets to increase further.

STANDALONE PHARMACIES

The number of stand-alone pharmacies increased from 1,199 as of March 31, 2011 to 1,364 as of March 31, 2012, with revenues increasing by 30.1% to ₹ 8,606 million in FY12 from ₹ 6,614 million in FY11. EBITDA growth was strong registering an increase from ₹ 31 million in FY11 to ₹ 164 million in FY12.

The EBITDA margin from mature stores improved to 5.7% in FY 12 from 5.2% in FY11.

We believe that our stand-alone pharmacy business is among the largest in India, with a network of 1,364 stand-alone pharmacies as of March 31, 2012. We attribute the success of our stand-alone pharmacy business largely to the brand value and recognition of the 'Apollo' brand. Our stand-alone pharmacies offer a wide range of medicines, hospital consumables, surgical and health products and general 'over-the-counter' products and also offer services such as prescription refilling, distribution of free health newsletters and bundled health insurance plans.

We operate stand-alone pharmacies on a 24-hour basis in various locations with high visibility and revenue potential. Some of our stand-alone pharmacies also offer free home delivery to customers living within a five-kilometer radius.

We are working on improving operating efficiencies and profitability at our stand-alone pharmacies by leveraging strategies such as :

(i) Introducing generic and in-house brand (private labels) products which have better profit margins

(ii) Increasing sales through bulk distribution of medical supplies and consumables to hospitals and other healthcare providers,

(iii) Improving operating efficiencies by implementing a centralized database and inventory management system to track inventory and revenue collections across our stand-alone pharmacy network,

(iv) Improving our supply chain management by standardizing prices across our network and consolidating our suppliers,

We were named 'Healthcare Retail Company of the Year' by Frost & Sullivan, a business research and consulting firm, in 2010.

PRIMARY CARE CLINICS

We generate revenues from the provision of clinical and diagnostics services through our wholly-owned subsidiary Apollo Health and Lifestyle Limited. Until FY10, we provided such services through franchised clinics. From FY11 onwards we changed our business model and set up clinics through own investments.

As of March 31, 2012, we had a total of 70 clinics and we plan to increase this to around 100 clinics over the next few years. Through our network of clinics, we aim to make quality healthcare services accessible to a larger cross-section of the Indian population. Our clinics are equipped to provide a wide range of healthcare services, from basic to advanced consultation and diagnostic tests. All our clinics are equipped with a pharmacy. Some clinics also offer telemedicine facilities to provide medical expertise through second opinions from specialist doctors.

These clinics serve three main purposes:

- Ease the pressure on the OPD ward of the main hospital.
- Increase the overall number of treatments.
- Strengthen the hospital chain's brand presence.

MEDICAL INSURANCE - APOLLO MUNICH HEALTH INSURANCE

We entered the health insurance market through a joint venture with Munich Health Holding AG, a subsidiary of Munich Re one of the world's leading insurers. Munich Health provides innovative healthcare solutions for clients and partners all over the world.

According to the Insurance Regulatory and Development Authority of India, health insurance was the second largest general insurance segment in the country with 21.12% share of the total premium underwritten within India for FY10.

During FY12, we increased the gross written premium from ₹ 2,835 million in FY11 to ₹ 4,759 million in FY12. Through the introduction of health insurance portability, the IRDA has permitted customers to change insurers while retaining a significant portion of accumulated benefits. It is heartening to share that Apollo Munich Health Insurance is among the leading insurance companies to have received requests for portability.

HEALTHCARE BPO - APOLLO HEALTH STREET

We offer mBPO services through Apollo Health Street Limited. Apollo Health Street provides end-to-end medical outsourcing services, consisting primarily of revenue cycle management of clients-hospitals and professional services including medical coding, billing and records maintenance services and patient claims management services, catering to the healthcare information needs of United States-based doctor groups, hospitals and insurers. Apollo Health Street's facilities include two centers in India (Hyderabad and Chennai) and one centre in New York, United States.

During FY12, the revenues from our mBPO services increased to ₹ 4,909 million compared to ₹ 4,476 million in FY11.

TELEMEDICINE

Our telemedicine facilities are managed by Apollo Telemedicine Networking Foundation ('ATNF'). These were launched at Apollo Aragonda Hospital in March 2000. Its operations include providing tele-consultations and medical expertise through second opinions to locations where there is limited access to quality healthcare services.

Today, ATNF has emerged as India's single largest turnkey provider in the area of Telemedicine with over 125 peripheral centers including 10 overseas.

More than 71,000 teleconsultations in 25 different disciplines have been provided. Patients have been evaluated from distances ranging from 100 miles to as far as 6,500 miles away.

We also use our telemedicine facilities to conduct continuing medical education programs for our doctors and other medical professionals.

ATNF was selected by the Ministry of External Affairs, Government of India, for the mega Pan African e-Network Project, to provide tele-consultation and tele-education to 53 countries of the African Union. Consultations with African countries are now well established. ATNF is on several working groups and high power committees of the Government of India.

EDUCATION AND TRAINING PROGRAMS

We provide extensive education and training programs through Apollo Hospitals Education and Research Foundation and Apollo Hospitals Educational Trust. Our primary objective in establishing, maintaining and supporting educational institutions is to promote medical, paramedical and hospital management education and training.

Apollo Institute of Hospital Management offers a Master's degree in hospital management which has provided training to more than 335 students. The Apollo School of Nursing and the College of Nursing offer various courses at different levels. They train nurses and equip them to serve in hospitals across India and abroad. Around 800 nurses are expected to complete courses at these institutions during the current academic year.

RESEARCH

Faculty members across various departments are engaged in a broad spectrum of research, including therapeutic trials, investigation of disease pathogenesis and discovery-oriented basic science. Through Apollo Hospitals Education and Research Foundation, we conduct global and domestic multi-centric trials in various medical fields including oncology, cardiology, neurology, respiratory medicine, diabetology, vascular surgery, pediatrics, pulmonology, orthopedics and rheumatology.

CORPORATE HIGHLIGHTS

Please refer progression round the year in the section performance highlights.

STRENGTHS

Scale and integration of operations

Through our presence in various healthcare services and initiatives across the healthcare services delivery chain, we believe that we have a competitive advantage and are able to benefit from the following:

- Cost efficiencies through sharing of managerial and clinical resources
- Economies of scale and competitive prices from our suppliers and service providers through centralized purchasing;
- Access to qualified and trained medical resources through our educational initiatives
- Access to a larger patient base through our pan-India presence in primary clinics, telemedicine and other healthcare programs

We have also developed a distributed access model to comprehensively serve the healthcare needs of patients in their local communities through our network of multi-specialty hospitals and primary clinics. These multi-specialty hospitals and primary clinics also support our super-specialty hospitals by referring patients who require more sophisticated and advanced procedures and specialized care. This model ensures that we are not dependent on external referrals.

CLINICAL EXCELLENCE

Clinical excellence has been a key focus area for Apollo since inception as it is a critical determinant of the quality of operations. In order to enhance our clinical excellence parameters we have created a quality and care assessment and management scorecard, known as the "Apollo Clinical Excellence". This program which is referred to as 'ACE @ 25', and has been implemented throughout our network of hospitals. ACE @ 25 assesses performance based on 25 clinical parameters. Further, we have introduced Rocket ACE which is an advanced clinical performance assessment model designed for our COEs which covers an additional 25 parameters.

This enables us to continuously assess the quality of care and services received by our patients while measuring our consistency in delivering high quality service and clinical excellence.

Seven of our hospitals have received accreditations from the JCI, USA for meeting international healthcare quality standards for patient care and organization management. These include our hospitals at Bangalore, Chennai, Delhi, Dhaka, Hyderabad, Kolkata and Ludhiana.

For the last five consecutive years (2007 - 2011), The Week magazine in India has ranked our hospitals in Chennai and New Delhi as among the leading private sector hospitals in India.

TECHNOLOGY INNOVATION AND LEADERSHIP

We continuously invest in medical technology and equipment and modernize our hospital facilities to offer the highest quality healthcare services. We have been the first healthcare services provider to introduce many cutting-edge medical technologies in the Indian sub-continent. This has enabled us to attract renowned doctors from India and abroad to practice in our hospitals contributing to our high success rates. As a result, our hospitals have also become the preferred treatment destinations for patients from countries around the world.

STRONG BRAND VALUE

We believe our pan-India presence has allowed us to establish 'Apollo' as a healthcare services provider brand that is recognized across India. We believe that the 'Apollo' brand is widely recognized in India by both healthcare professionals and patients. Our reputation has helped us to attract well-known doctors and other healthcare professionals to our facilities, who in turn draw more patients to our facilities. We believe that our strong track record in building long-term relationships with our doctors and other medical professionals together with our focus on achieving and maintaining world-class clinical outcomes have enabled us to build a strong brand name.

EXPERIENCED AND PROFESSIONAL MANAGEMENT TEAM WITH DOMAIN EXPERTISE AND STRONG EXECUTION TRACK RECORD

We benefit from an experienced management team which has made significant contributions to our growth and has a proven track record in the healthcare services industry. Our management team is composed of directors with extensive experience in the healthcare services industry, as well as doctors with both clinical and administrative experience. We believe that a professionally managed administration with a commitment to patient care and high ethical standards enables us to operate our facilities efficiently while providing quality care to our patients.

WEAKNESSES

We have added 165 stand-alone pharmacies during the year and added over 900 hospital beds during the last 18 months. The new bed additions and stand alone pharmacies will take some time to stabilize operations and attain maturity. This could impact the overall margins.

The execution of our business strategy depends on our ability to attract and retain leading doctors and healthcare professionals in a particular speciality or in a region relevant to our growth plans. However, there is demand for these medical professionals and support staff from other service providers in India and in other regions around the world. As demand for these professionals exceed the supply, it may become difficult to negotiate favourable terms and arrangements with them.

AWARDS

Please refer Accolades for progressive healthcare in the section performance highlights.

RISK MANAGEMENT & INTERNAL CONTROLS

We have a comprehensive risk management system covering various aspects of the business, including operational, legal, treasury, regulatory and financial reporting.

The Board of Directors has constituted a Risk Management Committee, headed by the Managing Director. The Committee reviews the probability of events that may adversely affect the operations and profitability of the Company and suggests suitable measures to mitigate such risks. The executive management team reports to the Board of Directors periodically on the assessment and minimization of such risks.

RISK MANAGEMENT

Your Company is exposed to an increasing degree of risks. These risks could adversely impact the functioning of the Company through their effect on operating performance, financial performance, management performance and overall sustainability. Apollo Hospitals has in place an active risk management system to identify and mitigate potential risks to the organisation.

The risks that may affect the functioning of the Company include, but are not limited to:

- Inflationary pressures and other factor affecting demand for our products
- Increasing costs of raw material, transport and storage
- Competitive market conditions and new entrants to the market
- Labour shortages and attrition of key staff
- Compliance and regulatory pressures including changes to tax laws

Your Company has a defined risk management model to identify potential risks, mitigate and monitor the occurrence of risk.

Risk Identification: Monitoring and identification of risks is carried out at regular intervals with the aim to strengthen the processes and procedures. This assessment is based on risk perception survey, business environment scanning and inputs from stakeholders.

Risk measurement and treatment: After risks have been identified, risk mitigation and solutions are defined, to bring the risk exposure levels in line with the risk appetite.

Risk reporting: We have an established Risk Council to deal with any reported risks. In addition, a quarterly risk report is presented to our Risk Management Committee, which reviews the Enterprise Risk Management program to assess the status and trends available on the material risks highlighted.

INTERNAL CONTROLS

We have an established internal control system to optimize the use and protection of assets, facilitate accurate and timely compilation of financial statements and management reports, and ensure compliance with statutory laws, regulations and Company policies. We have also put in place an extensive budgetary and other control review mechanisms pursuant to which the management regularly reviews actual performance with reference to the budgets and forecasts.

There is a proper and adequate system of Internal Controls for the Company and its subsidiaries.

The system is designed to adequately ensure that financial and other records are reliable for preparing financial information and other data and for maintaining accountability of assets.

The Company has also put in place an extensive budgetary control review mechanism where the management regularly reviews actual performance with reference to the budgets and forecasts.

DISCUSSION ON CONSOLIDATED FINANCIAL PERFORMANCE AND RESULTS OF OPERATIONS

The following table present summaries of results of operations for the years ended March 31, 2011 and 2012:

(₹ in million)

	2012		2011	
	Amount (₹)	% of Income	Amount (₹)	% of Income
Operating Revenues	31,475		26,054	
Add: Other Income	259		149	
Total Income	31,734	100.00	26,203	100.00
Operative expenses	15,623	49.23	13,149	50.18
Salaries and benefits	5,029	15.85	4,151	15.84
Administration & other expenses	5,692	17.94	4,563	17.42
Financial expenses	891	2.81	778	2.97
Depreciation and amortization	1,239	3.90	948	3.62
Profit before Income Tax	3,260	10.27	2,613	9.97
Provision for taxation	1,150	3.62	873	3.33
Profit after Tax	2,110	6.65	1,740	6.64
Less: Minority interest	(12)	(0.04)	(15)	(0.06)
Profit after minority interest	2,123	6.69	1,755	6.70
Add: Share in associates	71	0.22	84	0.32
Profit after share in associates	2,194	6.91	1,839	7.02

For the years ended March 31, 2012 and 2011

REVENUES

The 20.8% change in our operating revenues for 2012 compared to 2011 was primarily the result of an increase in occupancy and revenue per bed day (RPBD) for hospitals as well as strong growth in the SAP business. Health care services revenues grew by 16.4% from ₹ 19,081 million to ₹ 22,222 million.Revenue per Bed Day increased from ₹ 18,474 to ₹ 20,455. The increase in RPBD is largely a result of changes in the acuity of patients as well as better price realizations.

The number of stores rolled out under the SAP business segment was 1,364 as at March 31, 2012 as compared to 1,199 stores as at March 31, 2011. These rollouts together with maturity of existing stores led to a 30% yoy revenue growth in the pharmacy segment.

The following table shows the key drivers of our revenues for the periods presented:

Years Ended March 31, (₹ in million)

	2012	2011	Increase (Decrease)	% Increase (Decrease)
Discharges	281,020	265,425	15,595	6
Revenues per patient (₹)	77,884	70,733	7,150	6
Average length of stay (days)	4.78	4.79		10
Out-patients	2,501,973	2,358,570	143,403	6
Revenue per bed day (₹)	20,455	18,474	1,980	11

EXPENSES

Salaries and Benefits

Our salaries and benefits expense of ₹ 3,897 million during 2011 increased by ₹ 807 million to ₹ 4,704 million in 2012. 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.

Year Ended March 31, (₹ in million)

	2012 ₹	% of Revenues	2011 ₹	% of Revenues	₹ Increase (Decrease)	% Increase (Decrease)
Salaries, wages and benefits (excluding managerial remuneration)	4,704	14.9	3,897	15.0	807	20.7
No. of employees	32,991		30,975		2,016	6.5
Average salary per employee per month (₹)	11,882		10,484			

Operative expenses

During 2012, our material cost of ₹ 15,623 million increased 19%, as compared to ₹ 13,149 million in 2011. The increase in material cost was in line with the growth in operating revenues.

The following table summarizes our operating and administrative expenses for the periods presented

Year Ended March 31, 2012 (₹ in million)

	2012 ₹	% of Revenues	2011 ₹	% of Revenues	₹ Increase (Decrease)	% Increase (Decrease)
Repairs and maintenance	826	2.60	652	2.5	174	26.6
Rents and leases	988	3.11	811	3.1	177	21.8
Outsourcing expenses	545	1.72	445	1.7	100	22.5
Marketing and advertising	668	2.10	502	1.9	166	33.0
Legal and professional fees	354	1.12	282	1.1	72	25.5
Rates & taxes	76	0.24	64	0.2	12	18.8
Provision for doubtful debts	192	0.61	81	0.3	111	137.0
Other operating expenses	2,043	6.44	1,726	6.6	317	18.4
	5,692	17.94	4,563		1,129	24.7

DEPRECIATION AND AMORTIZATION

Our depreciation and amortization expense increased to ₹ 1,239 million during 2012, as compared to ₹ 948 million during 2011. The increase is largely due to capital improvement projects completed during 2012 and normal replacement costs of facilities and equipment.

FINANCIAL EXPENSES

Our financial expenses increased to ₹ 891 million during 2012, compared to ₹ 778 million during 2011. The increase is largely due to higher interest charge arising on commissioning of new hospital projects at Hyderabad and Karaikudi and general increase in interest rates during the year.

PROVISION FOR INCOME TAXES

The provision for taxes during the year ended March 31, 2012 is ₹ 1,150 million compared to ₹ 873 million in the previous year ended March 31, 2011.

LIQUIDITY

Our primary sources of liquidity are cash flows generated from our operations borrowings and equity raised during the year through QIP issue and promoters warrants. We believe that our internally generated cash flows, amounts available under our debt agreements and the further debt that is proposed to be raised will be adequate to service existing debt, finance internal growth and deploy funds for capital expenditure.

CAPITAL EXPENDITURES

As we continue to increase bed capacity and roll-out new hospitals, capital expenditures continue to be high. We have made significant, targeted investments at our hospitals to add new technologies, modernize facilities and expand our services. These investments should assist in our efforts to attract and retain physicians and to make our hospitals more desirable to our employees and potential patients.

Summary of Cash flow statement is given below:

(₹ in million)

	2011 - 2012	2010 - 2011
Cash and cash equivalents at beginning of the year	1,823.47	3,140.06
Net cash from operating activities	3,870.54	2,588.32
Net cash used in Investing activities	(4,679.65)	(4,414.65)
Net cash from financing activities	1,354.02	467.44
Net increase in cash and cash equivalents	544.92	(1,358.90)
Cash and cash equivalents at the end of the year	2,368.38	1,781.17

Cash Flow from Operating Activities

Net cash of ₹ 3,870.54 million was generated from operating activities by the Company in FY12 compared to ₹ 2,588.32 million in FY11.

(₹ in million)

	2011 - 2012	2010 - 2011
Operating profit before working capital changes	5,362.95	4,302.51
Effect of working capital changes	(872.89)	(1,042.20)
Foreign Exchange loss	7.71	6.26
Adjustments for Misc.Exp.written off	-	(3.15)
Cash generation from operations	4,497.77	3,262.78
Taxes paid	(627.22)	(675.11)
Net cash provided by operating activities	3,870.54	2,588.32

In FY12, adjustments to reconcile the net profit before tax and extraordinary items of ₹ 3,259.73 million to net cash from operating activities consisted primarily of depreciation expense of ₹ 1,235.83 million, interest paid of ₹ 891.41 million and deferred revenue expenses and preliminary expenses of ₹ 3.27 million. Trade and other receivables increased by ₹ 1,166.70 million, inventories increased by ₹ 325.19 million, trade payables increased by ₹ 391.96 million and other net assets reduced by ₹ 227.03 million.

Cash Flow from Investing Activities

(₹ in million)

	2011 - 2012	2010 - 2011
Purchase of fixed assets	(3,866.59)	(3,156.91)
Sale / (Purchase) of investments	(1,071.39)	(1,306.72)
Interest and Dividend received	271.91	102.97
Others	(13.59)	(53.99)
Net cash used in investing activities	(4,679.66)	(4,414.65)

Net cash used in investing activities was ₹ 4,679.66 million in FY12 as compared to ₹ 4,414.65 million in FY11. The net cash used in investing activities in FY12 consisted of purchase of fixed assets of ₹ 3,866.59 million, Purchase of trade and non trade investments of ₹ 1,071.39 million. Fixed assets comprised mainly of medical equipment and surgical instruments, buildings and electrical installations and generators. Our investments comprised mainly of investments in short- term financial instruments in FY12.

Beside the company incresed its equity stake in its subsidiaries Imperial Hospital and Research Centre Limited from 51% to 85.76% and in Western Hospital Corporation (Pvt) Limited from 40% to 100%.

Cash Flow from Financing Activities

(₹ in million)

	2011 - 2012	2010 - 2011
Issues from share capital	4,159.01	791.86
Proceeds from Borrowings	1,519.89	1,788.02
Repayment of finance/lease liabilities	(2,965.80)	(911.36)
Income from treasury operations	-	11.77
Interest and Dividend paid	(1,359.08)	(1,212.85)
Net cash from financing activities	1,354.02	467.44

Cash provided by financing activities totalled ₹ 1,354.02 million in FY12 as compared to ₹ 467.44 million in FY11. Cash provided by financing activities in FY12 resulted primarily from QIP equity issue of ₹ 3,300 million, issue of warrants to promoters and debentures placed with Bankers and Institutions. We used part of the proceeds from financing activities to repay loans of ₹ 2,965.80 million in FY12. We paid interest and dividend of ₹ 1,359.08 million in FY12.

HUMAN RESOURCES

Apollo recognizes that its greatest asset is the people who drive the organization forward. There is a long-standing commitment to create a culture that embraces diversity and fosters inclusion.

The company truly believes in investing in people and has undertaken several initiatives in the development of leadership skills and education for further strengthening our leadership. We have launched a 360 degree feedback process focusing on leadership competencies.

We value patient satisfaction enormously and realize that the skill and service of trained manpower are crucial for maintenance of the trust reposed in us as a quality healthcare provider from our patients .Thus attrition of trained human capital can pose a challenge to successful healthcare delivery to our patients and needs to be tackled systematically. We have devised an effective recruitment and human resources management process to prevent attrition of clinical/non-clinical manpower from impacting Apollo's superior healthcare delivery model. The robust process ensures a continuous supply of clinical manpower to support the organization's patient care delivery process.

Apollo is strengthening its initiatives in the domain of Health Education - skilling & up-skilling and the healthcare space. The Group has been involved in reversing the brain drain of talented Indian doctors and has built quality education infrastructure which includes Nursing colleges, Courses for Allied Health professionals, Hospital Management programs and ongoing CME's for doctors and nurses. To meet the challenge of aligning Medical education to the healthcare needs of tomorrow, a vertical focused exclusively on Healthcare Education is being created.

A fair, structured and standardized Compensation and Benefits programme is followed across all levels. Annual increase is sanctioned based on the individual performance ratings on Key Result Areas and Competencies. Periodical wages surveys are conducted to remain competitive in the healthcare sector.

As of March 31, 2012 we had a total employee strength of 32,991 (including employees of our subsidiaries, joint ventures and associates only), including 4,529 doctors, 8,264 nurses, and 2,763 paramedical personnel.

Cautionary Statement

Some of the statements in this Management Discussion & Analysis, describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied. Important developments that could alter your Company's performance include increase in material costs, technology developments and significant changes in political and economic environment, tax laws and labour relations.

Clinical Governance

Clinical governance at Apollo hospitals aims to continuously improve the patient safety and quality of clinical care rendered to patients. It is important that the governance process along with leadership members monitors the clinical practice as well as operations and ensures that appropriate systems /processes are in place all the time in the interest of ensuring high quality of patient care.

MAJOR INITIATIVES TAKEN:

I ANNUAL REVIEW OF CLINICAL PERFORMANCE

An annual review of performance of all clinical specialities was held during February 2012. During this week long review session each department presented its OP/IP statistics, procedures/surgeries done, complications, Quality indicators, best practices, paper presentations, affiliations and future plans. At the end of each day's session the Managing Director summarized the proceedings and made recommendations in tune with the management's strategy for Rocket 14 which includes 5 key parameters i.e Clinical initiatives, Academics, Innovation, Research, Outcomes.

Following are some of the identified key clinical initiatives:

1. Constant review of plans to ensure a green score in all ACE @ 25 parameters .
2. Timely reporting of the Apollo Quality Programme, the Apollo Mortality Review.
3. Creating a plan for upgrading technology wherever required in consultation with the CEO and CFO .
4. Promoting telemedicine consultations and mobile health services.
5. Emphasis on continuing education and research.
6. Conduct more CMEs to connect with the referring doctors and train community physicians .
7. Improve services utilization of ambulance and emergency services.
8. Implement measure to improve service excellence.
9. Identify one coordinator for each of the six Centres of Excellence (COEs) from among the consultants to focus on growth, volumes and clinical excellence.

II ACCREDITATIONS & AWARDS

- Joint Commission International conducted the JCI triennial hospital survey at Apollo Hospital Chennai. The survey requirements were met successfully and Apollo Hospital Chennai has been reaccredited for the third time consecutively.

- National Accreditation Board for hospitals and Health care providers (NABH) conducted their first reaccreditation audit at Apollo Speciality Hospitals, Madurai. The reaccreditation went on successfully and they cleared the audit with zero non conformances.
- Apollo Hospitals Group bagged the FICCI Healthcare Excellence Award 2011 under the category 'Addressing Industry Issues'
- Apollo Hospitals Group won the FICCI Healthcare Excellence Award 2011, under the category of 'Addressing Industry Issues' for the Apollo Clinical Excellence initiative , ACE@25.
- Apollo Hospitals Group won awards in three categories of the Asian Hospital Management Awards, 2011.

  Apollo Hospitals Chennai, Hyderabad and Kolkata bagged awards at the Asian Hospital Management Awards, 2011, ceremony held in Singapore. The prestigious award recognizes and honours hospitals in Asia that carry out best hospital practices. Hospitals from the entire region participate by sending in their successful projects, programs and best practices.

III CLINICAL EXCELLENCE THROUGH STATE OF ART TECHNOLOGY

ROBOTIC SURGERY The Next generation robotic system 'da Vinci Si Robotic System' was installed at Apollo Hospitals Chennai. Robotic Surgery is fast gaining ground all over the world as the preferred mode of surgery. Apart from clear advantages like higher patient comfort and safety, it also helps in reducing the length of stay at the hospital. In keeping with its tradition of bringing the best and the latest in medical practices to India, Apollo Hospitals has established the Apollo Institute of Robotic Surgery in collaboration with the Vattikuti Foundation of Michigan, USA. Over 65 Robotic Surgeries have been done so far.

IV CLINICAL EXCELLENCE BY SETTING MEDICAL MILESTONES

The following surgeries were performed by Apollo Hospitals for the first time in the Country.

- SILS (Single Incision Laparoscopic Surgery) gastric bypass surgery (weight reduction).
- Robotic bariatric surgery.
- Laparoscopic oesophago gastrectomy for Cancer of the oesophagus
- SILS - revision bariatric surgery (probably first time in the world).
- India's first total Femur Transplantation on a patient from Mauritius.
- The medical team successfully performed the World's first iPod Navigation Hip Resurfacing Surgery at Apollo Speciality Hospitals, Chennai. They were also the third in the world to perform a Knee Replacement Surgery using the iPod Navigation technique.
- Apollo Speciality Cancer Hospital completed 650 cases of Cyberknife Radio surgery cases.
- Apollo Health City Hyderabad completed 500 cochlear implant surgeries.
- HIPEC - Hyperthermic Intraoperative intra Peritoneal Chemotherapy was done for the first time in South India for Carcinoma Uterus & Ovaries by Apollo Speciality Hospitals Chennai.

Auditors' Report

to the Members of Apollo Hospitals Enterprise Limited

1. We have audited the attached Balance Sheet of APOLLO HOSPITALS ENTERPRISE LIMITED as at 31st March 2012, the related Statement of Profit and Loss and the Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We have also considered the independent audit observations of the divisional auditors for the Pharmacy Division, Projects Division, Hyderabad Division, Bilaspur Division, Mysore Division, Vizag Division, Pune Division, Karim Nagar Division and Mandya Division for forming an opinion on the accounts for the respective Divisions.

4. As required by the Companies (Auditor's Report) Order 2003, as amended by the Companies (Auditor's Report) Amendment) Order 2004, issued by the Central Government of India, in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basic of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, we set out in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.

5. Further to our comments in the Annexure referred to in paragraph 4 above, we report that:

   i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit ;

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

   iii) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account ;

   iv) In our opinion, the Balance Sheet , the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards specified by the Institute of Chartered Accountants of India, referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;

   v) On the basis of written representations received from the directors, as on 31st March 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956, and

vi) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto , give the information required by the Companies Act, 1956, in the prescribed manner and also give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2012;

b) in the case of the Statement of Profit and Loss, of the PROFIT of the Company for the year ended on that date; and

c) in the case of the Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

For **M/s.S.VISWANATHAN**
Chartered Accountants
Firm Registration No. 004770S

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

V.C. KRISHNAN
Partner
Membership No. 022167

Place: Chennai
Date : 29th May 2012

Annexure
to the Auditors' Report

i) a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

b) The Company has a programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were observed by the management on such verification.

c) In our opinion and according to the information and explanation given to us, the fixed assets that have been sold / disposed off during the year do not constitute a substantial part of the total fixed assets of the Company. Hence, the going concern assumption has not been affected.

ii) a) Stock of medicines, stores, spares, consumables, chemicals lab materials and surgical instruments have been physically verified at reasonable intervals by the management.

b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of stock of medicines, stores, spares, consumables, chemicals lab materials and surgical instruments followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

c) In our opinion and according to the information and explanations given to us and on the basis of our examination, the Company is maintaining proper records of inventory. Further in our opinion and according to the information and explanations given to us no material discrepancies were noticed between the physical stocks verified and book records.

iii) In respect of loans, secured or unsecured, granted to Companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.

a) The Company has given unsecured loan to its subsidiary on various terms and conditions. In respect of the said loan the year end balance is ₹ 234 million.

b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions given by the Company are prima facie not prejudicial to the interest of the Company.

c) In our opinion and according to the information and explanations given to us, the Company is regular in receipt of interest as per the terms and conditions. With respect to the principal we have been informed that the subsidiary Company will start repaying as and when the subsidiary makes positive cash flows.

d) In our opinion and according to the information and explanations given to us, reasonable steps have been taken by the Company to recover the principal and interest where the amount overdue is more than rupees one lakh.

e) The Company has not taken any loans, secured or unsecured, from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Hence sub clauses (e), (f) and (g) of clause (iii) of the Order are not applicable to the Company.

iv) In our opinion and according to the information and explanations given to us, and having regard to the explanation that some of the items purchased are of a special nature and suitable alternative sources do not exist for obtaining comparable quotations, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of stores, medicines and fixed assets and for sale of goods and services. During the course of our audit, we have not observed any major weaknesses in the internal control system.

v) a) In our opinion, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.

b) In our opinion and according to the information and explanation given to us the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable, having regard to the prevailing market prices.

vi) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and provisions of Section 58A, Section 58AA and other relevant provisions of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public including unclaimed deposits matured in earlier years that are outstanding during the year. To the best of our knowledge and according to the information and explanations given to us, no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.

vii) The Company has firms of Chartered Accountants, including a Private Limited Company as Internal Auditors for its various Divisions and pharmacies. On the basis of the reports submitted by them to the management, in our opinion, the internal audit system is reasonable having regard to the size and nature of its business.

viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 for any of the activities of the Company.

ix) a) According to the information and explanations given to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees-State Insurance, Income Tax, Sales Tax, Service tax , Customs Duty, Cess, Wealth Tax and other statutory dues applicable to it. To the best of our knowledge and according to the information and explanations given to us, there are no arrears of outstanding statutory dues as at 31st March 2012 for a period of more than six months from the date they became payable. To the best of our knowledge and belief and according to the information and explanations given to us, excise duty is not applicable to this Company.

b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues disputed with respect to Cess, Wealth Tax and Service tax. The particulars of Sales tax, Customs duty and Income tax which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (₹ in million) 31.03.2012	Period to which the amount relates	Forum where dispute is pending
Andhra Pradesh General Sales Tax	Sales tax	1.41	Assessment Years 2002-03, 2003-04, 2004-05, 2010-11	@ Appellate Tribunal Hyderabad
Customs Act, 1962	Customs duty	99.70	1996,1997	# Assistant Collector of Customs (Chennai & Hyderabad)
Value Added Tax Act, 2004	Value Added Tax	2.27	2008-09, 2009-10, 2010-11	##Deputy Commissioner of Commercial Tax (Enforcement), Mysore
Income Tax Act, 1961	Income Tax	191.14	Assessment Years 2001-2002, 2004-05, 2006-2007, 2007-2008	Department has gone on appeal to ITAT
		28.04	Assessment Year 1996-1997, 1997-1998, 1999-2000, 2000-2001	Department has filed appeal before Madras High Court
		40.85	Assessment Year 2008-2009 & 2009-2010	CIT (Appeals)
		136.76	Assessment Year 2000-2001	@@Honorable Supreme Court
TOTAL		**500.17**		

@ Refer Clause (i) (c) Note 30 - Notes forming part of Accounts

@@ Refer Clause (i) (c) Note 30 - Notes forming part of Accounts

Refer Clause (i) (c) Note 30 - Notes forming part of Accounts

Refer Clause (i) (c) Note 30 - Notes forming part of Accounts

x) In our opinion and according to the information and explanations given to us, the Company has no accumulated losses as at 31st March 2012. The Company has also not incurred cash losses in such financial year and in the immediately preceding financial year.

xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of any dues to financial institutions, banks and debenture holders.

xii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii) In our opinion and according to the information and explanations given to us, the Company is not a Chit Fund, Nidhi, Mutual Benefit Fund or Society and hence Clause (xiii) of the Companies(Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 is not applicable to the Company.

xiv) Based on our examination of the records and evaluation of the related internal controls, we are of the opinion that proper records have been maintained of the transactions and contracts relating to shares, securities, debentures and other investments dealt in by the Company and timely entries have been made in the records. We also report that the Company has held and dealt with shares, securities, debentures and other investments in its own name.

xv) In our opinion and according to the information and explanations given to us, the Company has given guarantees for loans taken by Joint Venture Companies, subsidairies ,from banks and financial institutions, the terms and conditions whereof are not prejudicial to the interest of the Company.

xvi) In our opinion and according to the information and explanations given to us, the Company has availed term loans and a portion of these loans have been applied for the purpose for which the loans have been obtained pending utilization of the term loan for the stated purpose, the funds have been temporarily invested in Mutual Funds and Short Term Deposits.

xvii) In our opinion and according to the information and explanations given to us, the Company has not used any funds raised on short term basis for long term investments.

xviii) The Company has issued and allotted 3,089,242 equity share of nominal value of ₹ 5/- each at premium of ₹ 380.88 per share on 10th December 2011 to a Promoter covered in the register maintained under section 301 of the Companies Act,1956. The issue price is at minimum price of ₹ 385.88 fixed in accordance with the guidelines for preferential issues of the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009. Accordingly the party has paid the balance 75% of the consideration @ ₹ 385.88 per warrant.

The Company has issued and allotted 3,276,922 warrants convertible into equity shares nominal value of Rs. 5/- each at a premium of ₹ 467.46 per share on 5th February 2011 to a Promoter covered in the register maintained under section 301 of the Companies Act, 1956. The issue price is at minimum price of ₹ 472.46 fixed in accordance with the guidelines for preferential issues of the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009. Accordingly the party has paid 25% of the consideration @ ₹ 472.46 per warrant on the date of allotment. The Balance 75% is payable on the exercise of option for conversion within 18 months of date of allotment.

xix) The Company has issued 10.30% Secured Redeemable Non-convertible debentures in the year 2010-11 and 10.15% Secured Redeemable Non-convertible debentures during the year on which a pari-passu first charge on all fixed assets of the Company has been created.

xx) During the year the management has not raised money through public issue and hence we offer no comments on the same.

xxi) According to the information and explanations given to us, by the Company, no fraud on or by the Company has been noticed or reported, during the year.

17, Bishop Wallers Avenue (West),	For **M/s.S.VISWANATHAN**
CIT Colony, Mylapore,	Chartered Accountants
Chennai - 600 004.	Firm Registration No. 004770S
	V.C. KRISHNAN
Place: Chennai	Partner
Date : 29th May 2012	Membership No. 022167

Balance Sheet

AS AT 31ST MARCH 2012

(₹ in million)

Particulars	Note	31.03.2012	31.03.2011
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	2	672.33	623.55
(b) Reserves and Surplus	3	22,463.28	16,413.02
(c) Money received against share warrants		387.05	685.07
2. Non-Current Liabilities			
(a) Long-term borrowings	5	4,216.69	5,586.29
(b) Deferred tax liabilities (Net)	6	1,700.85	1,071.06
(c) Other Long term liabilities	7	47.77	50.27
(d) Long-term provisions	8	2,657.01	2,052.85
3. Current Liabilities			
(a) Short-term borrowings	9	1,382.97	1,173.17
(b) Trade payables	10	1,709.36	1,794.01
(c) Other current liabilities	11	1,572.68	1,420.28
(d) Short-term provisions	12	773.23	684.05
TOTAL		**37,583.22**	**31,553.62**
II. ASSETS			
1. Non-Current Assets			
(a) Fixed assets			
(i) Tangible assets	13	14,238.84	10,363.64
(ii) Intangible assets	14	121.21	93.87
(iii) Capital work-in-progress	15	1,893.15	3,411.61
(iv) Intangible assets under development		116.23	112.35
(b) Non-current investments	16	6,470.10	5,155.43
(c) Long-term loans and advances	17	5,103.33	4,521.45
2. Current Assets			
(a) Current investments	18	1,171.08	1,085.70
(b) Inventories	19	1,827.09	1,505.21
(c) Trade receivables	20	3,537.70	2,696.43
(d) Cash and cash equivalents	21	1,869.55	1,414.40
(e) Short-term loans and advances	22	976.65	1,009.17
(f) Other current assets	23	258.29	184.36
TOTAL		**37,583.22**	**31,553.62**
III. NOTES FORMING PART OF ACCOUNTS	**1 - 45**		

As per our Report annexed
For **M/s. S. Viswanathan**
Chartered Accountants
Firm Registration No. 004770S

V C Krishnan
Partner
(Membership No. 022167)
17, Bishop Wallers Avenue West
Mylapore, Chennai - 600 004

Place : Chennai
Date : 29th May 2012

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
General Manager - Project Finance
& Company Secretary

For and on behalf of the Board of Directors

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Managing Director

Suneeta Reddy
Joint Managing Director

Statement of Profit & Loss

FOR THE YEAR ENDED 31ST MARCH 2012

(₹ in million)

	Particulars	Note	31.03.2012	31.03.2011
I	REVENUE FROM OPERATIONS	24	28,000.72	23,319.62
II	OTHER INCOME	25	278.48	176.03
	TOTAL REVENUE		**28,279.20**	**23,495.65**
III	EXPENSES			
(a)	Cost of materials consumed during the year	26	7,846.63	7,086.65
(b)	Purchase of Stock-in-Trade		6,898.82	5,328.22
(c)	Changes in inventories of stock-in-trade		(190.69)	(139.14)
(d)	Employee benefits expense	27	4,285.07	3,572.00
(e)	Finance costs	28	636.03	551.45
(f)	Depreciation and amortization expense		911.28	705.85
(g)	Other expenses	29	4,516.91	3,697.39
	TOTAL EXPENSES		**24,904.05**	**20,802.42**
IV	PROFIT BEFORE TAX		**3,375.15**	**2,693.23**
V	TAX EXPENSES			
(a)	Current tax (MAT)		648.98	570.00
(b)	Less : MAT Credit Entitlement		(213.52)	-
(c)	Net Current Tax		435.46	570.00
(d)	Add : Excess Provision of earlier years written back		-	13.55
(e)	Deferred tax	6	629.79	319.61
VI	PROFIT FOR THE YEAR		**2,309.90**	**1,817.17**
VII	EARNINGS PER EQUITY SHARE OF FACE VALUE OF ₹ 5 EACH	32		
	(1) Basic (in ₹)		17.72	14.66
	(2) Diluted (in ₹)		17.16	14.24
VIII	NOTES FORMING PART OF ACCOUNTS	1 - 45		

As per our Report annexed
For **M/s. S. Viswanathan**
Chartered Accountants
Firm Registration No. 004770S

V C Krishnan
Partner
(Membership No. 022167)
17, Bishop Wallers Avenue West
Mylapore, Chennai - 600 004

Place : Chennai
Date : 29th May 2012

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
General Manager - Project Finance
& Company Secretary

For and on behalf of the Board of Directors

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Managing Director

Suneeta Reddy
Joint Managing Director

Notes Forming Part of Accounts

1. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention under accrual method of accounting and as a going concern, in accordance with the Generally Accepted Accounting Principles (GAAP) prevalent in India and the Mandatory Accounting Standards as notified under the Companies (Accounting Standards) Rules, 2006 and according to the provisions of the Companies Act, 1956.

B. Inventories

1. The inventories of all medicines, medicare items traded and dealt with by the Company are valued at cost. In the absence of any further estimated costs of completion and estimated costs necessary to make the sale, the Net Realisable Value is not applicable. Cost of these inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location after adjusting for VAT wherever applicable applying the FIFO method.
2. Stock of provisions, stores (including lab materials and other consumables), stationeries and housekeeping items are stated at cost. The net realisable value is not applicable in the absence of any further modification/alteration before being consumed in-house only. Cost of these inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location, after adjusting for VAT wherever applicable applying FIFO method.
3. Surgical instruments, linen, crockery and cutlery are valued at cost and are subject to 1/3 write off wherever applicable applying FIFO method. The net realisable value is not applicable in the absence of any further modification/alteration before being consumed in-house. Cost of these inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location.
4. Imported inventories are accounted for at the applicable exchange rates prevailing on the date of transaction. (Also refer Note 25 in the Notes forming part of Accounts).

C. Prior Period Items and Extraordinary Items

Prior period items and extraordinary items are separately classified, identified and dealt with as required under Accounting Standard 5 on 'Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies' as notified under the Companies (Accounting Standards) Rules, 2006

D. Depreciation and Amortisation:

i. Depreciation has been provided
   a. On assets installed after 1st April, 1987 on straight line method at rates specified in Schedule XIV of the Companies Act, 1956 on single shift basis.
   b. On assets installed prior to 2nd April 1987 on straight-line method at the rates equivalent to the Income Tax rates.

ii. Depreciation on new assets acquired during the year is provided at the rates applicable from the date of acquisition to the end of the financial year.

iii. In respect of the assets sold during the year, depreciation is provided from the beginning of the year till the date of its disposal.

iv. Individual assets acquired for ₹ 5,000/- and below are fully depreciated in the year of acquisition.

v. Amortization:

a. The cost/premium of land and building taken on lease by the Company from Orient Hospital, Madurai will be amortised over a period of 30 years though the lease is for a period of 60 years.

The cost/premium of land and building taken additionally on lease by the Company at Madurai is for a period of 9 years with an option to extend the lease by another 16 years. The depreciation on the leasehold building is charged on a straight line basis with the lease period being considered as 25 years.

The Company has taken land in Karaikudi from Apollo Hospitals Educational Trust on lease for a period of 30 years. The building constructed on the lease land will be amortised over a period of 30 years. This is in conformity with the definition of lease term as per Clause 3 of AS 19 'Leases' as notified under the Companies (Accounting Standards) Rules, 2006.

b. Lease rental on operating leases is recognised as an expense in the Statement of Profit and Loss on straight-line basis as per the terms of the agreement in accordance with Accounting Standard 19 'Leases' as notified under the Companies (Accounting Standards) Rules, 2006.

E. Revenue Recognition

a. Income from Healthcare Services is recognised on completed service contract method. The hospital collections of the Company are net of discounts. Revenue also includes the value of services rendered pending final billing in respect of in-patients undergoing treatment as on 31st March 2012.

b. Pharmacy Sales are recognised when the risk and reward of ownership is passed to the customer and are stated net of returns, discounts and exclusive of VAT wherever applicable.

c. Hospital Project Consultancy income is recognised as and when it becomes due, on percentage completion method, on achievement of milestones.

d. Income from Treasury Operations is recognised on receipt or accrual basis whichever is earlier.

e. Interest income is recognised on a time proportion basis taking into account the principal amount outstanding and the rate applicable.

f. Royalty income is recognised on an accrual basis in accordance with the terms of the relevant agreement.

g. Dividend income is recognised as and when the owner's right to receive payment is established.

F. Fixed Assets

a. All Fixed Assets are stated at their original cost of acquisition less accumulated depreciation and impairment losses are recognised where necessary (Also refer Note 1(N) in the Notes forming part of Accounts). Additional cost relating to the acquisition and installation of fixed assets are capitalised. Wherever VAT is eligible for input availment, Fixed Assets are stated at cost of acquisition after deduction of input VAT.

b. Capital work - in - progress comprises of and amounts expended on development/acquisition of Fixed Assets that are not yet ready for their intended use at the Balance Sheet Date. Expenditure during construction period directly attributable to the projects under implementation is included under Capital work-in-progress, pending allocation to the assets. Advances paid to acquire fixed assets hitherto included in the CWIP is now included under long term loans and advance as per revised Schedule VI.

c. Assets acquired under Hire Purchase agreements are capitalised to the extent of principal value, while finance charges are charged to revenue on accrual basis.

d. Interest on borrowings, for acquisition of Fixed Assets and exchange fluctuation arising out of foreign borrowings and the related revenue expenditure incurred for the period prior to the commencement of operations for the expansion activities of the Company are capitalised.

G. Transactions in Foreign Currencies

a. Monetary items relating to foreign currency transactions remaining unsettled at the end of the year are translated at the exchange rates prevailing at the date of Balance Sheet. The difference in translation of monetary items and the realised gains and losses on foreign exchange transactions are recognised in the Statement of Profit and Loss in accordance with Accounting Standard 11 - 'The Effects of Changes in Foreign Exchange Rates (Revised 2003)', as notified under the Companies (Accounting Standards) Rules, 2006 (Also refer Note 25 (b) in the Notes forming part of Accounts).

b. Exchange differences arising on settlement or restatement of foreign currency denominated liabilities borrowed for the acquisition of Fixed Assets, hither-to recognized in the Statement of Profit and Loss are now capitalised based on Para 46A of Accounting Standard 11 - 'The Effects of Changes in Foreign Exchange Rates (Revised 2003)'.

c. The use of foreign currency forward contract is governed by the Company's policies approved by the Board of Directors. These hedging contracts are not for speculation. All outstanding derivative instruments at close are marked to market by type of risk and the resultant profits/losses relating to the year, if any, are recognised in the Statement of Profit and Loss. (Also refer Note 25 (a) in the Notes forming part of Accounts).

H. Investments

Investments are classified as current or long term in accordance with Accounting Standard 13 on 'Accounting for Investments'

a. Long-term investments are stated at cost to the Company in accordance with Accounting Standard 13 on 'Accounting for Investments'. The Company provides for diminution in the value of Long-term investments other than those temporary in nature.

b. Current investments are valued at lower of cost and fair value. Any reduction to carrying amount and any reversals of such reductions are charged or credited to the Statement of Profit and Loss.

c. On disposal of an investment, the difference between the carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

d. In case of foreign investments,

   i. The cost is the rupee value of the foreign currency on the date of investment.

   ii. The face value of the foreign investments is shown at the face value reflected in the foreign currency of that country.

I. Employee Benefits

Short-term employee benefits (benefits which are payable within twelve months after the end of the period in which the employees render service) are measured at cost.

Long-term employee benefits (benefits which are payable after the end of twelve months from the end of the period in which employees render service), and post employment benefits (benefits which are payable after completion of employment), are measured on a discounted basis by the Projected Unit Credit Method, on the basis of annual third party actuarial valuations.

Defined Contribution Plan

The Company makes contribution towards Provident Fund and Employees State Insurance as a defined contribution retirement benefit fund for qualifying employees.

The Provident Fund Plan is operated by the Regional Provident Fund Commissioner. Under the scheme, the Company is required to contribute a specified percentage of payroll cost, as per the statute, to the retirement benefit schemes to fund the benefits. Employees State Insurance dues are remitted to Employees State Insurance Corporation.

Defined Benefit Plans

For Defined Benefit Plan the cost of providing benefits is determined using the Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. Actuarial Gains or Losses are recognised in full in the Statement of Profit and Loss for the period in which they occur.

a. Gratuity

The Company makes annual contribution to the Employees' Group Gratuity-cum-Life Assurance Scheme of the ICICI and Life Insurance Corporation of India, for funding defined benefit plan for qualifying employees and recognised as an expense. The Scheme provides for lump sum payment to vested employees at retirement, death while in employment, or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service, or part thereof in excess of six months. Vesting occurs upon completion of five years of service. The Company restricts the payment of gratuity to the employees below the rank of General Managers to the limits specified in the payment of Gratuity Act, 1972. However the Company complies with the norms of Accounting Standard 15.

b. Leave Encashment Benefits

The Company pays leave encashment Benefits to employees as and when claimed, subject to the policies of the Company. The Company provides leave benefits through Annual Contribution to the fund managed by HDFC Life.

J. Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such asset. As per Accounting Standard 16 'Borrowing costs', a qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are expensed as and when incurred.

K. Segment Reporting

Identification of Segments

The Company has complied with Accounting Standard 17 - 'Segment Reporting' with Business as the primary segment.

The Company operates in a single geographical segment, which is India, and the products sold in the pharmacies, are regulated under the Drug Control Act, which applies uniformly all over the Country. The risk and returns of the enterprise are very similar in different geographical areas within the Country and hence there is no reportable secondary segment as defined in Accounting Standard 17.

Segment Policies

The accounting policies adopted for segment reporting are in line with the accounting policies adopted in consolidated financial statements with the following additional policies for Segment Reporting:

i. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under 'unallocable expenses'.

ii. Inter segment revenue and expenses are eliminated.

The Company has disclosed this Segment Reporting in Consolidated Financial Statements as per para (4) of Accounting Standard - 17- 'Segment Reporting'.

L. Earnings per Share

In determining the earnings per share, the Company considers the net profit after tax before extraordinary item and after extraordinary items and includes post - tax effect of any extraordinary items. The number of shares used in computing the basic earnings per share is the weighted average number of shares outstanding during the period. For computing diluted earnings per share, potential equity shares are added to the above weighted average number of shares.

M. Taxation

i. Income Tax

Income tax is computed using the tax effect accounting method, where taxes are accrued in the same period as and when the related revenue and expense arise. A provision is made for Income Tax annually based on the tax liability computed after considering tax allowances and exemptions.

ii. Deferred Tax

The differences that result between the profit calculated for income tax purposes and the profit as per the financial statements are identified and thereafter deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and get reversed in another, based on the tax effect of the aggregate amount being considered. Deferred tax asset are not recognized unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. The tax effect is calculated on the accumulated timing differences at the beginning of this accounting year based on the prevailing enacted or substantively enacted regulations.

N. Impairment

The carrying amounts of assets are reviewed at each Balance Sheet date to ascertain if there is any indication of impairment based on internal/external factors. An asset is treated as impaired based on the cash generating concept at the year end, when the carrying cost of assets exceeds its recoverable value, in terms of Para 5 to Para 13 of AS-28 'Impairment of Assets' as notified under the Companies (Accounting Standards) Rules, 2006 for the purpose of arriving at impairment loss thereon, if any. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount.

O. Bad Debts Policy

The Board of Directors approves the Bad Debt Policy, on the recommendation of the Audit Committee, after the review of debtors every year. The standard policy for write off of bad debts is as given below subject to management inputs on the collectability of the same,

Period	% of write off
0-1 years	0%
1-2 years	25%
2-3 years	50%
Over 3 years	100%

P. Miscellaneous Expenditure

Preliminary, Public Issue, Rights Issue Expenses and Expenses on Private Placement of shares are amortised over 10 years.

Q. Intangible Assets

Intangible assets are initially recognised at cost and amortised over the best estimate of their useful life. Cost of software including directly attributable cost, if any, acquired for internal use, is allocated / amortised over a period of 36 months to 120 months.

R. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are not provided for unless a reliable estimate of probable outflow to the Company exists as at the Balance Sheet date. Contingent assets are neither recognised nor disclosed in the financial statements.

2. SHARE CAPITAL

(₹ in million)

Particulars	31.03.2012	31.03.2011
Authorised		
200,000,000(2010-11 : 200,000,000) Equity Shares of ₹ 5/- each	1,000.00	1,000.00
1,000,000(2010-11 : 1,000,000) Preference Shares of ₹ 100/- each	100.00	100.00
	1,100.00	**1,100.00**
Issued		
134,999,636 (2010-11 : 125,243,728) Equity Shares of ₹ 5/- each	675.00	626.22
Subscribed and Paid up		
134,466,618 (2010-11 : 124,710,710)Equity Shares of ₹ 5/- each fully paid up	672.33	623.55

Reconciliation of No. of shares

(₹ in million)

Particulars	31.03.2012		31.03.2011	
	Equity Shares		Equity Shares	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	124,710,710	623.55	123,569,718	617.85
Shares Issued to IFC on conversion of FCCB Bonds	-	-	1,140,992	5.70
Shares Issued on Qualified Institutional Placement Scheme	6,666,666	33.33	-	-
Shares Issued on Conversion of Share warrants	3,089,242	15.45	-	-
Shares outstanding at the end of the year	134,466,618	672.33	124,710,710	623.55

Shareholders holding more than 5% of total paid up capital

Name of Shareholder	31.03.2012		31.03.2011	
	Equity Shares		Equity Shares	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
PCR Investments Limited	21,313,124	15.85	17,859,124	14.32
Apax Mauritius FDI one Limited	-	-	14,094,238	11.30
HSTN Acquisition (FII) Limited	13,446,657	10.00	-	-
Integrated Mauritius Healthcare Holdings Limited	11,000,000	8.18	11,000,000	8.82
CLSA (Mauritius) Limited	8,550,000	6.36	8,550,000	6.86

a. The Company has issued Foreign Currency Convertible Bonds (FCCBs) to International Finance Corporation (IFC), Washington, to the value of US$ 15 million on 28th January 2010. These bonds are convertible into equity shares based on the rupee dollar parity exchange rate at any time before the end of Final Repayment date. On 9th December 2010, the Company converted FCCBs equivalent to $ 7.5 million into 1,140,992 equity shares of ₹ 5 each. The underlying number of Equity shares as on 31st March 2012 is 1,268,343 Equity shares is based on the exchange rate ($1 = ₹ 51.1565) and if the option is not exercised, the Loan shall be repayable in full in two approximately equal semi-annual instalments commencing from the Final Repayment Date by way of redemption of such number of FCCBs in respect of which IFC has not exercised its Conversion option.

b. The Company had issued 9,000,000 Global Depository Receipts of ₹ 10 (now 18,000,000 Global Depository Receipts of ₹ 5) each with two way fungibilty during the year 2005-06. Total GDR's converted into underlying Equity Shares for the year ended on 31st March 2012 is 5,396,660 (2010-11: 6,263,200) of ₹ 5 each and total equity shares converted back to GDR for the year ended 31st March 2012 is 7,689,329 (2010-11: Nil) of ₹ 5 each. Total GDR's converted into equity shares upto 31st March 2012 is 12,644,531 (2010-11: 14,937,200) of ₹ 5 each.

3. RESERVES AND SURPLUS

(₹ in million)

Particulars	31.03.2012	31.03.2011
a. Capital Reserves		
As per last Balance Sheet	18.26	18.26
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
	18.26	**18.26**
b. Capital Redemption Reserve		
As per last Balance Sheet	60.02	60.02
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
	60.02	**60.02**
c. Securities Premium Account		
As per last Balance Sheet	10,830.18	10,490.73
Add : Securities premium credited on Share issue	4,365.48	339.45
	15,195.66	**10,830.18**
d. Debenture Redemption Reserve		
As per last Balance Sheet	100.00	-
(+) Current Year Transfer	70.00	100.00
(-) Written Back in Current Year	-	-
Closing Balance	**170.00**	**100.00**
e. General Reserve		
As per last Balance Sheet	3,749.03	2,749.03
(+) Current Year Transfer	1,500.00	1,000.00
(-) Written Back in Current Year	-	-
Closing Balance	**5,249.03**	**3,749.03**
f. Investment Allowance Reserve		
As per last Balance Sheet	7.63	7.63
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	**7.63**	**7.63**

(₹ in million)

g.	**Foreign Exchange fluctuation Reserve**		
	As per last Balance Sheet	0.19	0.19
	(+) Current Year Transfer	-	-
	(-) Written Back in Current Year	-	-
	Closing Balance	**0.19**	**0.19**
h.	**Surplus**		
	As per last Balance Sheet	1,647.72	1,474.07
	(+) Net Profit/(Net Loss) For the current year	2,309.90	1,817.18
	(+) Transfer from Reserves	-	-
	(-) Proposed Dividend on Equity Shares for the year	537.87	467.67
	(-) Dividend Distribution Tax on Proposed dividend on Equity Shares	87.26	75.87
	(-) Interim Dividends	-	-
	(-) Transfer to Reserves	1,500.00	1,000.00
	(-) Transfer to Debenture Redemption Reserve	70.00	100.00
		1,762.49	**1,647.71**
	Total	**22,463.28**	**16,413.02**

4. The Company has issued and allotted 3,276,922 equity warrants convertible into equity shares of nominal value of ₹ 5/- each at premium of ₹ 467.46 per share on 5th February 2011 to Dr. Prathap C Reddy, one of the promoters of the Company on a preferential allotment basis. The issue price is at minimum price of ₹ 472.46 fixed in accordance with the guidelines for preferential issues of the Securities Exchange Board Of India (Issue of Capital and Disclosure Requirements)Regulations 2009. Accordingly the promoter has paid 25% of the consideration @ ₹ 472.46 per warrant on the date of allotment. The Balance 75% is payable on the exercise of option for conversion within 18 months of date of allotment.

5. LONG TERM BORROWINGS

(₹ in million)

	Particulars	31.03.2012	31.03.2011
	Secured		
(a)	**Non-convertible Debentures**		
	(i) 1000 (2010-11: 1000) 10.30% Debentures of ₹ 1,000,000/- each	1,000.00	1,000.00
	(ii) 1000 (2010-11: Nil) 10.15% Debentures of ₹ 1,000,000/- each	1,000.00	-
(b)	**Term loans**		
	From Banks		
	(i) Indian Bank	-	466.66
	(ii) Bank of India	-	619.04
	(iii) Canara Bank	290.80	1,147.20
	From Other parties		
	International Finance Corporation (External Commercial Borrowings)	1,394.28	1,608.79
	Total	**3,685.08**	**4,841.69**
	Unsecured		
(i)	**Deposits**		
	Fixed Deposits	147.94	409.72
(ii)	**Other loans and advances**		
	Foreign Currency Convertible Bonds	383.67	334.88
		531.61	**744.60**
	Total	**4,216.69**	**5,586.29**

a. 10.30% Non Convertible Debentures

The Company has issued 500 Nos. 10.30% Non Convertible Redeemable Debentures of ₹ 1 million each on 28th December 2010 which will be redeemed on 28th December 2020 and 500 Nos. 10.30% Non Convertible Redeemable Debentures of ₹ 1 million each on 22nd March 2011 which will be redeemed on 22nd March 2021 to Life Insurance Corporation of India.

The Debentures are secured by way of pari passu first charge on the Fixed Assets of the Company existing and future along with Canara Bank and International Finance Corporation, Washington; such pari passu first charge ensuring atleast a cover of 1.25 times the value of outstanding principal amount of the loan.

b. 10.15% Non Convertible Debentures

The Company has issued 1,000 Nos. 10.15% Non Convertible Redeemable Debentures of ₹ 1 million each on 22nd March 2012 which will be redeemed on 22nd March 2017 to the following allottees:

S.No	Name of Allotees	No. of Debentures allotted	Amount (₹ in million)
1	The Federal Bank Limited	250	250
2	The New India Assurance Company Limited	150	150
3	The Lakshmi Vilas Bank Limited	50	50
4	The Oriental Insurance Employees Gratuity Fund	20	20
5	The Jammu and Kashmir Bank Limited	250	250
6	ICICI Lombard General Insurance Company Limited	150	150
7	ECL Finance Limited	130	130

The Debentures are secured by way of pari passu first charge on the fixed assets of the Company existing and future along with Canara Bank and International Finance Corporation, Washington; such pari passu first charge ensuring atleast a cover of 1.25 times the value of outstanding principal amount of the loan.

c. Canara Bank

The loan is secured by way of pari passu first charge on the fixed assets of the Company existing and future along with Debenture Trustee and International Finance Corporation, Washington.

d. International Finance Corporation (External Commercial Borrowings)

The Company has been sanctioned a sum of US$ 35 million from International Finance Corporation, Washington by way of External Commercial Borrowings (ECB). The Company has withdrawn the full amount of US$ 35 million as of 31st March 2012 on the above loan. The ECB loan is secured by way of pari passu first ranking charge on the entire movable plant and machinery and equipment including all the spare parts and all other fixed assets such as furniture, fixtures, fittings, installations, vehicles, office equipments, computers and all other fixed assets owned by the Company (excluding immovable property), both present and future belonging or hereafter belonging to or at the disposal of the Company. The Loan is repayable in 15 equal semi-annual Instalments starting from 15th September, 2012.

Pari passu charge in favour of IFC over the immovable assets of the Company; such pari passu charge ensuring atleast a cover of 1.25 times the value of outstanding principal amount of the loan.

e. International Finance Corporation has granted a loan of US$ 35 million during the year 2009-10. The Company has drawn full US$ 35 million of the sanctioned amount of US$ 35 million and the Company has entered into Currency Cum Interest Rate Swap (CCIRS) with HDFC Bank in Indian rupee and hedged the loan for interest rate and foreign currency fluctuation risk. The derivative contract is secured by a second charge on the immovable assets of the Company to the extent of ₹ 1.100 million. The tenure of this derivative contract matches with the tenure of the loan outstanding as of 31st March 2012.

6. DEFERRED TAX LIABILITIES

Additional net deferred tax liability of ₹ 629.79 million (₹ 319.61 million) for the period has been recognised in the Statement of Profit and Loss.

(₹ in million)

Particulars	Deferred Tax Liability as at 31.03.2011	Current year charge /(credit)	Deferred Tax Liability as at 31.03.2012
Deferred Tax Liability on account of Depreciation*	822.25	104.15	926.40
Deferred Tax Liability on account of Deferred Revenue Expenditure (Also refer Note 42 of notes forming part of accounts)	53.29	(1.02)	52.27
Deferred Tax Liability on account of 35 AD	195.52	526.66	722.18
Total	**1,071.06**	**629.79**	**1,700.85**

* Net of depreciation for the assets claimed as deduction u/s 35AD of The Income Tax Act 1961.

The effects on such Deferred Tax Liability, if any, arising out of assessments completed but under contest under various stages will be made on the appeals being decided.

7. OTHER LONG TERM LIABILITIES

(₹ in million)

Particulars	31.03.2012	31.03.2011
Rent Deposits	46.75	48.68
Other Deposits	1.02	1.59
Total	**47.77**	**50.27**

8. LONG TERM PROVISIONS

(₹ in million)

Particulars	31.03.2012	31.03.2011
Taxation	2,657.01	2,008.04
FBT	-	44.81
Total	**2,657.01**	**2,052.85**

9. SHORT TERM BORROWINGS

(₹ in million)

Particulars	31.03.2012	31.03.2011
Secured		
(i) Loans repayable on demand		
from banks		
Indian Overseas bank	42.79	-
Andhra Bank	0.67	0.64
State Bank of Travancore	6.65	12.26
Karur vysya Bank	7.00	-
Unsecured		
(i) Loans repayable on demand		
HDFC Limited	1,000.00	1,000.00
(ii) Deposits		
Fixed Deposits	325.86	160.27
Total	**1,382.97**	**1,173.17**

10. Details of Trade payables are based on the information available with the Company regarding the status of Suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006. The amount due to Micro, Small and Medium Enterprises for the financial year ended 31st March 2012 is ₹ 113.31 million (₹ 48.76 million). No interest in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006 or otherwise has either been paid or payable or accrued and remaining unpaid as at 31st March 2012.

11. OTHER CURRENT LIABILITIES

(₹ in million)

Particulars	31.03.2012	31.03.2011
(a) Current maturities of long-term debt	570.90	642.12
(b) Interest accrued but not due on borrowings	64.82	65.84
(c) Unpaid dividends	19.87	18.28
(d) Unpaid matured deposits and interest accrued thereon	17.99	9.84
(e) Other payables		
Sundry Creditors Others	220.85	248.63
Retention Money on Capital Contracts	0.66	0.96
Inpatient Deposits	159.22	100.99
Rent Deposits	1.68	1.40
Other Deposits	2.19	0.83
Tax Deducted at Source	158.38	86.51
Outstanding Expenses	353.91	243.06
Wealth Tax payable	2.21	1.82
Total	**1,572.68**	**1,420.28**

During the year, the amount transferred to Investors Education and Protection Fund of the Central Government as per the provisions of Section 205A and 205C of the Companies Act, 1956 is ₹ 1.67 million (₹ 1.33 million) in aggregate which comprises of ₹ 1.54 million (₹ 1.32 million) as unpaid dividend and ₹ 0.13 million (₹ 0.01 million) as unpaid deposit.

12. SHORT TERM PROVISIONS

(₹ in million)

Particulars	31.03.2012	31.03.2011
(a) Provision for employee benefits		
Bonus	148.10	140.51
	148.10	**140.51**
(b) Others		
For Dividend - Equity Shares	537.87	467.67
For Dividend Distribution Tax - Equity Shares	87.26	75.87
	625.13	543.54
Total	**773.23**	**684.05**

13. TANGIBLE ASSETS

(₹ in million)

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at April 1, 2011	Additions during the year	Deletions during the year	Balance as at March 31, 2012	Balance as at April 1, 2011	Depreciation charge for the year	On disposals for the year	Balance as at March 31, 2012	Balance as at March 31, 2012	Balance as at March 31, 2011
Tangible Assets										
Land	1,091.57	501.61	-	1,593.19	-	-	-	-	1,593.19	1,091.57
Buildings	2,938.40	1,551.79	49.89	4,440.30	299.57	97.62	-	397.19	4,043.11	2,638.83
Leasehold Improvements	335.93	276.08	5.09	606.92	114.25	25.52	1.65	138.12	468.79	221.68
Plant and Equipment										
Medical Equipment & Surgical Instruments	5,921.63	1,398.94	40.22	7,280.35	2,178.34	433.87	33.88	2,578.33	4,702.02	3,743.30
Air Conditioning Plant & Air Conditioners	434.37	373.39	2.23	805.54	118.02	43.27	0.37	160.92	644.62	316.35
Furniture and Fixtures	1,477.22	377.72	46.29	1,808.64	444.79	114.06	8.69	550.17	1,258.48	1,032.43
Vehicles	297.73	57.35	17.68	337.40	99.59	27.10	10.11	116.58	220.82	198.15
Office equipment	699.50	134.88	15.15	819.23	373.55	84.15	12.44	445.26	373.97	325.95
Others								-	-	-
Electrical Installations & Generators	1,009.73	139.90	2.60	1,147.03	291.06	43.92	0.86	334.12	812.91	718.66
Fire fighting Equipment	34.00	35.46	-	69.46	5.58	1.90	-	7.47	61.99	28.42
Boilers	1.87	1.03	-	2.90	1.00	0.05	-	1.05	1.85	0.87
Kitchen Equipment	32.35	7.50	-	39.85	8.77	1.30	-	10.07	29.78	23.58
Refrigerators	30.82	5.35	0.59	35.58	6.97	1.35	0.05	8.27	27.31	23.85
Wind Electric Generator	26.85	-	-	26.85	26.85	-	-	26.85	-	-
Total	**14,331.97**	**4,861.00**	**179.74**	**19,013.24**	**3,968.34**	**874.11**	**68.05**	**4,774.40**	**14,238.84**	**10,363.64**
Previous year	12,554.48	2,091.62	221.87	14,424.23	3,314.52	695.99	29.88	3,980.63	10,443.61	

a) During the year ₹ 48.80 million has been capitalised based on Para 46A of "Accounting Standards 11". The Effects of Changes in Foreign Exchange Rates (revised 2003)

14. INTANGIBLE ASSETS

(₹ in million)

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at April 1, 2011	Additions/ (Disposals)	Deletions	Balance as at March 31, 2012	Balance as at April 1, 2011	Amortization for the year	Deletions	Balance as at March 31, 2012	Balance as at March 31, 2012	Balance as at March 31, 2011
Intangible Assets										
Computer Software	112.97	61.37	-	174.34	19.11	34.02	-	53.13	121.21	93.87
Total	**112.97**	**61.37**	**-**	**174.34**	**19.11**	**34.02**	**-**	**53.13**	**121.21**	**93.87**
Previous year	0.63	20.09	-	20.72	0.22	6.59	-	6.81	13.90	

15. Capital Work-in-Progress ₹ 1,893.15 million (₹ 3,411.61 million) comprises amounts spent on assets under construction and directly related pre-operative expenses. The amount of interest included in capital work in progress is ₹ 250.41 million (₹ 325.02 million)*.

* Includes Interest on Borrowings Capitalised for the year ended 31st March 2012 is ₹ 183 million (₹ 154.42 million).

16. NON CURRENT INVESTMENTS

(₹ in million)

Particulars	31.03.2012	31.03.2011
Trade Investments (Refer A below)		
(a) Investment in Equity instruments	3,391.74	2,392.57
(b) Investments in preference shares	110.40	110.40
Total (A)	**3,502.14**	**2,502.97**
Other Investments (Refer B below)		
(a) Investment in Equity instruments	2,126.02	1,690.56
(b) Investments in preference shares	22.00	22.00
(c) Investments in debentures	589.24	589.24
(d) Investments in Government or Trust securities	0.25	0.29
Total (B)	**2,737.50**	**2,302.09**
Grand Total (A + B)	**6,239.64**	**4,805.06**
Advance for Investment	230.46	350.37
Total	**6,470.10**	**5,155.43**

(₹ in million)

Particulars	31.03.2012	31.03.2011
Aggregate amount of quoted investments (Market Value ₹ 713.74 million (31.03.2011 ₹ 659.30 million)	393.72	359.64
Aggregate amount of unquoted investments	6,076.37	4,795.77
Total	**6,470.10**	**5,155.41**

A) Details of Trade Investments

Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	Face value (INR)	No. of Shares / Units	No. of Shares / Units	Quoted / Unquoted	Partly Paid / Fully paid	Amount (₹ in million)	Amount (₹ in million)	Whether stated at Cost Yes/No
			31.03.2012	31.03.2011			31.03.2012	31.03.2011	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Investment in Equity Instruments									
Unique Home Health Care Limited	Subsidiary	10	29,823,012	29,823,012	Unquoted	Fully Paid	297.40	297.40	Yes
AB Medical Centres Limited	Subsidiary	1,000	16,800	16,800	Unquoted	Fully Paid	21.80	21.80	Yes
Samudra Health Care Enterprises Limited	Subsidiary	10	12,500,000	12,500,000	Unquoted	Fully Paid	250.60	250.60	Yes
Imperial Hospitals & Research Centre Limited	Subsidiary	10	25,681,000	15,271,000	Unquoted	Fully Paid	1155.38	351.71	Yes
Apollo Hospitals (UK) Limited	Subsidiary	1£	5,000	5,000	Unquoted	Fully Paid	0.39	0.39	Yes
Pinakini Hospitals Limited	Subsidiary	10	855,228	855,228	Unquoted	Fully Paid	13.96	13.96	Yes
Apollo Cosmetic Surgical Centre Private Limited	Subsidiary	10	2,844,262	1,500,000	Unquoted	Fully Paid	28.44	15.00	Yes
Alliance Medicorp (India) Limited	Subsidiary	10	5,661,000	5,661,000	Unquoted	Fully Paid	56.61	56.61	Yes
Alliance Dental Care Pvt Ltd	Subsidiary	100	163,200	-	Unquoted	Fully Paid	16.32	-	Yes
Apollo Hospitals International Limited	Joint Venture	10	3,752,050	3,752,050	Unquoted	Fully Paid	214.54	214.54	Yes
Apollo Gleneagles Hospitals Limited	Joint Venture	10	54,675,697	54,675,697	Unquoted	Fully Paid	393.12	393.12	Yes
Apollo Gleneagles PET CT Private Limited	Joint Venture	10	8,500,000	8,500,000	Unquoted	Fully Paid	85.00	85.00	Yes
Western Hospital Corporation Limited	Subsidiary	10	18,000,000	7,200,000	Unquoted	Fully Paid	153.66	72.00	Yes
Quintiles Phase One Clinical Trials India Private Limited	Joint Venture	1,000	115,085	100,800	Unquoted	Fully Paid	120.80	100.80	Yes
Apollo Lavasa Health Corporation Limited	Joint Venture	10	402,941	402,941	Unquoted	Fully Paid	110.00	110.00	Yes
Indraprastha Medical Corporation Limited (Market value as on 31.03.2012 is ₹ 35.35 per share)	Associate	10	20,190,740	19,306,041	Quoted	Fully Paid	393.72	359.64	Yes
Stemcyte India Therapautics Private Limited	Associate	1	240,196	88,303	Unquoted	Fully Paid	80.00	50.00	Yes
Investments in Preference Shares									
Zero % Non-cumulative Redeemable Preference Shares of Apollo Hospitals International Limited	Joint Venture	100	1,104,000	1,104,000	Unquoted	Fully Paid	110.40	110.40	Yes
Total							**3,502.14**	**2,502.97**	

B) Details of Other Investments

Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	Face value (INR)	No. of Shares / Units	No. of Shares/ Units	Quoted / Unquoted	Partly Paid / Fully paid	Amount (₹ in million)	Amount (₹ in million)	Whether stated at Cost Yes/No
			31.03.2012	31.03.2011			31.03.2012	31.03.2011	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Investment in Equity Instruments									
Apollo Health & Lifestyle Limited	Subsidiary	10	19,469,800	7,419,800	Unquoted	Fully Paid	597.52	236.02	Yes
Apollo Munich Health Insurance Company Limited	Joint Venture	10	26,600,000	21,600,000	Unquoted	Fully Paid	266.00	216.00	Yes
Family Health Plan Limited	Associate	10	490,000	490,000	Unquoted	Fully Paid	4.90	4.90	Yes
Apollo Health Street Limited	Associate	10	11,181,360	11,181,360	Unquoted	Fully Paid	1,231.85	1,231.85	Yes
Kurnool Hospitals Enterprises Limited	Others	10	157,500	157,500	Unquoted	Fully Paid	1.73	1.73	Yes
Furture Parking Private Limited	Joint Venture	10	2,401,000	4,900	Unquoted	Fully Paid	24.01	0.05	Yes
Health Super Hiway Private Limited	Others	10	200	200	Unquoted	Fully Paid	-	-	Yes
Investments in Preference Shares									
Health Super Hiway Private Limited	Others	54.10	406,514	406,514	Unquoted	Fully Paid	22.00	22.00	Yes
Investments in Government or Trust securities									
National Savings Certificate	Others				Unquoted	Fully Paid	0.25	0.29	Yes
Investments in Debentures									
Optionally Redeemable Convertible Debentures									
Apollo Health Street Limited	Associate	160	3,682,725	3,682,725	Unquoted	Fully Paid	589.24	589.24	Yes
Total							**2,737.50**	**2,302.08**	

a. The Company has pledged its 20,775,197 (20,775,197) shares in Apollo Gleneagles Hospitals Limited as a security for the loan advanced by IDFC and HDFC to Apollo Gleneagles Hospitals Limited.

b. National Saving Certificates shown under investments are pledged with the Chief Ration Officer, Government of Andhra Pradesh.

17. LONG TERM LOANS AND ADVANCES

(₹ in million)

Particulars	31.03.2012		31.03.2011	
a. Capital Advances				
Secured, considered good				
Unsecured, considered good	320.58		175.92	
Doubtful	-		-	
		320.58		175.92
b. Security Deposits				
Secured, considered good				
Unsecured, considered good	660.50		708.90	
Doubtful	-		-	
		660.50		708.90
c. Loans and advances to related parties				
Secured, considered good				
Unsecured, considered good	234.00		234.00	
Doubtful	-		-	
		234.00		234.00
d. Other Loans and Advances				
Other Advances	755.36		872.98	
Advance Income Tax	1,697.27		1,579.28	
Tax deducted at source	1,349.96		919.48	
		3,802.59		3,371.74
Interest Receivable		85.66		30.88
Total		**5,103.33**		**4,521.45**

18. CURRENT INVESTMENTS

(₹ in million)

Particulars	31.03.2012	31.03.2011
(a) Investments in Equity Instruments	203.82	203.82
(b) Investments in Debentures	10.00	-
(c) Investments in Mutual funds	957.26	881.88
Total	**1,171.08**	**1,085.70**

(₹ in million)

Particulars	31.03.2012	31.03.2011
Aggregate amount of quoted investments (Market Value ₹ 1,001.79 million; 2010-11: Nil)	967.26	881.88
Aggregate amount of unquoted investments	203.82	203.82
Total	**1,171.08**	**1,085.70**

Details of Current Investments

Name of the Body Corporate	Subsidiary/ Associate/ JV/ Controlled Entity / Others	Face value (INR)	No. of Shares / Units	No. of Shares / Units	Quoted / Unquoted	Partly Paid / Fully paid	Amount (₹ in million)	Amount (₹ in million)	Basis of Valuation
			31.03.2012	31.03.2011			31.03.2012	31.03.2011	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Investment in Equity Instruments									
British American Hospitals Enterprises Limited	Others	100MUR	1,393,079	1,393,079	Unquoted	Fully Paid	**203.82**	**203.82**	Cost
Investments in Debentures									
IFCI Venture Capital funds Limited	Others	1,000,000	10	-	Quoted	Fully paid	**10.00**	**-**	Cost
Investments in Mutual Funds									
Reliance Monthly Intercal Fund Series II Institutional									
Dividend plan	Others	10		14,006,385	Unquoted	Fully paid		140.13	Cost
Canara Robeco Floating Rate Short term Growth Fund	Others	10		13,179,311	Unquoted	Fully paid		200.00	Cost
HDFC FMP 100D March 2011 (2) Dividend Series XVII	Others	10		18,000,000	Unquoted	Fully paid		180.00	Cost
HDFC Quarterly Interval Fund - Plan C	Others	10		8,995,233	Unquoted	Fully paid		90.00	Cost
HDFC FMP 35D March 2011 (2)	Others	10		12,000,000	Unquoted	Fully paid		120.00	Cost
DSP Black Rock Money Manager Fund - Institutional Plan									
Daily dividend	Others	1,000		151,626	Unquoted	Fully paid		151.75	Cost
Reliance Horizon Fund - XX - Series 24-Growth Plan	Others	10	50,027,068	-	Quoted	Fully paid	500.27	-	Cost
Reliance Quarterly Interval Fund - Series III-Institutional	Others	10	25,166,512	-	Quoted	Fully paid	251.99	-	Cost
Dividend plan									
Birla Sun life Cash plus -Institutional Premium Growth	Others	100	1,194,121	-	Quoted	Fully paid	200.00	-	Cost
Canara Robeco Indigo Quarterly Dividend Fund	Others	10	489,366	-	Quoted	Fully paid	5.00	-	Cost
Total							**957.26**	**881.88**	

19. INVENTORIES

(₹ in million)

	Particulars	31.03.2012	31.03.2011
a.	Medicines (Valued at Cost)	1,492.11	1,231.57
b.	Stores and spares (Valued at Cost)	97.99	49.36
c.	Lab Materials (Valued at Cost)	36.68	24.72
d.	Surgical Instruments (Valued at Cost)	137.51	127.26
e.	Other Consumables (Valued at Cost)	62.80	72.30
	Total	**1,827.09**	**1,505.21**

20. TRADE RECEIVABLES

(₹ in million)

Particulars	31.03.2012	31.03.2011
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	2,825.88	1,806.07
Unsecured, considered doubtful	-	-
	2,825.88	1,806.07
Less: Provision for doubtful debts	-	-
	2,825.88	1,806.07
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	711.83	890.36
Unsecured, considered doubtful	49.32	24.95
	761.15	915.31
Less: Provision for doubtful debts	49.32	24.95
	711.83	890.36
Total	**3,537.70**	**2,696.43**

Trade Receivable stated above include debts due by:

(₹ in million)

Particulars	31.03.2012
Directors *	-
Other officers of the Company *	-
Firm in which director is a partner *	-
Private Company in which director is a member	18.80
Total	**18.80**

*Either severally or jointly

i. Accrued patient collections constitute ₹ 273.97 million (₹ 233.56 million) of Trade receivables.

ii Confirmation of balance from Debtors, Creditors are yet to be received in a few cases though the group has sent letters of confirmation to them. The balances adopted are as appearing in the books of accounts of the group.

iii Sundry Debtors represent the debt outstanding on sale of pharmaceutical products, hospital services and project consultancy fees for and is considered good. The group holds no other securities other than personal security of the Debtors.

21. CASH AND CASH EQUIVALENTS

(₹ in million)

Particulars	31.03.2012		31.03.2011	
a. Balances with banks				
Current Accounts	775.48		951.82	
Deposit Accounts	954.74		319.55	
Unpaid Dividend Accounts	19.87		18.28	
Margin money Deposits	19.00		20.03	
Guarantees	24.53		57.34	
		1,793.62		1,367.02
b. Cash on hand		75.93		47.39
Total		**1,869.55**		**1,414.41**

a. The Company's Fixed Deposit receipts amounting to ₹ 24.53 million (₹ 45.94 million) are under lien with the bankers for obtaining Letters of credit and Bank Guarantee.

22. SHORT TERM LOANS AND ADVANCES

(₹ in million)

Particulars	31.03.2012		31.03.2011	
a. Loans and advances to related parties				
Secured, considered good	-		-	
Unsecured, considered good	163.38		133.50	
Doubtful	-		-	
		163.38		133.50
b. Other Loans and Advances				
Advance to Suppliers	135.93		380.94	
Other Advances	622.35		461.12	
Loans and advacne to employees	54.99		33.61	
		813.27		875.67
Total		**976.65**		**1,009.17**

23. OTHER CURRENT ASSETS

(₹ in million)

Particulars	31.03.2012	31.03.2011
Prepaid Expenses	99.40	79.70
Rent Receivables	3.85	2.48
Interest Receivables	147.12	91.08
Franchise Fees Receivable	7.92	11.10
Total	**258.29**	**184.36**

24. REVENUE FROM OPERATIONS

(₹ in million)

Particulars	31.03.2012	31.03.2011
a) Revenue from Healthcare services	19,394.92	16,705.71
b) Revenue from Pharmacy	8,605.80	6,613.91
Total	**28,000.72**	**23,319.62**

a. The hospital collections of the Company are net of discounts of ₹ 27.61 million (₹ 37.09 million).

25. OTHER INCOME

(₹ in million)

Particulars	31.03.2012	31.03.2011
Interest Income	143.59	110.89
Dividend Income		
From Current Investment	100.40	18.57
From Long Term Investment	31.13	30.79
Net gain/(loss) on sale of investments		
Current investment	(0.91)	(1.63)
Other non-operating income		
Income from Treasury Operations		11.77
Net gain on foreign currency transactions and translation	4.29	5.64
Total	**278.50**	**176.03**

a. Gain on Forward Contract during the year ended 31st March 2012 accounted for in the Statement of Profit and Loss is Nil (₹ 11.77 million)

b. For the year ended 31st March 2012, the Foreign Exchange gain (the difference between the spot rates on the date of the transactions, and the actual rates at which the transactions are settled) is ₹ 4.29 million (2010-11: Foreign Exchange Loss ₹ 8.86 million).

26. COST OF MATERIALS CONSUMED

(₹ in million)

Particulars	31.03.2012		31.03.2011	
	Value	%	Value	%
Total Consumption of Materials	7,846.63	100.00	7,086.65	100.00
Indigenous Materials	7,824.95	99.72	7,062.30	99.66
Imported Materials	21.68	0.28	24.35	0.34

(Consumption relates to items used for healthcare services only.)

27. EMPLOYEE BENEFITS EXPENSE

(₹ in million)

Particulars	31.03.2012	31.03.2011
Salaries and wages	3,642.27	2,992.83
Contribution to provident and other funds	242.38	229.00
Employee State Insurance	29.54	20.11
Staff welfare expenses	211.49	177.33
Staff Education & Training	11.30	12.22
Bonus	148.10	140.51
Total	**4,285.08**	**3,572.00**

a. As per the requirements of Accounting Standard 15 Employee Benefits' (Revised 2005) as notified under the Companies (Accounting Standards) Rules, 2006, the contribution to the gratuity is determined using the projected unit credit method with actuarial valuation being carried out at each Balance Sheet date. Only the additional provision as required is charged to the Statement of Profit and Loss for the relevant year - ₹ 69.15 million (₹ 79.56 million). (Also refer Note 1(l) of Notes Forming part of Accounts.)

Particulars	as at 31st March 2012		as at 31st March 2011	
	Gratuity	Earned Leave	Gratuity	Earned Leave
Assumptions				
Discount Rate	8.00%	8.00%	8.00%	8.00%
Rate of Increase in Salaries	6.00%	8.00%	6.00%	8.00%
Mortality pre- retirement	LIC 1994-96 Ultimate			
Disability	Nil	Nil	Nil	Nil
Attrition	23.00%	23.00%	23.00%	23.00%
Estimated rate of return on plan assets	8.00%	8.00%	8.00%	8.00%
Investment details on plan assets	100% of the plan Assets are invested on debt instruments			

(₹ in million)

Particulars	as at 31st March 2012			as at 31st March 2011		
	Gratuity	Earned Leave	Total	Gratuity	Earned Leave	Total
Present Value of Obligation as on 1st April, 2011	187.59	98.05	285.64	150.26	91.06	241.32
Interest Cost	14.85	7.50	22.35	11.96	7.12	19.08
Current Service Cost	26.24	11.92	38.16	20.24	10.64	30.88
Benefit Paid	(3.93)	(8.69)	(12.62)	(1.52)	(4.22)	(5.74)
Actuarial (gain) / Loss on obligation	21.15	3.69	24.84	6.65	(6.55)	0.10
Present Value of Obligation as on 31st March, 2012	**245.90**	**112.47**	**358.37**	**187.59**	**98.05**	**285.64**
Defined benefit obligation liability as at the balance sheet is wholly funded by the company						
Change in plan assets						
Fair Value of Plan Assets as on 1st April, 2012	173.55	75.15	248.70	139.50	74.39	213.89
Expected return on plan assets	14.54	7.10	21.64	12.52	5.98	18.50
Contributions	20.00	20.00	40.00	30.00	40.00	70.00
Benefits paid	(3.93)	(8.69)	(12.62)	(1.52)	(4.22)	(5.74)
Actuarial gain / (loss)	(14.15)	8.71	(5.44)	(6.95)	(41.00)	(47.95)
Fair Value of Plan Assets as on 31st March, 2012	**190.01**	**102.27**	**292.28**	**173.55**	**75.15**	**248.70**
Reconciliation of present value of the obligation and the fair value of the plan assets						
Fair value of the defined benefit	245.90	112.47	358.37	187.59	98.05	285.64
Fair value of plan assets at the end of the year	(190.01)	(102.27)	(292.28)	(173.55)	(75.15)	(248.70)
Liability / (assets)	55.89	10.20	66.09	14.04	22.90	36.94
Unrecognised past service cost	-	-	-	-	-	-
Liability / (assets) recognised in the balance sheet	**55.89**	**10.20**	**66.09**	**14.04**	**22.90**	**36.94**
Gratuity & Leave Encashment cost for the period						
Service Cost	26.24	11.92	38.16	20.24	10.64	30.88
Interest Cost	14.85	7.50	22.35	11.96	7.12	19.08
Expected return on plan assets	(14.54)	(7.10)	(21.64)	(12.52)	(5.98)	(18.50)
Actuarial (gain) / loss	35.30	(5.02)	30.28	13.60	34.46	48.06
Past Service Cost	-	-	-	-	-	-
Net gratuity cost	**61.85**	**7.30**	**69.15**	**33.28**	**46.24**	**79.52**
Investment details of plan assets						
100% of the plan assets are invested in debt instruments						
Actual return on plan assets	**0.39**	**15.81**	**16.20**	**5.57**	**(35.02)**	**(29.45)**

i. Expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations. The Gratuity scheme is invested in Gratuity Pay plan offered by ICICI.

ii. The estimate of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market.

28. FINANCE COSTS

(₹ in million)

Particulars	31.03.2012	31.03.2011
Interest expense	560.61	519.16
Other borrowing costs		
Bank Charges	75.26	30.85
Brokerage & Commission	0.16	1.43
Total	**636.03**	**551.45**

29. OTHER EXPENSES

(₹ in million)

Particulars	31.03.2012	31.03.2011
Power and fuel	437.87	378.60
House Keeping Expenses	114.55	88.93
Water Charges	49.76	44.79
Rent	992.37	834.53
Repairs to Buildings	123.08	114.25
Repairs to Machinery	277.16	198.15
Repairs to Vehicles	32.75	28.18
Office Maintenance & Others	197.88	162.48
Insurance	33.75	31.17
Rates and Taxes, excluding taxes on income	62.19	53.12
Printing & Stationery	174.67	149.71
Postage & Telegram	10.64	24.55
Director Sitting Fees	1.68	2.06
Advertisement, Publicity & Marketing	529.37	379.15
Travelling & Conveyance	240.60	208.79
Subscriptions	8.96	9.08
Security Charges	74.88	65.43
Legal & Professional Fees	249.46	222.58
Continuing Medical Education & Hospitality Expenses	10.29	9.24
Hiring Charges	44.54	36.42
Seminar Expenses	6.19	4.19
Telephone Expenses	93.95	73.95
Books & Periodicals	8.71	7.35
Donations	24.98	13.62
Bad Debts Written off	120.14	54.75
Provision for Bad Debts	24.38	14.24
Royalty paid	1.42	1.26
Outsourcing Expenses	472.66	383.55
Miscellaneous expenses	60.75	71.81
Loss on Sale of Asset	37.26	31.46
Total	**4,516.91**	**3,697.39**

a. The Electricity charges incurred in respect of main hospital is net of ₹ 7.27 million (₹ 6.94 million) [units qualified KWH - 1,454,755 (1,388,260), being the rebate received from TNEB for Wind Electric Generators owned & run by the Company.

b) Payment to auditors as statutory auditors

(₹ in million)

Particulars	31.03.2012	31.03.2011
Audit Fees*	3.31	1.65
Taxation Matters*	0.55	0.55
Company Law Matters*	0.50	0.50
Expenses	0.13	0.13
Total	**4.49**	**2.83**

*Inclusive of Service Tax @10.3%

c. Directors travelling included in travelling and conveyance amounts to ₹ 18.53 million (₹ 19.26 million).

30. CONTINGENT LIABILITIES

Particulars	31.03.2012	31.03.2011
Contingent liabilities and commitments (to the extent not provided for)		
(i) Contingent Liabilities		
(a) Claims against the company not acknowledged as debt	275.03	268.71
(b) Guarantees		
Bank Guarantees	55.39	146.39
Corporate Guarantees	242.50	207.50
(c) Other money for which the company is contingently liable		
Sales Tax	1.41	1.85
Customs Duty	99.70	99.70
Income Tax	396.79	384.47
Letter of Credits	150.42	120.69
EPCG	1,010.20	1,114.96
Redemption premium on FCCB	11.28	5.31
Value added Tax	2.27	2.27
	2,244.99	**2,351.85**
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	12,436.38	7,601.47
	12,436.38	7,601.47
Total	**14,681.37**	**9,953.32**

31. UTILISATION OF AMOUNTS FROM SECURITIES ISSUED

(₹ in million)

A	**Funds Received through Preferential Issue**		
	Opening Balance as on 1st April 2011	387.05	
	Amount received from the promoter during the year	894.06	
	Total Funds Received		**1,281.11**
B	**Particulars of Utilisation**		
	Capital Expenditure & Working Capital during the year	1,281.11	
	Total		**1,281.11**

32. EARNINGS PER EQUITY SHARE

(₹ in million)

Particulars	31.03.2012	31.03.2011
Profit attributable to equity shareholders (₹ in million) (A1)	2309.90	1817.18
Weighted Averaged Equity Shares outstanding during the year (Nos) - (B1)	130,327,516	123,922,957
Basic Earnings Per Share(₹ - (A1/B1)	17.72	14.66
Diluted Earnings attributable to equity shareholders (₹ in million) (A2)	2314.60	1823.20
Foreign Currency Convertible Bond issued (C1)	1,268,343	1,107,025
Equity Share warrants outstanding	3,276,922	6,366,164
Weighted Averaged Equity Shares outstanding for Diluted Earnings Per Share. (Nos) - (D1)	134,872,781	128,003,621
Diluted Earnings Per Share(₹ - (A2/D1)	17.16	14.24

33. EXPENDITURE IN FOREIGN CURRENCY

(₹ in million)

Particulars	For the period ended 31.03.2012	For the period ended 31.03.2011
a. CIF Value of Imports:		
Machinery and Equipment	407.81	589.59
Stores and Spares	12.61	15.17
Other Consumables	9.07	9.18
b. Expenditure		
Travelling Expenses	20.21	21.53
Professional Charges	9.76	2.84
Subscription	1.62	-
Accreditation	1.34	-
Staff Welfare Expenses	-	3.51
Advertisement	1.02	-
Business Promotion	0.58	0.73
c. Dividends		
Amount remitted during the year in foreign currency on account of dividends excluding the payment of dividends directly to the share-holder's Non-resident external bank account.	3.64	3.70
Non-Residents shareholders to whom remittance was made (Nos.)	224	216
Shares held by non-resident share-holders on which dividend was paid.	0.97	0.53

34. EARNINGS IN FOREIGN CURRENCY

(₹ in million)

Particulars	31.03.2012	31.03.2011
Hospital Fees	150.37	150.36
Project Consultancy Services	65.05	53.70
Reimbursement Expenses	0.80	5.99
Software Consultancy Others	-	4.42
Pharmacy Sales*	2.32	0.59

* Pharmacy sales are sales made within India to inpatients that have paid in foreign currency.

35. RELATED PARTY DISCLOSURES:

A. List of Related Parties where control exists and other related parties with whom the Company had transactions and their relationships:

Name of related parties	Nature of relationship
Unique Home Health Care Limited	Subsidiary Companies (control exists)
AB Medical Centres Limited	
Samudra Healthcare Enterprises Limited	
Apollo Hospital (UK) Limited	
Apollo Health and Lifestyle Limited	
Imperial Hospital and Research Centre Limited	
Pinakini Hospitals Limited	
Apollo Cosmetic Surgical Centre Private Limited	
Alliance Medicorp (India) Limited	
ISIS Healthcare India Private Limited	
Mera Healthcare Private Limited	
Alliance Dental Care Private Limited	
Western Hospitals Corporation Private Limited	
Apollo Hospitals International Limited	Joint Venture
Apollo Gleneagles Hospitals Limited	
Apollo Gleneagles PET-CT Private Limited	
Apollo Munich Health Insurance Company Limited	
Apollo Lavasa Health Corporation Limited	
Quintiles Phase One Clinical Trials India Private Limited	
Future Parking Private Limited	
Family Health Plan Limited	Associates
Apollo Health Street Limited	
Indraprastha Medical Corporation Limited	
Stemcyte India Therapautics Private Limited	
Dr. Prathap C Reddy	Key Management Personnel
Smt. Preetha Reddy	
Smt. Suneeta Reddy	
Smt. Sangita Reddy	
Smt. Shobana Kamineni	
PCR Investments Limited	Enterprises over which Key Management Personnel are able to exercise significant influence
Indian Hospitals Corporation Limited	
Apollo Sindoori Hotels Limited	
PPN Power Generating Company Private Limited	
Health Super Hiway Private Limited	
Faber Sindoori Management Services Private Limited	
Ashok Birla Apollo Hospitals Private Limited	
Apollo Mumbai Hospital Limited	
Lifetime Wellness Rx International Limited	
Apollo Clinical Excellence Solutions Limited	
PPN Holding Private Limited	
Preetha Investments Private Limited	
PPN Power Generation (Unit II) Private Limited	
TRAC India Private Limited	
PPN Holdings (Alfa) Private Limited	
Aircel Limited	
Aircel Cellular Limited	
Dishnet Wireless Limited	

Name of related parties	Nature of relationship
Apollo Infrastructure Project Finance Company Limited	Enterprises over which Key Management Personnel are able to exercise significant influence
Vasumathi Spinning Mills Limited	
Kalpatharu Infrastructure Development Company Private Limited	
Sindya Power Generating Company Private Limited	
Sindya Holdings Private Limited	
Sindya Resources Private Limited. Singapore	
Garuda Energy Private Limited	
Deccan Digital Networks Private Limited	
Kalpatharu Enterprises Private Limited	
Sirkazhi Port Private Limited	
Sindya Builders Private Limited	
Tharani Energy India Private Limited	
Apollo Energy Company Limited	
Healthnet Global Limited	
Sindya Infrastructure Development Company Private Limited	
Associated Electrical Agencies	
P. Obul Reddy & Sons	
Apex builders	
Apex Construction	
Kei Energy Private Limited	
Kamineni Builders Private Limited	
Kei Vita Private Limited	
Kei Rajamahendri Resorts Private Limited	
KEI-RSOS Petroleum and Energy Private Limited	
KEI-RSOS Shipping Private Limited	
Peninsular Tankers Private Limited	
Keimed Limited	
Spectra Clinical Laboratory	
Kamineni Builders	
Universal Quality Services LLC	
Apollo Health Resources Limited	
AMG Healthcare Destination Private Limited	
Apex Agencies	
Apex Agencies(Hyd)	
Apollo Educational Infrastructure Services Limited	
Apollo Healthcare Foundation	
Apollo Hospitals Charitable Trust	
Apollo Hospitals Educational and Research Foundation	
Apollo Hospitals Educational Trust	
Apollo Med Skills Limited	
Apollo Reach Hospitals Enterprises Limited	
Apollo Telehealth Services Private Limited	
British American Hospitals Enterprises Limited	
Elixir Communities Private Limited	
Indian Hospitex Private Limited	
Kumaranathu and Company	
Kurnool Hospital Enterprise Limited	
Matrix Agro Private Limited	
TRAC Eco and Safari Park Private Limited	
Vaishnavi Constructions	
Medversity Online Limited, Hyderabad	

(₹ in million)

Sl No	Name of related parties	Nature of Transaction	31.03.2012	31.03.2011
1	Unique Home Health Care Limited	a) Investment in Equity	297.40	297.40
		b) Cumulative Deposits Outstanding	10.75	10.75
		c) Payables as at year end	0.29	-
		d) Interest payable	0.92	0.02
2	AB Medical Centers Limited	a) Investment in Equity	21.80	21.80
		b) Payables as at year end	8.79	11.65
		c) Lease Rentals paid	7.20	7.20
3	Samudra Healthcare Enterprises Limited	a) Investment in Equity	250.60	250.60
		b) Advance Given	0.77	28.89
		c) Reimbursement on account of Salaries	1.61	1.93
		d) Commission on Turnover	1.37	1.60
		e) Investigation Income	-	0.17
		f) Pharmacy income	59.18	71.37
		g) Receivables as at year end	46.46	-
4	Apollo Hospital (UK) Limited	a) Investment in Equity	0.39	0.39
		b) Advance Given	1.21	0.86
5	Apollo Health and Lifestyle Limited	a) Investment in Equity	597.52	236.02
		b) Receivables as at year end	14.88	12.55
		c) Rent received	0.53	0.61
		d) Reimbursement of Expenses	5.75	4.65
		e) Fees	0.55	1.48
		f) Advance for Investment	-	146.50
		g) Advance Given	5.28	4.47
6	Imperial Hospital and Research Centre Limited	a) Investment in Equity	1,155.38	351.71
		b) Loan given	234.00	234.00
		c) Interest income for the year	21.74	21.01
		d) Advance Given	34.47	62.80
		e) Receivables as at year end	273.83	260.50
		f) Investigation Income	-	0.09
		g) Reimbursement of Expenses	10.82	10.39
		h) Pharmacy income	287.86	271.29
		i) Fees	9.46	9.17
7	Pinakini Hospitals Limited	a) Investment in Equity	13.96	13.96
		b) Advance for Investment	57.90	57.90
		c) Advance Given	-	25.18
8	Apollo Cosmetic Surgical Centre Private Limited	a) Investment in Equity	28.44	15.00
		b) Advance for Investment	-	10.00
		c) Advance Given	2.99	4.69

(₹ in million)

Sl No	Name of related parties	Nature of Transaction	31.03.2012	31.03.2011
9	Alliance Medicorp (India) Limited	a) Investment in Equity	56.61	56.61
		b) Payables as at year end	0.91	0.07
10	Alliance Dental Care Private Limited	a) Investment in Equity	16.32	-
		b) Advance Given	8.07	6.60
		c) Corporate Guarantees executed	35.00	-
11	Apollo Hospitals International Limited	a) Investment in Equity	214.54	214.54
		b) Investment in Preference Shares	110.40	110.40
		c) Advance for Investment	138.38	113.38
		d) Corporate Guarantees executed	207.50	207.50
		e) Advance Given	14.91	7.34
		f) Receivables as at year end	4.53	0.40
		g) Fees	2.76	-
		h) Reimbursement of Expenses	2.97	-
		i) Pharmacy income	0.24	-
12	Apollo Gleneagles Hospitals Limited	a) Investment in Equity	393.12	393.12
		b) Advance Given	39.37	56.61
		c) Receivables as at year end	160.88	70.95
		d) Commission on Turnover	94.02	79.36
		e) Reimbursement of Expenses	6.80	4.69
		f) Fees	56.80	2.72
		g) Pharmacy income	641.06	541.30
		h) Payables as at year end	-	0.33
13	Apollo Gleneagles PET-CT Private Limited	a) Investment in Equity	85.00	85.00
		b) Advance Given	2.04	1.50
		c) Payables as at year end	3.71	3.83
		d) Rent received	1.96	1.97
		e) Salaries	1.54	1.63
		f) Deposits refundable	24.30	25.58
		g) Pharmacy income	1.18	1.20
14	Western Hospitals Corporation Private Limited	a) Investment in Equity	153.66	72.00
		b) Receivables as at year end	-	0.42
		c) Reimbursement of Expenses	4.88	10.13
		d) Advance Received	0.40	0.40
15	Apollo Munich Health Insurance Company Limited	a) Investment in Equity	266.00	216.00
		b) Payables as at year end	0.68	-
		c) Pharmacy income	0.95	-

(₹ in million)

Sl No	Name of related parties	Nature of Transaction	31.03.2012	31.03.2011
16	Apollo Lavasa Health Corporation Limited	a) Investment in Equity	110.00	110.00
		b) Reimbursement of Expenses	-	7.02
		c) Receivables as at year end	1.72	0.04
		d) Pharmacy Income	0.54	-
17	Quintiles Phase One Clinical Trials India Private Limited	a) Investment in Equity	120.80	100.80
		b) Rent received	14.45	13.82
		c) Advance Given	38.21	20.18
18	Family Health Plan Limited	a) Investment in Equity	4.90	4.90
		b) Receivables as at year end	11.77	13.77
		c) Transactions during the year	5.43	1.14
19	Apollo Health Street Limited	a) Investment in Equity	1,231.85	1,231.85
		b) Investment in Debenture	589.24	589.24
		c) Rent received	28.90	19.92
		d) Receivables as at year end	-	1.42
		e) Interest on debentures	67.65	61.89
		f) Transactions during the year	2.03	0.01
		g) Payables at year end	11.22	-
20	Indraprastha Medical Corporation Limited	a) Investment in Equity	393.72	359.64
		b) Receivables as at year end	397.69	145.17
		c) Dividend Received	30.89	30.60
		d) Commission on Turnover	46.43	40.85
		e) License Fees	13.54	9.48
		f) Pharmacy income	1,292.45	1,052.02
		g) Transactions during the year	0.77	0.05
21	Stemcyte India Therapautics Private Limited	a) Investment in Equity	80.00	50.00
22	Dr. Prathap C. Reddy	a) Remuneration paid	171.60	137.12
23	Smt. Preetha Reddy	a) Remuneration paid	68.64	54.85
24	Smt. Suneeta Reddy	a) Remuneration paid	50.20	34.28
25	Smt. Sangita Reddy	a) Remuneration paid	17.16	13.71
26	Smt. Shobana kamineni	a) Remuneration paid	17.16	13.71
27	Apollo Sindoori Hotels Limited	a) Payables as at year end	11.16	3.64
		b) Reimbursement of Expenses	1.46	6.96
		c) Transactions during the year	188.65	133.24
		d) Pharmacy Income	0.01	-
28	Health Super Hiway Private Limited	a) Investment in Preference Shares	22.00	22.00
		b) Receivables as at year end	-	1.76
		c) Advance Given	1.76	1.76

(₹ in million)

Sl No	Name of related parties	Nature of Transaction	31.03.2012	31.03.2011
29	Faber Sindoori Management Services Private Limited	a) Payables as at year end	13.66	1.96
		b) Transactions during the year	157.35	126.01
		c) Reimbursement of Expenses	0.90	0.91
30	Lifetime Wellness Rx International Limited	a) Payables as at year end	2.27	-
		b) Transactions during the year	10.33	4.90
31	P. Obul Reddy & Sons	a) Payables as at year end	-	2.21
		b) Transactions during the year	11.62	13.88
		c) Reimbursement of Expenses	0.78	0.12
		d) Receivables as at year end	0.01	-
32	Keimed Limited	a) Payables as at year end	43.29	0.76
		b) Purchases	3,201.27	2,635.08
		c) Pharmacy Income	0.26	0.31
33	Medvarsity Online Limited	a) Rent received	0.90	0.86
		b) Transactions during the year	0.05	-
34	Apollo Health Resources Limited	a) Receivables as at year end	11.75	11.75
		b) Transactions during the year	0.35	0.31
35	Apollo Mumbai Hospital Limited	a) Receivables as at year end	6.35	6.23
		b) Reimbursement of Expenses	12.03	8.88
		c) Pharmacy income	2.37	3.12
36	Aircell Cellular Limited	a) Payables as at year end	0.27	0.88
		b) Transactions during the year	3.24	3.26
		c) Reimbursement of Expenses	0.08	-
37	Apollo Hospitals Educational and Research Foundation	a) Receivables as at year end	1.94	-
		b) Reimbursement of Expenses	1.74	-
		c) Pharmacy Income	0.44	-
38	Dishnet Wireless Limited	a) Payables as at year end	0.06	-
		b) Transactions during the year	0.58	0.25
39	Ashok Birla Apollo Hospitals Private Limited	a) Advance for Investment	3.45	-
		b) Receivables as at year end	18.75	18.75
40	Kurnool Hospitals Enterprise Limited	a) Investment in Equity	1.73	1.73
41	AMG Health Care Destination Private Limited	a) Advance for Investment	12.33	-
42	Future Parking Private Limited	a) Investment in Equity	24.01	0.05
		b) Advance Given	0.49	-
43	British American Hospitals Enterprise Limited	a) Investment in Equity	203.82	203.82

In case of other related parties, there are no transactions with the Company.

36. LEASES

In respect of Non- cancellable Operating Leases

Lease payments recognised in the Statement of Profit and Loss is ₹ 992.37 million (₹ 834.53 million)

(₹ in million)

Minimum Lease Payments	31.03.2012	31.03.2011
Not later than one year	620.86	443.64
Later than one year and not later than five years	1,755.80	1,059.09
Later than five years	3,127.30	1,719.59

Lease agreements are renewable for further period or periods on terms and conditions mutually agreed between the lessor and AHEL.

Variations/Escalation clauses in lease rentals are made as per mutually agreed terms and conditions by the lessor and AHEL.

37. (a) The jointly Controlled Entities considered in the Consolidated Financial Statements is:

Name of the Company	Country of Incorporation	Proportion of ownership Interest (%)	Proportion of ownership Interest (%)
		31.03.2012	31.03.2011
Apollo Hospitals International Limited	India	50*	50*
Apollo Gleneagles Hospital Limited	India	50	50
Apollo Gleneagles PET CT Private Limited	India	50	50
Apollo Munich Health Insurance Company Limited	India	10.45	11.01
Future Parking Private Limited	India	49	-
Quintiles Phase One Clinical Trials India Private Limited	India	40	40
Apollo Lavasa Health Corporation Limited	India	34.66	34.66

* Inclusive of 42.09% (42.09%) shares held by Unique Home Health Care Limited, a 100% Subsidiary of Apollo Hospitals Enterprise Limited.

(b) The groups interests in the joint venture accounted for using proportionate consolidation in the Consolidated Financial Statements are:

(₹ in million)

	As at 31st March, 2012	As at 31st March, 2011
I ASSETS		
Non-current assets		
(a) Fixed assets		
(i) Tangible assets	2,121.08	2,134.87
(ii) Intangible assets	10.06	9.36
(iii) Capital work-in-progress	43.30	29.00
(b) Non-current investments	342.09	277.53
(c) Deferred tax assets (net)	93.40	107.46
(d) Long-term loans and advances	145.80	27.21
Current assets		
(a) Current investments	10.11	72.21
(b) Inventories	26.02	27.46
(c) Trade receivables	234.45	202.63
(d) Cash and cash equivalents	257.34	190.61
(e) Short-term loans and advances	82.30	38.50
(f) Other current assets	45.59	78.67
II LIABILITIES		
Non-current liabilities		
(a) Long-term borrowings	743.18	1,039.19
(b) Deferred tax liabilities (Net)	53.21	1.48
(c) Other Long term liabilities	15.34	4.17
(d) Long-term provisions	32.13	3.33
Current liabilities		
(a) Short-term borrowings	259.23	155.34
(b) Trade payables	586.57	485.65
(c) Other current liabilities	389.80	194.10
(d) Short-term provisions	4.01	9.06
III INCOME		
Revenue from operations	1,898.18	1,416.94
Other income	13.24	13.64
IV EXPENSES		
(a) Material consumption, purchase of stock in trade and changes in inventories	521.47	396.35
(b) Employee benefits expense	345.33	280.55
(c) Finance costs	130.44	116.71
(d) Depreciation and amortization expense	198.85	139.12
(e) Other expenses	793.42	554.89
Profit before tax	(78.08)	(57.04)
(a) Provision for Taxation(Including Deferred Tax Liability)	67.16	3.80
(b) Add: Deferred tax asset	0.05	9.82
Net Profit	(145.20)	(51.02)
V OTHER MATTERS		
(a) Contingent Liabilities	225.94	189.82
(b) Capital Commitments	34.32	17.00

38. During the year 2002-03, on a review of fixed assets, certain selected medical equipments were identified and impaired. For the current year, on a review as required by Accounting Standard 28 'Impairment of Assets', the management is of the opinion that no impairment loss or reversal of impairment loss is required, as conditions of impairment do not exist.

39. The Company has been exempted from publishing the financial statements for fourteen of its subsidiaries including fellow subsidiaries which are required to be attached to the Company's accounts, under Sec.212(1) of the Companies Act, 1956 for the financial year ended 31st March 2012.

40. In the process of acquiring Apollo Gleneagles Hospitals Limited (AGHL) in Kolkata, Apollo Hospitals Enterprise Limited had initially invested ₹ 30 million [₹ 5 million towards equity and ₹ 25 million to discharge other liabilities of AGHL, erstwhile Duncan Gleneagles Hospital Limited (DGHL)] to acquire 50.26% holding in the DGHL (subsequently reduced to 49%, now increased to 50%). AGHL assigned an unsecured debt of ₹ 163.7 million existing in its books to Apollo Hospitals Enterprise Limited. During the year the Company received ₹ 90 million out of which ₹ 25 million has been adjusted against the advance and balance taken to income. As a measure of prudence, balance amount is not recognized as an advance or investment in the books of Apollo Hospitals Enterprise Limited currently and will be accounted for as and when the amount(s) are received.

41. On review of the operations of setting up the Hospital in Noida, the Company has re-assigned the lease agreement between itself and the lessor to its associate, Indraprastha Medical Corporation Limited by extinguishing its rights and privileges in the original lease deed dated 27th October 2001.

42. Unrealised amounts on project development and pre-operative project expenses incurred at Bilaspur Hospital amounting to ₹ 56.62 million are included in advances and deposits account. The above expenses incurred on project will be amortised over the balance lease period of 8 years. The balance yet to be amortised as on 31.03.2012 is ₹ 25.17 million (₹ 28.31 million).

43. Figures of the current year and previous year have been shown in million.

44. Figures in brackets relate to the figures for the previous year.

45. Previous year figures have been regrouped and reclassified wherever necessary to confirm with current years classification.

As per our Report annexed
For **M/s. S. Viswanathan**
Chartered Accountants
Firm Registration No. 004770S

V C Krishnan
Partner
(Membership No. 022167)
17, Bishop Wallers Avenue West
Mylapore, Chennai - 600 004

Place : Chennai
Date : 29th May 2012

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
General Manager - Project Finance
& Company Secretary

For and on behalf of the Board of Directors

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Managing Director

Suneeta Reddy
Joint Managing Director

Cash Flow Statement

for the Year Ended 31st March 2012

(₹ in million)

		31.03.2012		31.03.2011	
A	**Cash Flow from operating activities**				
	Net profit before tax and extraordinary items		**3,375.15**		**2,693.24**
	Adjustment for:				
	Depreciation & Amortization	911.28		705.85	
	Loss on sale of Investment	0.91		1.63	
	Loss on sale of asset	37.26		31.46	
	Interest paid	636.03		551.45	
	Foreign Exchange gain / loss	(4.29)		(5.64)	
	Interest received	(143.59)		(110.89)	
	Dividend received	(131.52)		(49.36)	
	Income from treasury operation	-		(11.77)	
	Provision for bad debts	24.38		14.24	
	Baddebts written off	120.14		54.75	
			1,450.60		1,181.71
	Operating profit before working capital changes		4,825.75		3,874.95
	Adjustment for:				
	Trade or other receivables	(985.79)		(710.09)	
	Inventories	(321.89)		(161.77)	
	Trade payables	(84.64)		(40.77)	
	Others	413.82		(360.06)	
			(978.49)		(1,272.69)
	Cash generated from operations		3,847.25		2,602.26
	Foreign Exchange gain / loss		4.29		5.64
	Taxes paid		(624.34)		(657.96)
	Net cash from operating activities		3,227.20		1,949.94
B	**Cash flow from Investing activities**				
	Purchase of fixed assets		(3,407.79)		(2,901.55)
	Sale of fixed assets		74.44		160.53
	Purchase of investments		(6,784.09)		(3,641.83)
	Investment in Subsidiaries & Joint Ventures & Associates		(1,260.29)		(243.92)
	Sale of investments		6,643.40		2,540.87
	Interest received		143.59		57.60
	Dividend received		131.52		49.36
	Net cash used in Investing activities		(4,459.22)		(3,978.94)

(₹ in million)

		31.03.2012	31.03.2011
C	**Cash flow from financing activities**		
	Proceeds from issue of equity shares	48.78	-
	Proceeds from issue of share premium	4,067.46	-
	Proceeds from advance against share capital	-	685.07
	Proceeds from long term borrowings	1,000.0	1,911.63
	Proceeds from short term borrowings	49.79	83.90
	Repayment of finance/lease liabilities	(2,375.17)	(1,140.14)
	Income from Treasury Operation	-	11.77
	Interest paid	(636.03)	(531.92)
	Dividend paid	(467.67)	(432.49)
	Net cash from financing activities	1,687.16	587.82
	Net increase in cash and cash equivalents (A+B+C)	**455.15**	**(1,441.18)**
	Cash and cash equivalents (opening balance)	**1,414.40**	**2,855.58**
	Cash and cash equivalents (Closing balance)	**1,869.55**	**1,414.40**
	Component of Cash and cash equivqlents		
	Cash on Hand	75.93	47.39
	Balance with Banks		
1)	Available with the company for day to day operations	1,773.76	1,348.74
2)	Amount available in unclaimed dividend and unclaimed deposit payment accounts.	19.87	18.28

Notes:

1. Previous year figures have been regrouped wherever neccessary.
2. Figures in bracket represent outflow.

As per our Report annexed

For **M/s. S. Viswanathan**
Chartered Accountants
Firm Registration No. 004770S

V C Krishnan
Partner
(Membership No. 022167)
17, Bishop Wallers Avenue West
Mylapore, Chennai - 600 004

Place : Chennai
Date : 29th May 2012

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
General Manager - Project Finance
& Company Secretary

For and on behalf of the Board of Directors

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Managing Director

Suneeta Reddy
Joint Managing Director

AUDITORS' CERTIFICATE

We have examined the attached Cash Flow Statement of Apollo Hospitals Enterprise Limited for the year ended 31st March 2012. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of the listing agreement with the Stock Exchanges and is based on and in agreement with corresponding statement of Profit and Loss and the Balance Sheet of the Company covered by our report of 29th May 2012 to the members of the Company.

For **M/s. S. Viswanathan**
Chartered Accountants
Firm Registration No. 004770S

V C Krishnan
Partner
Membership No. 022167

Place : Chennai
Date : 29th May 2012

FIVE YEARS STANDALONE FINANCIAL PERFORMANCE AT A GLANCE

(₹ in million)

Year Ended	31st Mar 12	31st Mar 11	31st Mar 10	31st Mar 09	31st Mar 08
Balance Sheet					
Sources					
Share Capital	672.33	623.55	617.85	602.35	586.85
Preferential issue of equity share warrants	387.05	685.07	-		
Reserve and Surplus	22,463.28	16,413.02	14,799.93	13,106.20	11,793.51
Networth	23,522.66	17,721.64	15,417.66	13,708.11	12,377.30
Loans (including long term liabilities and provisions)	6,921.47	7,689.40	6,899.86	4,494.82	3,056.35
Deferred Tax Liability	1,700.85	1,071.06	751.45	626.56	589.70
Applications					
Gross Block	21,196.95	17,968.91	15,289.23	11,779.31	8,300.10
Accumulated Depreciation	4,827.51	3,987.44	3,314.74	2,779.92	2,348.32
Net Block	16,369.44	13,981.47	11,974.49	8,999.39	5,951.78
Investments	6,470.10	5,155.42	4,897.88	6,292.80	7,060.11
Long Term Loans and Advances	5,103.33	4,521.44	-	-	-
Current Assest, Loans & Advances					
Inventory	1,827.09	1,505.21	1,343.43	1,088.42	790.89
Debtors	3,537.70	2,696.43	2,055.34	1,607.35	1,261.59
Cash and Bank	1,869.55	1,414.40	2,855.58	646.16	1,045.57
Loans and Advances	2,406.02	2,279.23	5,170.72	3,693.22	2,721.10
(A)	9,640.36	7,895.27	11,425.07	7,035.16	5,819.15
Current Liabilities & Provisions					
Creditors	1,709.36	1,794.01	1,781.07	750.05	725.74
Other Liabilities	2,955.67	2,593.45	839.95	776.96	677.20
Provisions	773.22	684.04	2,607.45	1,970.85	1,404.75
(B)	5,438.25	5,071.50	5,228.46	3,497.86	2,807.69
Net Current Assets (A - B)	4,202.11	2,823.77	6,196.60	3,537.30	3,011.46
Miscellaneous Expenditure	-	-	0.12	0.45	3.07
Key Indicators					
O P M%	17.41	16.93	16.90	16.38	17.54
N P M%	8.17	7.72	8.18	7.98	8.85
Collection Growth %	20.36	26.61	25.56	28.72	27.85
OP Growth (%)	24.60	30.16	29.72	20.27	14.15
Earning Per Share (₹) (Basic)* Equity shares of face value of ₹ 5 each	17.72	14.66	12.31	9.9	9.31
Capital Employed	29,693.24	25,131.74	22,317.52	18,202.93	15,433.65
R O I (PBIT / AV.CE) %	14.63	13.83	12.83	11.33	13.52
RONW%	11.20	10.97	10.43	9.09	10.22
Employee Cost to Collections %	15.15	15.18	15.40	14.93	14.65
Debt / Equity Ratio	0.29	0.43	0.44	0.33	0.25

FIVE YEARS STANDALONE FINANCIAL PERFORMANCE AT A GLANCE

(₹ in million)

Year Ended	31st Mar 12		31st Mar 11		31st Mar 10		31st Mar 09		31st Mar 08	
		%		%		%		%		%
PROFIT AND LOSS ACCOUNT										
Income	28,279.20		23,495.65		18,587.45		14,803.50		11,500.66	
Operative Expenses	14,554.76	61.95	12,275.73	52.25	9,944.64	53.50	8,096.51	54.69	6,207.33	53.97
Salaries and Wages	4,285.07	18.24	3,572.00	15.20	2,863.81	15.41	2,210.51	14.93	1,684.82	14.65
Administrative Expenses	4,516.91	19.22	3,697.38	15.74	2,633.37	14.17	2,065.74	13.95	1,582.37	13.76
Other Expenses	-		-		3.43	0.02	5.81	0.04	8.72	0.08
Operating Profit	4,922.46	20.95	3,950.54	16.81	3,145.63	16.92	2,424.94	16.38	2,017.41	17.54
Financial Expenses	636.03	2.71	551.45	2.35	377.47	2.03	223.16	1.51	198.98	1.73
Depreciation	911.28	3.88	705.85	3.00	543.06	2.92	439.20	2.97	367.46	3.19
Extraordinary items			-		-		40.19	0.27	-	-
P B T	3,375.15	14.36	2,693.24	11.46	2,221.65	11.95	1,722.39	11.63	1,450.98	12.62
Tax - Current	435.46	1.85	556.45	2.37	577.12	3.10	479.79	3.24	381.12	3.31
Previous			-		-	-	-	-	13.27	0.12
Deferred	629.79	2.68	319.61	1.36	124.89	0.67	36.86	0.25	19.06	0.17
Fringe Benefit Tax			-		-	-	25.04	0.17	20.07	0.17
P A T	2,309.90	9.83	1,817.18	7.73	1,519.63	8.18	1,180.69	7.97	1,017.45	8.85
Dividend	537.87		467.67		432.49		401.60		352.11	

Auditors' Report

To the Board of Directors of Apollo Hospitals Enterprise Limited on the Consolidated Financial Statements of Apollo Hospitals Enterprise Limited

i. We have audited the attached Consolidated Balance Sheet of Apollo Hospitals Enterprise Limited. ('The Company') it's Subsidiaries and jointly controlled entities (The Company, its Subsidiaries and jointly controlled entities constitute 'The Group') as at 31st March 2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement of the group for the year ended on that date, both annexed thereto. The Consolidated financial statements include investment in associates accounted on the equity method in accordance with Accounting Standard 23 (Accounting for Investments in Associates in Consolidated Financial Statements) and the jointly controlled entities accounted in accordance with Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006.

ii. These financial statements are the responsibility of the management of Apollo Hospitals Enterprise Limited. Our responsibility is to express an opinion on these financial statements based on our audit.

iii. We conducted our audit in accordance with Generally Accepted Auditing Standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared in all material aspects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

iv. The financial statements of Subsidiaries (AB Medical Centres Limited, Apollo Health and Lifestyle Limited, Samudra Healthcare Enterprises Limited, Imperial Hospitals and Research Centre Limited, Pinakini Hospitals Limited, Apollo Hospital (UK) Limited, Apollo Cosmetic Surgical Centre Private Limited, Alliance Medicorp (India) Limited, Unique Home Health Care Ltd, Western Hospitals Corporation Private Limited), Joint Ventures (Apollo Gleneagles Hospitals Limited, Apollo Gleneagles PET CT Private Limited, Apollo Munich Health Insurance Company Limited, Quintiles Phase One Clinical Trials India Private Limited, Apollo Lavasa Health Corporation Limited, Apollo Hospitals International Limited and Future Parking Private Limited) which in the aggregate represents total assets (net) as at 31st March 2012 of ₹ 5,405.69 million (31.03.2011: ₹ 4,684.25 Million) and total revenues (net) for the year ended on that date of ₹ 8,270.94 Million (31.03.2011: ₹ 5,641.59 Million) and of Associates (Indraprastha Medical Corporation Limited, Apollo Health Street Limited, Family Health Plan Limited and Stemcyte India Therapautics Private Limited) which reflect the Group's share of profit of ₹ 70.99 million (31.03.2011: profit of ₹ 83.77 Million) for the year, and upto 31st March 2012 profit of ₹ 1,367.01 million (31.03.2011: Profit of ₹ 1,347.34 Million), ***is subject to adjustment based on the observation of the independent auditor of Apollo Health Street Limited as stated in clause (v) of this Auditors Report and the profit for the year will be consequently less by ₹ 189.34 million resulting in the Group's share of loss of ₹ 188.91 million for the year and profit upto 31st March 2012 will be less by ₹ 189.34 million,*** have been audited by other auditors (Unique Home Health Care Limited and Apollo Munich Health Insurance Company Limited audited by us) whose reports have been furnished to us, and in our opinion:

a) The effect of the impairment loss, if any which has been reported by the auditors of Apollo Health Street Limited, an associate, has not been considered for the purpose of consolidation and no adjustment has been made to the group share of Total assets as the auditors have not quantified the quantum of impairment loss.

b) The consolidated financial statements include the Associate group share of loss of ₹ 11.87 million (Previous year ₹ 8.82 million) of Stemcyte India Therapautics Private Limited, is based on the unaudited management certified accounts.

c) The Consolidated financial statements include the Joint venture share of profit of ₹ 53.81 million (Previous year ₹ 137.73 million) of Apollo Gleneagles Hospitals Limited, is based on the unaudited management certified accounts.

v. a) In the case of Apollo Health Street Limited, an associate, as discussed more fully in Note 37 (e) (ii) of Consolidated Financial Statements, the Company has not recorded mark-to-market losses as at 31st March 2012, on outstanding interest rate swaps executed by its overseas subsidiary aggregating to ₹ 480.81 million (March 31, 2011- ₹ 645.48 million) as required by the Institute of Chartered Accountants of India's announcement on derivatives, since in the opinion of management such swap instruments were executed to hedge interest rates movements and loss as at the Balance Sheet date is notional. Accordingly derivative expense is lower by ₹ 480.81 million and the reported profit is higher by ₹ 480.81 million.

b) In the case of Apollo Health Street Limited, an associate, the financial statements do not include any adjustments for impairment loss if any, on the carrying value of Goodwill paid on various acquisitions made by the Company. Management on the basis of its estimates and projections of future cash flows believes that the entire carrying value of Goodwill of ₹ 7,924.47 million (March 31, 2011- ₹ 6,917.08 million) is recoverable in the ordinary course of business. Based on our review of the projections and our understanding of the underlying assumptions, we are unable to comment on appropriateness of the assumptions and consequently on the achievability of the projected cash flows.

vi. Subject to the matters specified in (v)(a), (b) and read with our comments in paragraph (iv) above

a) We report that the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard 21, 'Consolidated Financial Statements', Accounting Standard 23, 'Accounting for Investment in Associates in Consolidated Financial Statements' and Accounting Standard 27, 'Financial Reporting of Interests in Joint Ventures' issued by The Institute of Chartered Accountants of India.

b) Based on our audit and on consideration of the reports of other independent auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) In the case of the Consolidated Balance Sheet, of the state of affairs of the group as at 31st March 2012;

(b) In the case of the Consolidated Statement of Profit and Loss, of the results of operations of the group for the year ended on that date; and

(c) In the case of the Consolidated Cash Flow Statement, of the cash flows of the group for the year ended on that date.

17, Bishop Wallers Avenue (West),	For **M/s.S.VISWANATHAN**
CIT Colony, Mylapore,	Chartered Accountants
Chennai - 600 004.	Firm Registration No. 004770S
	V.C. KRISHNAN
Place: Chennai	Partner
Date : 29th May 2012	Membership No. 022167

Consolidated Balance Sheet

AS AT 31ST MARCH 2012

(₹ in million)

Particulars	Note	31.03.2012	31.03.2011
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	4	672.33	623.55
(b) Reserves and surplus	5	24,008.81	17,680.79
(c) Money received against share warrants		387.05	685.07
2 Minority Interest		125.60	248.76
3 Non-current liabilities			
(a) Long-term borrowings	7	5,743.76	7,480.08
(b) Deferred tax liabilities (Net)	8	1,795.92	1,100.74
(c) Other Long term liabilities	9	51.44	54.46
(d) Long-term provisions	10	2,721.40	2,080.59
4 Current liabilities			
(a) Short-term borrowings	11	1,749.87	1,427.30
(b) Trade payables		1,903.31	1,922.49
Add : Share of Joint Ventures		586.57	485.65
(c) Other current liabilities	12	2,242.72	1,796.38
(d) Short-term provisions	13	781.93	693.81
TOTAL		**42,770.71**	**36,279.67**
II. ASSETS			
1. Goodwill on Consolidation		1,350.45	676.50
2. Non-current assets			
(a) Fixed assets			
(i) Tangible assets	14	18,566.03	14,485.94
(ii) Intangible assets	15	196.05	132.63
(iii) Capital work-in-progress	16	1,976.46	3,497.61
(iv) Intangible assets under development		116.23	112.35
(b) Non-current investments	17	4,421.74	3,861.45
(c) Deferred tax assets (Net)	8	245.01	255.93
(d) Long-term loans and advances	18	5,274.34	4,469.52
3. Current assets			
(a) Current investments	19	1,219.83	1,158.61
(b) Inventories	20	1,915.38	1,584.44
(c) Trade receivables	21	3,867.33	3,003.14
(d) Cash and cash equivalents	22	2,368.38	1,781.17
(e) Short-term loans and advances	23	984.36	988.43
(f) Other current assets	24	269.12	271.95
TOTAL		**42,770.71**	**36,279.67**
III. CONSOLIDATED NOTES FORMING PART OF ACCOUNTS	1-44		

As per our Report annexed
For **M/s. S. Viswanathan**
Chartered Accountants
Firm Registration No. 004770S

V C Krishnan
Partner
(Membership No. 022167)
17, Bishop Wallers Avenue (West)
Mylapore, Chennai - 600 004

Place : Chennai
Date :29th May 2012

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
General Manager - Project Finance
& Company Secretary

For and on behalf of the Board of Directors

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Managing Director

Suneeta Reddy
Joint Managing Director

Consolidated Statement of Profit And Loss

FOR THE YEAR ENDED 31ST MARCH 2012

(₹ in million)

	Particulars	Note	31.03.2012	31.03.2011
I	REVENUE FROM OPERATIONS	25	29,577.07	24,636.56
	Add : Share of Joint Ventures		1,898.18	1,416.94
II	OTHER INCOME	26	259.07	148.85
	TOTAL REVENUE		**31,734.32**	**26,202.35**
III	EXPENSES			
	(a) Cost of materials consumed during the year		8,393.30	7,565.41
	(b) Purchase of Stock-in-Trade		6,898.82	5,328.22
	(c) Changes in inventories of stock-in-trade		(190.32)	(141.37)
	Add : Share of Joint Ventures		521.47	396.35
	(d) Employee benefits expense	27	5,028.60	4,151.16
	(e) Finance costs	28	891.41	778.47
	(f) Depreciation and amortization expense #		1,239.10	947.51
	(g) Other expenses	29	5,692.22	4,563.43
	TOTAL EXPENSES		**28,474.60**	**23,589.18**
IV	PROFIT BEFORE TAX		**3,259.73**	**2,613.18**
V	TAX EXPENSES			
	(1) Current Tax / (MAT)		672.11	588.45
	less : MAT Credit Entitlement		(229.27)	(8.03)
	Net Current Tax		442.84	580.42
	(2) Add : Excess Provision of earlier years written back		-	13.58
	(3) Deferred tax	8	713.63	328.32
	(4) Add : Deferred tax Asset	8	6.86	22.21
VI	PROFIT / (LOSS) FOR THE PERIOD		2,110.13	1,740.23
	Less : Minority Interest		(12.34)	(15.23)
VII	PROFIT AFTER MINORITY INTEREST		2,122.47	1,755.46
	Add : Share in Associates		70.99	83.77
VIII	PROFIT AFTER SHARE IN ASSOCIATES		2,193.46	1,839.22
IX	EARNINGS PER EQUITY SHARE	32		
	(1) Basic		16.83	14.84
	(2) Diluted		16.30	14.37
X	CONSOLIDATED NOTES FORMING PART OF ACCOUNTS	1-44		

Includes ₹ 38.68 million of the group share of impairment of fixed assets of Quintiles phase one Clinical Trials India pvt Ltd.

As per our Report annexed
For **M/s. S. Viswanathan**
Chartered Accountants
Firm Registration No. 004770S

V C Krishnan
Partner
(Membership No. 022167)
17, Bishop Wallers Avenue (West)
Mylapore, Chennai - 600 004

Place : Chennai
Date : 29th May 2012

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
General Manager - Project Finance
& Company Secretary

For and on behalf of the Board of Directors

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Managing Director

Suneeta Reddy
Joint Managing Director

Notes Forming Part of Accounts

Accounting Policies & Notes forming part of Consolidated Accounts of Apollo Hospitals Enterprise Limited, its Subsidiaries, Associates and Joint Ventures.

1. BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention under accrual method of accounting and as a going concern, in accordance with the Generally Accepted Accounting Principles (GAAP) prevalent in India and the Mandatory Accounting Standards as notified under the Companies (Accounting Standards) Rules, 2006 and according to the provisions of the Companies Act, 1956.

APOLLO HOSPITAL (UK) LIMITED

The financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Suitable accounting policies are selected and applied consistently and judgments and estimates made are reasonable and prudent. The financial statements have been prepared on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

QUINTILES PHASE ONE CLINICAL TRIALS INDIA PRIVATE LIMITED

The Company is a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under Section 211 (3C) [Companies (Accounting Standards) Rules 2006 as amended] of the Companies Act, 1956. Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium Sized Company.

APOLLO MUNICH HEALTH INSURANCE COMPANY LIMITED

The financial statements have been prepared in accordance with generally accepted accounting principles and practices followed in India and conform to the statutory requirements of the Insurance Act, 1938, The Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002, orders and directions issued by IRDA in this regard, The Companies Act, 1956 to the extent applicable and the accounting standards issued by the Institute of Chartered Accountants of India (ICAI) to the extent applicable. The financial statements have been prepared on 'historical cost convention and on accrual basis' as a going concern.

2. BASIS OF CONSOLIDATION

The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21-Consolidated Financial Statements, Accounting Standard 23-Accounting for Investment in Associates in Consolidated Financial Statements and Accounting Standard 27-Financial Reporting of Interests in Joint Ventures, as notified under the Companies (Accounting Standards) Rules, 2006.

A. Investment in Subsidiaries

1. The Subsidiary Companies considered for the purpose of consolidation are:

Name of the Subsidiary	Country of Incorporation	% of holding as on 31st March 2012	% of holding as on 31st March 2011
Unique Home Health Care Limited	India	100	100
AB Medical Centres Limited	India	100	100
Apollo Health and Lifestyle Limited	India	100	100
Samudra Healthcare Enterprise Limited	India	100	100
Imperial Hospital & Research Centre Limited #	India	85.76	51
Apollo Hospital (UK) Limited	United Kingdom	100	100
Pinakini Hospitals Limited	India	74.94	74.94
Apollo Cosmetic Surgical Centre Private Limited	India	69.40	61
Alliance Medicorp (India) Limited	India	51	51
Western Hospitals Corporation Private Limited ##	India	100	40
ISIS Healthcare India Private Limited*	India	*	*
Mera Healthcare Private Limited*	India	*	*
Apollo Koramangla Cradle Limited*	India	*	-
Alliance Dental Care Private Limited@	India	@	@

#Formerly Imperial Cancer Hospital & Research Centre Limited

100% subsidiary of Apollo Hospitals Enterprise Limited during the year.

* 100% subsidiary of Apollo Health and Lifestyle Limited.

@ Subsidiary of Alliance Medicorp (India) Limited, in which AHEL holds 8.94%

2. Financial Statements of all the subsidiaries have been drawn upto 31st March 2012.

3. Minority Interest consists of the share in the net assets of the subsidiaries, as on the date of Balance Sheet.

4. The amount of Deferred Revenue Expenditure (attributable to the Parent Company) not written off at the end of the financial year immediately preceding the date of acquisition of a Subsidiary Company has been duly adjusted and the amount appearing as deferred revenue expenditure in the Balance Sheet are those pertaining to the post acquisition period.

B. Investment in Associates

1. The Associate Companies considered in the Consolidated Financial Statements are:

Name of the Associate Company	Country of Incorporation	Proportion of ownership interest (%) as on 31st March 2012	Proportion of ownership interest (%) as on 31st March 2011
Indraprastha Medical Corporation Limited	India	22.03	21.06
Family Health Plan Limited	India	49.00	49.00
Apollo Health Street Limited *	India	39.38*	39.38*
Stemcyte India Therapautics Private Limited	India	24.50	13.05

* Apollo Hospitals Enterprise Limited directly holds 38.69% in Apollo Health Street Limited (formerly Apollo Health Street Private Limited) and a further 0.69% through its wholly owned subsidiary Unique Home Health Care Ltd.

2. The financial statements of all associates are drawn upto 31st March 2012.

3. In the case of Stemcyte India Therapautics Private Limited, an associate, unaudited management certified accounts has been taken for consolidation.

C. Investments in Joint Ventures

1. The following are jointly controlled entities.

Name of the Company	Country of Incorporation	Proportion of ownership interest (%) as on 31st March 2012	Proportion of ownership interest (%) as on 31st March 2011
Apollo Gleneagles Hospitals Limited	India	50	50
Apollo Gleneagles PET - CT Private Limited#	India	50	50
Apollo Hospitals International Limited**	India	50**	50**
Future Parking Private Limited ##	India	49	-
Apollo Munich Health Insurance Company Limited*	India	10.45	11.01
Apollo Lavasa Health Corporation Limited ***	India	34.66	34.66
Quintiles Phase One Clinical Trials India Private Limited	India	40	40

Formerly Apollo Gleneagles PET CT Limited.

** Apollo Hospitals Enterprise Limited directly holds 8% in Apollo Hospitals International Limited and a further 42% through its wholly owned subsidiary Unique Home Health Care Limited.

Jointly controlled entity from FY 2011-12

* Formerly known as Apollo DKV Insurance Company Limited.

*** Apollo Lavasa Health Corporation Limited has been considered as joint venture based on the substance of the agreement between Apollo Lavasa Health Corporation Limited and Apollo Hospitals Enterprise Limited.

2. The Financial statements of all the Joint Ventures are drawn upto 31st March 2012.

3. In the case of Apollo Gleneagles Hospitals Limited, a joint venture, unaudited Management Certified Accounts has been taken for consolidation.

4. The Group's interests in the Joint Ventures accounted for using proportionate consolidation in the Consolidated Financial Statements are:

(4) The groups interests in the joint venture accounted for using proportionate consolidation in the Consolidated Financial Statements are:

(₹ in million)

	As at 31st March, 2012	As at 31st March, 2011
I ASSETS		
Non-current assets		
(a) Fixed assets		
(i) Tangible assets	2,121.08	2,134.87
(ii) Intangible assets	10.06	9.36
(iii) Capital work-in-progress	43.30	29.00
(iv) Intangible assets under development	-	-
(b) Non-current investments	342.09	277.53
(c) Deferred tax assets (net)	93.40	107.46
(d) Long-term loans and advances	145.80	27.21
Current assets		
(a) Current investments	10.11	72.21
(b) Inventories	26.02	27.46
(c) Trade receivables	234.45	202.63
(d) Cash and cash equivalents	257.34	190.61
(e) Short-term loans and advances	82.30	38.50
(f) Other current assets	45.59	78.67
II LIABILITIES		
Non-current liabilities		
(a) Long-term borrowings	743.18	1,039.19
(b) Deferred tax liabilities (Net)	53.21	1.48
(c) Other Long term liabilities	15.34	4.17
(d) Long-term provisions	32.13	3.33
Current liabilities		
(a) Short-term borrowings	259.23	155.34
(b) Trade payables	586.57	485.65
(c) Other current liabilities	389.80	194.10
(d) Short-term provisions	4.01	9.06
III INCOME		
Revenue from operations	1,898.18	1,416.94
Other income	13.24	13.64
IV EXPENSES		
(a) Material consumption, purchase of stock in trade and changes in inventories	521.47	396.35
(b) Employee benefits expense	345.33	280.55
(c) Finance costs	130.44	116.71
(d) Depreciation and amortization expense	198.85	139.12
(e) Other expenses	793.42	554.89
Profit before tax	(78.08)	(57.04)
(a) Provision for Taxation(Including Deferred Tax Liability)	67.16	3.80
(b) Add: Deferred tax asset	0.05	9.82
Net Profit	(145.20)	(51.02)
V OTHER MATTERS		
(a) Contingent Liabilities	225.94	189.82
(b) Capital Commitments	34.32	17.00

D. As far as possible the Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances, and are presented in the same manner as the Company's separate financial statements.

E. The effects arising out of variant accounting policies among the group Companies have not been calculated and dealt with in the Consolidated Financial Statements since it is impracticable to do so. Accordingly, the variant accounting policies adopted by the Subsidiaries, Associates and Joint Ventures have been disclosed in the financial statements.

F. For the fiscal year ending 31st March 2012, the Company (AHEL) has been exempted from publishing the standalone accounts of all fourteen of its subsidiaries under section 212(1) of the Companies Act, 1956. However, necessary disclosure under section 212(1) has been made.

G. The foreign operations of the Company are considered as non - integral foreign operations. Hence, the assets and liabilities have been translated at the exchange rate prevailing on the date of Balance Sheet, Income and Expenditure has been translated at average exchange rates prevailing during the reporting period. Resultant currency exchange gain or loss is transferred to Foreign Currency Translation Reserve.

3. SIGNIFICANT ACCOUNTING POLICIES

A. Use of Estimates

The preparation of financial statement in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported values of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from the estimates.

B. Inventories

1. The inventories of all medicines, medicare items traded and dealt with by the Company are valued at cost. In the absence of any further estimated costs of completion and estimated costs necessary to make the sale, the Net Realisable Value is not applicable. Cost of these inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location after adjusting for VAT wherever applicable, applying the FIFO method.

2. Stock of provisions, stores (including lab materials and other consumables), stationeries and housekeeping items are stated at cost. The net realisable value is not applicable in the absence of any further modification/alteration before being consumed in-house only. Cost of these inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location, after adjusting for VAT wherever applicable applying FIFO method.

3. Surgical instruments, linen, crockery and cutlery are valued at cost and are subject to 1/3 write off wherever applicable applying FIFO method. The net realisable value is not applicable in the absence of any further modification/alteration before being consumed in-house. Cost of these inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location.

4. Imported inventories are accounted for at the applicable exchange rates prevailing on the date of transaction. (Also refer Note 26 in the Notes forming part of Accounts).

Alliance Medicorp (India) Limited

Inventories are stated at lower of cost or net realizable value. Cost of Inventory comprises cost of purchase of inventories. Net Realizable value represent the estimated selling price less all estimated cost necessary to complete the sale.

Apollo Gleneagles Hospitals Limited

Inventories are valued at lower of the cost or net realizable value. Costs have been calculated on first- in, first- out basis. Items such as surgical instruments/tools etc. are charged out over a period of 36 months from the month of their purchase.

Indraprastha Medical Corporation Limited

i) Inventories are valued at lower of cost and net realizable value.

ii) The cost in respect of the items constituting the inventories has been computed on FIFO basis.

C. Prior Period Items and Extraordinary Items

Prior period items and extraordinary items are separately classified, identified and dealt with as required under Accounting Standard 5 on 'Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies' as notified under the Companies (Accounting Standards) Rules, 2006.

D. Depreciation and Amortisation

i. Depreciation has been provided

a. On assets installed after 1st April, 1987 on straight line method at rates specified in Schedule XIV of the Companies Act, 1956 on single shift basis.

b. On assets installed prior to 2nd April 1987 on straight-line method at the rates equivalent to the Income Tax rates.

ii. Depreciation on new assets acquired during the year is provided at the rates applicable from the date of acquisition to the end of the financial year.

iii. In respect of the assets sold during the year, depreciation is provided from the beginning of the year till the date of its disposal.

iv. Individual assets acquired for ₹. 5,000/- and below are fully depreciated in the year of acquisition.

Apollo Hospitals Enterprise Limited

v. Amortization

a. The cost/premium of land and building taken on lease by the Company from Orient Hospital, Madurai will be amortised over a period of 30 years though the lease is for a period of 60 years.

The cost/premium of land and building taken additionally on lease by the Company at Madurai is for a period of 9 years with an option to extend the lease by another 16 years. The depreciation on the leasehold building is charged on a straight line basis with the lease period being considered as 25 years.

The Company has taken land in Karaikudi from Apollo Hospitals Educational Trust on lease for a period of 30 years. The building constructed on the lease land will be amortised over a period of 30 years. This is in conformity with the definition of lease term as per Clause 3 of AS 19 'Leases' as notified under the Companies (Accounting Standards) Rules, 2006.

b. Lease rental on operating leases is recognised as an expense in the Statement of Profit and Loss on straight-line basis as per the terms of the agreement in accordance with Accounting Standard 19 'Leases' as notified under the Companies (Accounting Standards) Rules, 2006.

A B Medical Centres Limited

Depreciation on Fixed Assets purchased before December 1993 are provided on Straight Line Method (on pro-rata basis) at the old rates prescribed in Schedule XIV of the Companies Act, 1956 and assets purchased after January 1994 are provided on Straight Line Method (on pro-rata basis) at the new rates prescribed in Schedule XIV of the Companies Act, 1956.

Alliance Medicorp (India) Limited

Depreciation is provided on "Written down value" method as per the rates prescribed in Schedule XIV of the companies Act, 1956.

Apollo Cosmetic Surgical Center Private Limited

Depreciation on fixed assets has been provided on "Written Down Value" method as per Schedule XIV of the Companies Act, 1956.

Apollo Health and Lifestyle Limited

Depreciation is provided using the straight-line method, pro rata for the period of use of the assets, at annual depreciation rates stipulated in Schedule XIV to the Indian Companies Act, 1956, or based on the estimated useful lives of the assets, whichever is higher, as follows:-

Asset	Rates of Depreciation
Furniture and Fittings	6.33%
Leasehold Improvements	20.00%
Leasehold Improvements - Furniture	6.33%
Office Equipment	4.75%
Air Conditioners	4.75%
Electrical Installation	4.75%
Computers	16.21%
Broadband Connections	16.21%
Vehicles	9.50%
Medical Equipments	7.07%
Vehicles -Motor vehicle	20.00%

Apollo Gleneagles Hospitals Limited

Depreciation on fixed assets is provided for on straight line basis as follows:

(a) Hospital Buildings - at 3.33 %.

(b) Other Assets - As per Schedule XIV of the Companies Act, 1956.

Apollo Lavasa Health Corporation Limited

Depreciation has been provided on the written Down Value method as per the rates prescribed in Schedule XIV to the Companies Act, 1956 except. Intangible assets (computers software) are amortized at same rate of computers.

Apollo Munich Health Insurance Company Limited

Depreciation on fixed assets is provided on straight line method (SLM) with reference to the management's assessment of the estimated useful life of the asset or rates mentioned in Schedule XIV to Companies Act, 1956, whichever is higher. The depreciation rates used are given below:

Asset Class	Rate of Depreciation
Information Technology Equipment	25%
Computer Software	20%
Office equipments	25%
Furniture & Fixtures	25% or on the basis of lease term of premises, whichever is higher
Vehicles	20%
Media Films	33%

Assets individually costing up to ₹ 20,000 are fully depreciated in the year of purchase. Depreciation on assets purchased / disposed off during the year is provided on pro- rata basis with reference to the date of addition / deletion.

Quintiles Phase One Clinical Trials India Private Limited

Depreciation on tangible assets is provided at the rates prescribed in Schedule XIV to the Companies Act, 1956, or at the rates determined based on the useful life of the asset, as estimated by the management, whichever is higher. Depreciation is provided based on the Straight Line Method. The rates adopted for depreciation determined on the basis of useful life of tangible assets are as follows:

Asset	Rate of Depreciation (p.a)
Hospital Equipment	15%
Computers	20%
Office Equipment	15%
Furniture	15%
Vehicles	20%

Fixed assets costing less than ₹ 5,000 and mobile phones are depreciated fully in the year of purchase.

Leasehold Improvements are amortized over the primary period of lease i.e. 5 years.

Apollo Health Street Limited

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule XIV to the Companies Act, 1956, whichever is higher, as mentioned below:

Asset Description	Rates considered	Schedule XIV Rates
Buildings	4.00%	1.63%
Computers and computer equipments	33.33%	16.21%
Office equipments	20.00%	4.75%
Furniture and fixtures	20.00%	6.33%
Vehicles	20.00%	9.75%

Assets individually costing less than ₹ 5,000 are fully depreciated in the year of acquisition

Family Health Plan (TPA) Limited

Depreciation has been provided on the written Down Value method as per the rates prescribed in Schedule XIV to the Companies Act, 1956 except: Intangible assets (computers software) are amortized at same rate of computers.

Indraprastha Medical Corporation Limited

a. Depreciation is charged on straight line method at the rates prescribed under schedule XIV to the Companies Act, 1956 (considered the minimum rate) or at higher rates, if the estimated useful life based on technological evaluation of the assets are lower than as envisaged under Schedule XIV to the Companies Act. In case of additions and deletions during the year, the computations are on the basis of number of days for which the assets have been in use. Assets costing not more than ₹ 5,000/- each individually have been depreciated fully in the year of purchase.

b. When impairment loss / reversal is recognized, the depreciation charge for the asset is adjusted in future periods to allocate the assets' revised carrying amount, less its residual value (if any) on a systematic basis over its remaining useful life.

Amortisation of Intangible Assets

i. Intangible assets are amortised on straight line method over the estimated useful life of the asset.

ii. The useful life of the intangible assets for the purpose of amortisation is estimated to be three years.

E. Revenue Recognition

a. Income from Healthcare Services is recognised on completed service contract method. The hospital collections of the Company are net of discounts. Revenue also includes the value of services rendered pending final billing in respect of in-patients undergoing treatment as on 31st March 2012.

b. Pharmacy Sales are recognised when the risk and reward of ownership is passed to the customer and are stated net of returns, discounts and exclusive of VAT wherever applicable.

c. Hospital Project Consultancy income is recognised as and when it becomes due, on percentage completion method, on achievement of milestones.

d. Income from Treasury Operations is recognised on receipt or accrual basis whichever is earlier.

e. Interest income is recognised on a time proportion basis taking into account the principal amount outstanding and the rate applicable.

f. Royalty income is recognised on an accrual basis in accordance with the terms of the relevant agreement.

g. Dividend income is recognised as and when the owners' right to receive payment is established.

Alliance Medicorp (India) Limited

Dialysis income is recognized as and when the related services are performed.

Other income is accounted on accrual basis except where receipt of income is uncertain.

Apollo Health and Lifestyle Limited

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

The Company has recognized revenue as follows

a. One Time License Fees

- With reference to Clinics the 70% of One Time License fee is recognized on signing the MOU, 15% on completion of 3 months from date of signing MOU and balance 15% on commencing of operation.
- With Reference to Cradle the One Time License fee is recognized based on percentage of Completion method.

b. Operating License Fee

- Operating License Fee is recognized as a percentage of the gross sales.

c. Clinics operational income

- Owned clinics are recognizing the revenues on basis of the services rendered on cash or on accrual basis whichever is earlier.

d. Corporate services Fee

- Corporate services fee is recognized on basis of the services rendered and as per the terms of the agreement.

e. Other Incomes

- All other incomes are recognized on a pro-rata basis, based on the completion of work and as per the terms of the agreement.

f. Interest

- Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable Interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

All the above incomes are recognized net of Service tax or VAT wherever applicable

Unique Home Health Care Limited

Income from medical services is recognized net of payment to Medical Staff.

Income from Hostel Receipts is recognized net of payment made towards hostel rent and mess expenses and is accounted on accrual basis.

Apollo Munich Health Insurance Company Limited

a. Premium

Premium (net of service tax) is recognized as income over the contract period or period of risk, whichever is appropriate. Any subsequent revision or cancellation of premium is accounted for in the year in which they occur.

b. Commission on Reinsurance Premium

Commission on reinsurance ceded is recognized as income in the year of cession of reinsurance premium. Profit commission under reinsurance treaties, wherever applicable, is recognized in the year of final determination of the profits and as intimated by the reinsurer.

c. Premium Deficiency

Premium deficiency is recognized whenever the ultimate amount of expected claims, related expenses and maintenance costs exceeds related sum of premium carried forward to the subsequent accounting period as reserve for unexpired risk.

d. Reserve for Unexpired Risk

Reserve for unexpired risk represents that part of the net premium (premium net of reinsurance ceded) attributable to the succeeding accounting period subject to a minimum amount of reserves as required by Section 64V (1) (ii) (b) of Insurance Act, 1938.

e. Interest / Dividend Income

Interest income is recognized on accrual basis. Accretion of discounts and amortization of premium relating to debt securities is recognized over holding /maturity period. Dividend is recognized when the right to receive the dividend is established.

Quintiles Phase One Clinical Trials India Private Limited

Income from fixed deposits is recognized on a time proportion basis taking into account the amount invested and the rate of interest.

Apollo Health Street Limited

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The Group recognises revenue from the last billing date to the balance sheet date for work performed but not billed as unbilled revenues which are included in other current assets.

The Group recognises revenue on the following basis:

a)	Revenue Cycle Management Services	Fees for services are primarily based on percentage of net collections on clients accounts receivable. Revenue is recognized when the right to receive such revenue is established.
b)	Professional services fees including medical coding and billing services.	On rendering of the services based on the terms of the agreements/ arrangements with the concerned parties.
c)	Time and material contracts	Revenues are recognized on the basis of time spent and duly approved by the respective customers.
d)	Software development and implementation	**Software development:** On the basis of software developed and billed, as per the terms of contracts based on milestones achieved under the percentage of completion method. **Software implementation:** On the completion of installation based on the terms of arrangements with the concerned parties.
e)	Interest	Revenue is recognised on a time proportionate basis taking into account the amounts outstanding and the rates applicable.

The Group collects service tax on domestic services on behalf of government and, therefore, it is not an economic benefit flowing to the Group. Hence, it is excluded from revenue.

Family Health Plan (TPA) Limited

The revenue from TPA operations is accounted in line with the wordings in the mediclaim policy, which specifies the conditions under which the premium paid will be refunded, thereby aligning the revenue recognition with the policy wordings.

All other streams of revenue are being recognized on accrual basis and prorated till the end of the financial year. Income from TPA operations is recognized exclusive of applicable service tax.

Indraprastha Medical Corporation Limited

a. Revenue is recognized on accrual basis. Hospital Revenue comprises of income from services rendered to the out-patients and in-patients. Revenue also includes value of services rendered pending billing in respect of in-patients undergoing treatment as on 31st March, 2012.

b. Under the "Served from India Scheme" introduced by Government of India, an exporter of service is entitled to certain export benefits on foreign currency earned. The revenue in respect of export benefits is recognized on the basis of the foreign exchange earned at the rate at which the said entitlement accrues to the extent there is no significant uncertainty as to the amount of consideration that would be derived and as to its ultimate collection.

F. FIXED ASSETS

a. All Fixed Assets are stated at their original cost of acquisition less accumulated depreciation and impairment losses are recognised where necessary (Also refer Note 3(N) in the Notes forming part of Accounts). Additional cost relating to the acquisition and installation of fixed assets are capitalised. Wherever VAT is eligible for input availment, Fixed Assets are stated at cost of acquisition after deduction of input VAT.

b. Capital work - in - progress comprises of and amounts expended on development/acquisition of Fixed Assets that are not yet ready for their intended use at the Balance Sheet Date. Expenditure during construction period directly attributable to the projects under implementation is included under Capital work - in - progress, pending allocation to the assets. Advances paid to acquire fixed assets hitherto included in the CWIP is now included under long term loans and advance as per revised Schedule VI.

c. Assets acquired under Hire Purchase agreements are capitalised to the extent of principal value, while finance charges are charged to revenue on accrual basis.

d. Interest on borrowings, for acquisition of Fixed Assets and exchange fluctuation arising out of foreign borrowings and the related revenue expenditure incurred for the period prior to the commencement of operations for the expansion activities of the Company are capitalised.

G. TRANSACTIONS IN FOREIGN CURRENCIES

a. Monetary items relating to foreign currency transactions remaining unsettled at the end of the year are translated at the exchange rates prevailing at the date of Balance Sheet. The difference in translation of monetary items and the realised gains and losses on foreign exchange transactions are recognised in the Statement of Profit and Loss in accordance with Accounting Standard 11. 'The Effects of Changes in Foreign Exchange Rates (Revised 2003)', as notified under the Companies (Accounting Standards) Rules, 2006 (Also refer Note 26 (b) in the Notes forming part of Accounts).

b. Exchange differences arising on settlement or restatement of foreign currency denominated liabilities borrowed for the acquisition of Fixed Assets, hither to recognized in the Statement of Profit and Loss are now capitalised based on Para 46A of Accounting Standard-11. 'The Effects of Changes in Foreign Exchange Rates (Revised 2003).

c. The use of foreign currency forward contract is governed by the Company's policies approved by the Board of Directors. These hedging contracts are not for speculation. All outstanding derivative instruments at close are marked to market by type of risk and the resultant profits/losses relating to the year, if any, are recognised in the Statement of Profit and Loss. (Also refer Note 26 (a) in the Notes forming part of Accounts).

Apollo Health Street Limited

i. Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

iii. Exchange difference

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise except those arising from investment in non-integral operations.

Exchange differences arising on a monetary item that, in substance, from part of the groups' net investment in a non-integral foreign operation is accumulated in a foreign currency translation reserve in the financial statements until the disposal of net investment, at which time they are recognised as income or expense.

iv. Forward exchange contracts not intended for trading or speculation purposes.

The premium or discount arising at the inception of forward exchange contracts is amortised and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is recognised as income or as expense for the year.

v. Foreign branch

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the group itself.

vi. Foreign Currency translation

The reporting currency for AHSL is the Indian Rupee. The overseas subsidiaries have been identified as non-integral operations as they accumulate cash and other monetary items, incur expenses, generate income and arrange borrowings, substantially in their local currency. Assets and liabilities, both monetary and non-monetary of overseas subsidiaries are translated at the exchange rates as at the date of balance sheet. Income and expenses are translated at average exchange rate for the reporting year. Resultant currency translation exchange gain or loss is carried as foreign currency translation reserve until the disposal of the net investment.

H. Investments

Investments are classified as current or long term in accordance with Accounting Standard 13 on 'Accounting for Investments'

a. Long-term investments are stated at cost to the Company in accordance with Accounting Standard 13 on 'Accounting for Investments'. The Company provides for diminution in the value of Long-term investments other than those temporary in nature.

b. Current investments are valued at lower of cost and fair value. Any reduction to carrying amount and any reversals of such reductions are charged or credited to the Statement of Profit and Loss.

c. On disposal of an investment, the difference between the carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

d. In case of foreign investments,

   i. The cost is the rupee value of the foreign currency on the date of investment.

   ii. The face value of the foreign investments is shown at the face value reflected in the foreign currency of that country.

Apollo Munich Health Insurance Company Limited

Investments are made in accordance with the Insurance Act, 1938 and Insurance Regulatory & Development Authority (Investment) Regulations, 2000, as amended from time to time. Investments are recorded at cost including acquisition charges (such as brokerage, transfer stamps) if any, and exclude interest paid on purchase. Debt securities, including Government securities are considered as held to maturity and are stated at historical cost adjusted for amortization of premium and/or accretion of discount over the maturity period of securities on straight line basis.

Listed and actively traded securities are measured at fair value as at the Balance Sheet date. For the purpose of calculation of fair value, the lowest value of the last quoted closing price of the stock exchanges is considered wherever the securities are listed. Unrealized gain! losses due to change in fair value of listed securities is credited / debited to 'Fair Value Change Account', Investments in Units of Mutual funds are stated at fair value being the closing Net Asset Value (NAV) at Balance Sheet date. Unrealized gains/losses are credited /debited to the 'Fair Value Change Account'.

I. Employee Benefits

Short-term employee benefits (benefits which are payable within twelve months after the end of the period in which the employees render service) are measured at cost.

Long-term employee benefits (benefits which are payable after the end of twelve months from the end of the period in which employees render service), and post employment benefits (benefits which are payable after completion of employment), are measured on a discounted basis by the Projected Unit Credit Method, on the basis of annual third party actuarial valuations.

Defined Contribution Plan

The Company makes contribution towards Provident Fund and Employees State Insurance as a defined contribution retirement benefit fund for qualifying employees.

The Provident Fund Plan is operated by the Regional Provident Fund Commissioner. Under the scheme, the Company is required to contribute a specified percentage of payroll cost, as per the statute, to the retirement benefit schemes to fund the benefits. Employees State Insurance dues are remitted to Employees State Insurance Corporation.

Defined Benefit Plans

For Defined Benefit Plan the cost of providing benefits is determined using the Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. Actuarial Gains or Losses are recognised in full in the Statement of Profit and Loss for the period in which they occur.

a. Gratuity

The Company makes annual contribution to the Employees' Group Gratuity-cum-Life Assurance Scheme of the ICICI and Life Insurance Corporation of India, for funding defined benefit plan for qualifying employees' and recognised as an expense. The Scheme provides for lump sum payment to vested employees' at retirement, death while in employment, or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service, or part thereof in excess of six months. Vesting occurs upon completion of five years of service. The Company restricts the payment of gratuity to the employees' below the rank of General Managers to the limits specified in the payment of Gratuity Act, 1972. However the Company complies with the norms of Accounting Standard 15.

b. Leave Encashment Benefits

The Company pays leave encashment Benefits to employees' as and when claimed, subject to the policies of the Company. The Company provides leave benefits through Annual Contribution to the fund managed by HDFC Life.

Imperial Hospital & Research Centre Limited

a. Gratuity:

The Company has made contribution towards a recognized gratuity fund. The provisions made are on the basis of actuarial valuation. The following are recognized in the financial statement.

₹ in million

PV of past services benefit	6.21
Current Service Cost	2.43
Closing balance of the Planned Asset	0.04
Interest on Planned Asset	0.01

b. Provident Fund:

The Company is registered with the jurisdictional provident fund Commissioner for provident fund benefits and is contributing to the fund as per prescribed law. The contributions to the Provident fund are accounted on accrual basis.

c. Leave encashment benefits:

As per the company policy, every employee who has worked for a period of not less than 240 days during a calendar year shall be eligible for not less than 15 days privilege leave computed at the rate of one day for every 20 days of actual service. The provisions made in the books of account are on the basis of actuarial valuation.

Company in the previous year, recognized short term compensated absences on actual payment basis.

Unique Home Health Care Limited

a. The company is not covered by The Payment of Gratuity Act, 1972 since the number of employees is below the statutory minimum as prescribed by the Act.

b. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 is also not applicable to the company as the number of employees is below the statutory minimum.

c. The Employees State Insurance Act, 1948 is also not applicable to the company as the number of employees is below the statutory minimum.

d. The company does not have any leave encashment scheme or sick leave policy.

Apollo Health Street Limited

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The Group has no obligation, other than the contribution payable to the provident fund.

The Group operates a defined benefit plan for its employees, viz., gratuity. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out for the plan using the projected unit credit method. Actuarial gain and loss for the defined benefit plan is recognized in full in the period in which it occurs in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

J. Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such asset. As per Accounting Standard 16 'Borrowing costs', a qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are expensed as and when incurred.

K. Segment Reporting

Identification of Segments

The Company has complied with Accounting Standard 17- 'Segment Reporting' with Business as the primary segment.

The Company operates in a single geographical segment, which is India, and the products sold in the pharmacies, are regulated under the Drug Control Act, which applies uniformly all over the Country. The risk and returns of the enterprise are very similar in different geographical areas within the Country and hence there is no reportable secondary segment as defined in Accounting Standard 17.

Segment Policies

The accounting policies adopted for segment reporting are in line with the accounting policies adopted in consolidated financial statements with the following additional policies for Segment Reporting:

a. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under "unallocable expenses".

b. Inter segment revenue and expenses are eliminated.

The Company has disclosed this Segment Reporting in Consolidated Financial Statements as per para (4) of Accounting Standard 17- 'Segment Reporting'.

L. Earnings per Share

In determining the earnings per share, the Company considers the net profit after tax before extraordinary item and after extraordinary items and includes post - tax effect of any extraordinary items. The number of shares used in computing the basic earnings per share is the weighted average number of shares outstanding during the period. For computing diluted earnings per share, potential equity shares are added to the above weighted average number of shares.

M. Taxation

a. Income Tax

Income tax is computed using the tax effect accounting method, where taxes are accrued in the same period as and when the related revenue and expense arise. A provision is made for Income Tax annually based on the tax liability computed after considering tax allowances and exemptions.

b. Deferred Tax

The differences that result between the profit calculated for income tax purposes and the profit as per the financial statements are identified and thereafter deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and get reversed in another, based on the tax effect of the aggregate amount being considered. Deferred tax asset are not recognized unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. The tax effect is calculated on the accumulated timing differences at the beginning of this accounting year based on the prevailing enacted or substantively enacted regulations.

Apollo Health Street Limited

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the tax laws as applicable to the respective consolidated entities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each reporting date, the Group re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Group writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the "Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax" under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement". The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

N. Impairment

The carrying amounts of assets are reviewed at each Balance Sheet date to ascertain if there is any indication of impairment based on internal/external factors. An asset is treated as impaired based on the cash generating concept at the year end, when the carrying cost of assets exceeds its recoverable value, in terms of Para 5 to Para 13 of AS-28. 'Impairment of Assets' as notified under the Companies (Accounting Standards) Rules, 2006 for the purpose of arriving at impairment loss thereon, if any. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount.

O. Bad Debts Policy

The Board of Directors approves the Bad Debt Policy, on the recommendation of the Audit Committee, after the review of debtors every year. The standard policy for write off of bad debts is as given below subject to management inputs on the collectability of the same,

Period	% of write off
0-1 years	0%
1-2 years	25%
2-3 years	50%
Over 3 years	100%

P. Miscellaneous Expenditure

Preliminary, Public Issue, Rights Issue Expenses and Expenses on Private Placement of shares are amortised over 10 years.

Imperial Hospital & Research Centre Limited

Preliminary and pre-operative Expenses are amortized over a period of 5 years.

Q. Intangible Assets

Intangible assets are initially recognised at cost and amortised over the best estimate of their useful life. Cost of software including directly attributable cost, if any, acquired for internal use, is allocated / amortised over a period of 36 months to 120 months.

Apollo Health and Lifestyle Limited

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, Intangible assets are amortized on a straight line basis over the estimated useful economic Life. The company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the company amortizes the intangible asset over the best estimate of its useful life.

Imperial Hospital & Research Centre Limited

Cost of software including directly attributable cost, if any, acquired for internal use, is allocated /amortized over a period of 5 years.

Apollo Health Street Limited

An intangible asset is recognized, only where it is probable that future economic benefits attributable to the asset will accrue to the enterprise and the cost can be measured reliably. Intangible assets are stated at cost less accumulated amortization and impairment losses, if any. Goodwill arising on consolidation of acquired subsidiaries is carried at cost.

Cost of software is amortized on a straight line basis over its estimated useful life which ranges between one to three years. Cost of acquiring customer contract is amortized over non-cancellable period of such contract.

Indraprastha Medical Corporation Limited

- Intangible assets are amortised on straight line method over the estimated useful life of the asset.
- The useful life of the intangible assets for the purpose of amortisation is estimated to be three years.

R. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are not provided for unless a reliable estimate of probable outflow to the Company exists as at the Balance Sheet date. Contingent assets are neither recognised nor disclosed in the financial statements.

S. Lease

a. Operating Lease

Leases where the lessor effectively retains substantially all the risks and the benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the statement of Profit and Loss on a straight-line basis over the lease term.

b. **Finance Lease**

Apollo Health Street Limited

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental of the leased item, are capitalized at the inception of the lease term at the lower of the fair value and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in Schedule XIV to the Companies Act, 1956, whichever is lower. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule XIV to the Companies Act, 1956.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

T. Share Based Payments

Apollo Health Street Limited

Employee compensation expenses, where applicable, in respect of stock options granted to the employees are recognised over vesting period on straight line basis using intrinsic value method as prescribed in "Guidance Note on Accounting for Employee Share-based Payments" issued by Institute of Chartered Accountants of India.

U. Financial Instruments

Apollo Health Street Limited

Derivate Instruments

As per the ICAI Announcement, accounting for derivative contracts, other than those covered under AS-11, are marked to market on a portfolio basis, and the loss is charged to the statement of profit and loss. Gains are ignored

V. Insurance Related Policies

Apollo Munich Health Insurance Company Limited

i. **Reinsurance Premium**

Reinsurance Premium on ceding of risk is accounted in the year in which risk commences and over the period of risk in accordance with the treaty arrangements with the reinsurers. Unearned premium on reinsurance ceded is carried forward to the period of risk and is set off against related unearned premium. Premium on excess of loss reinsurance cover is accounted as per the reinsurance arrangements.

ii. **Acquisition Cost of Insurance Contracts**

Costs relating to acquisition of new and renewal of insurance contracts viz commission, etc., are expensed in the year in which they are incurred.

iii. **Advance premium**

Advance premium represents premium received in respect of those policies issued during the year where the risk commences subsequent to the Balance Sheet date.

iv. Claims Incurred

Estimated liability in respect of claims is provided for the intimations received upto the year end based on assessment made by Third Party Administrator (TPA). Information provided by the insured and judgment based on the past experience. Claims are recorded in the revenue account, net of claims recoverable from reinsurers / coinsurers to the extent there is a reasonable certainty of realization. These estimates are progressively re-valued on availability of further information.

v. Claims incurred but not reported (IBNR) and claims incurred but not enough reported (IBNER)

IBNR represents that amount of claims that may have been incurred prior to the end of the current accounting period but have not been reported or claimed. The IBNR prevision also includes prevision, if any, required for claims incurred but not enough reported. IBNR and IBNER liabilities are provided based on actuarial principles and certified by the Appointed Actuary. The methodology and assumptions on the basis of which the liability has been determined has also been certified by the Actuary to be appropriate, in accordance with guidelines and norms issued by the Actuarial Society of India and in concurrence with the IRDA.

vi. Allocation of Investment Income

Investment income is apportioned to statement of Profit & Loss and Revenue Account in the ratio of average of shareholder's funds and policy holders funds at the end of each month.

vii. Fair Value Change Account

'Fair Value Change Account' represents unrealized gains or losses due to change in fair value of traded securities and mutual fund units outstanding at the close of the year. The balance in the account is considered as a component of shareholder's funds and not available for distribution as dividend.

viii. Profit or Loss on Sale / Redemption of Investments

Profit or loss on sale / redemption of investments, being the difference between sale consideration / redemption value and carrying value of investments is credited or charged to statement of Profit and Loss. The profit or loss on sale of investments include accumulated changes in the fair value previously recognized in "Fair Value Change Account" in respect of a particular security.

ix. Long Term / Short Term Investments

Investments maturing within twelve months from the Balance Sheet date and investments made with specific intention to dispose off within twelve months from the date of acquisition are classified as short term investments. Other investments are classified as long term Investments.

4. SHARE CAPITAL

(₹ in million)

Particulars	31.03.2012	31.03.2011
Authorised		
200,000,000(2010-11 : 200,000,000) Equity Shares of ₹ 5/- each	1,000.00	1,000.00
1,000,000(2010-11 : 1,000,000) Preference Shares of ₹ 100/- each	100.00	100.00
	1,100.00	**1,100.00**
Issued		
134,999,636 (2010-11 : 125,243,728) Equity Shares of ₹ 5/- each	675.00	626.22
Subscribed and Paid up		
134,466,618 (2010-11 :124,710,710)Equity Shares of ₹ 5/- each fully paid up	672.33	623.55

Reconciliation of No. of shares

(₹ in million)

Particulars	31.03.2012		31.03.2011	
	Equity Shares		Equity Shares	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	124,710,710	623.55	123,569,718	617.85
Shares Issued to IFC on conversion of FCCB Bonds		.	1,140,992	5.70
Shares Issued on QIP	6,666,666	33.33		
Shares Issued on Conversion of Share warrants	3,089,242	15.45		
Shares outstanding at the end of the year	134,466,618	672.33	124,710,710	623.55

Shareholders holding more than 5% of total paidup capital

Name of Shareholder	31.03.2012		31.03.2011	
	Equity Shares		Equity Shares	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
PCR Investments Ltd	21,313,124	15.85	17,859,124	14.32
Apax Mauritius FDI One Ltd	-	-	14,094,238	11.30
HSTN Aquisition (FII) Ltd	13,446,657	10.00	-	-
Integrated Mauritius Healthcare Holdings Ltd	11,000,000	8.18	11,000,000	8.82
CLSA (Mauritius) Ltd	8,550,000	6.36	8,550,000	6.86

Particulars	Year (Aggregate No. of Shares)				
	2011-12	2010-11	2009-10	2008-09	2007-08
Equity Shares : Fully Paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	17,192,552

a. The Parent Company has issued Foreign Currency Convertible Bonds (FCCBs) to International Finance Corporation (IFC), Washington, to the value of US$ 15 million on 28th January 2010. These bonds are convertible into Equity Shares based on the rupee dollar parity exchange rate at any time before the end of Final Repayment date. On 9th December 2010, the Company converted FCCBs equivalent to $ 7.5 million into 1,140,992 equity shares of ₹ 5 each. The underlying number of Equity shares as on 31st March 2012 is 1,268,343 Equity shares is based on the exchange rate ($1 = ₹ 51.1565) and if the option is not exercised, the Loan shall be repayable in full in two approximately equal semi-annual instalments commencing from the Final Repayment Date by way of redemption of such number of FCCBs in respect of which IFC has not exercised its Conversion option.

b. The Parent Company had issued 9,000,000 Global Depository Receipts of ₹10 (now 18,000,000 Global Depository Receipts of ₹ 5) each with two way fungibilty during the year 2005-06. Total GDR's converted into underlying Equity Shares for the year ended on 31st March 2012 is 5,396,660 (2010-11: 6,263,200) of ₹ 5 each and total equity shares converted back to GDR for the year ended 31st March 2012 is 7,689,329 (2010-11: Nil) of ₹. 5 each. Total GDR's converted into equity shares upto 31st March 2012 is 12,644,531 (2010-11: 14,937,200) of ₹ 5 each.

5. RESERVES AND SURPLUS

(₹ in million)

Particulars	31.03.2012	31.03.2011
a. Capital Reserves		
As per last Balance Sheet	18.26	18.26
(+) Current Year Transfer	.	.
(-) Written Back in Current Year	.	.
Closing Balance	**18.26**	**18.26**
b. Capital Reserve on Consolidation		
As per last Balance Sheet	159.26	130.68
(+) Additions during the year (net)	(4.02)	28.59
Closing Balance	**155.25**	**159.26**
c. Capital Fund		
As per last Balance Sheet	2.61	2.61
(+) Current Year Transfer	.	
(-) Written Back in Current Year	.	
Closing Balance	**2.61**	**2.61**
d. Capital Redemption Reserve		
As per last Balance Sheet	60.02	60.02
(+) Current Year Transfer	.	.
(-) Written Back in Current Year	.	.
Closing Balance	**60.02**	**60.02**
e. Securities Premium Account		
As per last Balance Sheet	10,830.18	10,490.73
Add : Securities premium credited on Share issue	4,365.48	339.45
Add : Share premium from Group Companies	437.53	418.84
Closing Balance	**15,633.19**	**11,249.02**
f. Debenture Redemption Reserve		
As per last Balance Sheet	100.00	.
(+) Current Year Transfer	70.00	100.00
(-) Written Back in Current Year	.	
Closing Balance	**170.00**	**100.00**
g. General Reserve		
As per last Balance Sheet	3,749.03	2,749.03
(+) Current Year Transfer	1,500.00	1,000.00
(+) Share of Associates	1,009.05	1,078.93
(+) Share of Profits / (Loss) Subsidiaries	167.72	176.47
(+) Profit from Joint Ventures	821.07	362.71
(-) Written Back in Current Year	.	
Closing Balance	**7,246.87**	**5,367.13**
h. Investment Allowance Reserve		
As per last Balance Sheet	7.63	7.63
(+) Current Year Transfer	.	.
(-) Written Back in Current Year	.	.
Closing Balance	**7.63**	**7.63**
Foreign Currency Translation Reserve	0.02	0.03
Fair value change account	0.04	0.26

(₹ in million)

Particulars	31.03.2012	31.03.2011
i. Foreign Exchange fluctuation Reserve		
As per last Balance Sheet	0.19	0.19
(+) Current Year Transfer	.	.
(-) Written Back in Current Year	.	.
Closing Balance	**0.19**	**0.19**
j. Surplus		
As per last Balance Sheet	716.39	520.69
(+) Net Profit/(Net Loss) For the current year	2,193.46	1,839.22
(+) Transfer from Reserves	.	.
(-) Proposed Dividend on Equity Shares for the year	537.87	467.67
(-) Dividend Distribution Tax on Proposed dividend on Equity Shares	87.26	75.87
(-) Interim Dividends	.	.
(-) Transfer to Reserves	1,500.00	1,000.00
(-) Transfer to Debenture Redemption Reserve	70.00	100.00
Closing Balance	**714.72**	**716.39**
Total	**24,008.81**	**17,680.79**

6. The Parent Company has issued and allotted 3,276,922 equity warrants convertible into equity shares of nominal value of ₹ 5/- each at premium of ₹ 467.46 per share on 5TH February 2011 to Dr. Prathap C Reddy, one of the promoters of the Company on a preferential allotment basis. The issue price is at minimum price of ₹ 472.46 fixed in accordance with the guidelines for preferential issues of the Securities Exchange Board Of India (Issue of Capital and Disclosure Requirements)Regulations 2009. Accordingly the promoter has paid 25% of the consideration @ 472.46 per warrant on the date of allotment. The Balance 75% is payable on the exercise of option for conversion within 18 months of date of allotment.

7. LONG TERM BORROWINGS

(₹ in million)

Particulars	31.03.2012	31.03.2011
Secured		
(a) Non-convertible Debentures		
1000 (2010-11: 1000) 10.3% Debentures of Rs. 1,000,000/- each	1,000.00	1,000.00
1000 (2010-11: Nil) 10.15% Debentures of Rs. 1,000,000/- each	1,000.00	.
(b) Term loans		
From Banks		
(i) Jammu & Kashmir Bank	223.19	262.79
(ii) Canara Bank	336.00	377.60
(iii) Indian Overseas Bank	204.08	220.59
(iv) Indian Bank	.	466.66
(v)HDFC Bank	18.92	
(vi) Bank of India	.	619.04
(vii) Canara Bank	290.80	1,147.20
From Other parties		
IFC Loan (External Commercial Borrowings)	1,394.28	1,608.79
Hire Purchase Loans	1.68	2.64
Total	**4,468.96**	**5,705.31**
Add : Share of Joint Ventures	673.99	799.63
Total	5,142.95	6,504.94
Unsecured		
(i) Deposits		
Fixed Deposits	147.94	400.7
(ii) Other loans and advances		
Foreign Currency Convertible Bonds	383.67	334.88
Total	**5,674.56**	**7,240.52**
Add : Share of Joint Ventures	69.19	239.56
Total	**5,743.76**	**7,480.08**

a. 10.30% Non Convertible Debentures

The Parent Company has issued 500 Nos. 10.30% Non Convertible Redeemable Debentures of ₹ 1 million each on 28th December 2010 which will be redeemed on 28th December 2020 and 500 Nos. 10.30% Non Convertible Redeemable Debentures of ₹ 1 million each on 22nd March 2011 which will be redeemed on 22nd March 2021 to Life Insurance Corporation of India.

The Debentures are secured by way of pari passu first charge on the Fixed Assets of the Parent Company existing and future along with Canara Bank and International Finance Corporation, Washington; such pari passu first charge ensuring atleast a cover of 1.25 times the value of outstanding principal amount of the loan.

b. 10.15% Non Convertible Debentures

The Parent Company has issued 1,000 Nos. 10.15% Non Convertible Redeemable Debentures of ₹ 1 million each on 22nd March 2012 which will be redeemed on 22nd March 2017 to the following allottees:

S.No	Name of Allotees	No. of Debentures allotted	Amount (₹ in million)
1	The Federal Bank Limited	250	250
2	The New India Assurance Company Limited	150	150
3	The Lakshmi Vilas Bank Limited	50	50
4	The Oriental Insurance Employees Gratuity Fund	20	20
5	The Jammu and Kashmir Bank Limited	250	250
6	ICICI Lombard General Insurance Company Limited	150	150
7	ECL Finance Limited	130	130

The Debentures are secured by way of pari passu first charge on the fixed assets of the Parent Company existing and future along with Canara Bank and International Finance Corporation, Washington; such pari passu first charge ensuring atleast a cover of 1.25 times the value of outstanding principal amount of the loan.

c. Canara Bank

The loan is secured by way of pari passu charge on the fixed assets of the Parent Company existing and future along with Debenture Trustee and International Finance Corporation, Washington.

d. International Finance Corporation (External Commercial Borrowings)

The Parent Company has been sanctioned a sum of US$ 35 million from International Finance Corporation, Washington by way of External Commercial Borrowings (ECB). The Parent Company has withdrawn the full amount of US$ 35 million as of 31st March 2012 on the above loan. The ECB loan is secured by way of pari passu First ranking Charge on the entire movable plant and machinery and equipment including all the spare parts and all other fixed assets such as furniture, fixtures, fittings, installations, vehicles, office equipments, computers and all other fixed assets owned by the Parent Company (excluding immovable property), both present and future belonging or hereafter belonging to or at the disposal of the Parent Company. The Loan is repayable in 15 equal Semi-annual Instalments starting from 15th September, 2012.

Pari passu charge in favour of IFC over the immovable assets of the Parent Company; such pari passu charge ensuring atleast a cover of 1.25 times the value of outstanding principal amount of the loan.

e. International Finance Corporation has granted a loan of US$ 35 million during the year 2009-10. The Parent Company has drawn full US$ 35 million of the sanctioned amount of US$ 35 million and the Company has entered into Currency Cum Interest Rate Swap (CCIRS) with HDFC Bank in Indian rupee and hedged the loan for interest rate and foreign currency fluctuation risk. The derivative contract is secured by a second charge on the immovable assets of the Parent Company to the extent of ₹ 1,100 million. The tenure of this derivative contract matches with the tenure of the loan outstanding as of 31st March 2012.

Apollo Health Street Limited

Term loan from banks is secured by following assets of the entire group:

i. All equity interests held and/or beneficially owned by the Group member in any member of the Group from time to time, provided that no such Group member shall be obligated to pledge or create security over more than 65% of the equity interests (or, if a lesser amount, 65% of the voting equity interests) in any restricted foreign subsidiary;

ii. All financial indebtedness owing to the Group from any obligor, any member of the Group or any Affiliate thereof from time to time;

iii. All of the Group's rights and interests in any account from time to time (and any balance standing to the credit thereof from time to time), and any cash and cash equivalents from time to time;

iv. All of the Group's rights and interests in any real property from time to time;

v. All of the Group's rights and interests in any tangible movable property from time to time;

vi. All of the Group's rights and interests in any investment interests (other than those referred to in paragraph (a) above) or any goodwill of or uncalled capital of the Group from time to time;

vii. All of the Group's rights and interests in any intellectual property (including, without limitation, any registered intellectual property, and any intellectual property pending registration) from time to time;

viii. All of the Group's rights and interests in any book and/or other debts and/or monetary claims and any proceeds thereof from time to time;

ix. All of the Group's rights and interests in any insurance and/or insurance policy from time to time; and

x. By way of a security assignment, floating charge or other appropriate means of security) all of the Group's other assets and undertakings (including, without limitation, inventory) from time to time;

8. DEFERRED TAX LIABILTIES

The deferred tax for the year recognized in the Statement of Profit and Loss of the group comprises:

(₹ in million)

Particulars	31.03.2012	31.03.2011
Deferred Tax Liability for the year	713.63	328.32
Deferred Tax Assets for the year	6.86	22.21

The accumulated deferred tax liability/(asset) of the group as on 31st March 2012 comprises:

(₹ in million)

Particulars	31.03.2012	31.03.2011
On accounts of depreciation	1,021.47	851.93
On account of Deferred Revenue Expenditure	52.27	53.29
On account of unabsorbed losses and depreciation (Deferred Tax Asset)	(245.01)	(255.93)
On account of 35 AD	722.18	195.52

Deferred Tax Asset / Liability have not been considered with respect to Associates.

Alliance Medicorp (India) Limited

The Net Deferred Tax Asset, on account of carry forward losses and Unabsorbed Depreciation is not recognized in the books of accounts, on prudence.

Apollo Munich Health Insurance Company Limited

The Company has carried out its deferred tax computation in accordance with the mandatory Accounting Standard, AS 22 - 'Taxes on Income' issued by the Institute of Chartered Accountants of India. There has been a net deferred tax asset amounting to ₹ 949.02 million (Previous Year ₹ 877.83 million) on account of accumulated losses. However, as a principle of prudence, the Company has not recognized deferred tax assets in the financial statements for the year ended 31st March 2012.

9. OTHER LONG TERM LIABILITIES

(₹ in million)

Particulars	31.03.2012	31.03.2011
Rent Deposits	34.09	48.68
Other Deposits	2.00	1.61
Total	**36.10**	**50.29**
Add : Share of Joint Ventures	15.34	4.17
Total	**51.44**	**54.46**

10. LONG TERM PROVISIONS

(₹ in million)

	Particulars	31.03.2012	31.03.2011
(a)	**Provision for employee benefits**		
	Gratuity	10.37	5.04
	Leave Encashment	4.77	1.10
(b)	**Others**		
	Taxation	2,674.14	2,026.31
	FBT	.	44.81
	Total	**2,689.28**	**2,077.26**
	Add : Share of Joint Ventures	32.13	3.33
	Total	**2,721.40**	**2,080.59**

11. SHORT TERM BORROWINGS

(₹ in million)

	Particulars	31.03.2012	31.03.2011
	Secured		
(i)	**Loans repayable on demand**		
	from banks		
	Andhra Bank	0.67	0.64
	State Bank of Travancore	6.65	12.26
	Canara Bank	54.01	48.38
	Indian Overseas Bank	94.67	50.39
	Karur vysya Bank	7.00	.
	HDFC Bank	12.55	-
	Unsecured		
(i)	**Deposits**		
	Fixed Deposits	315.09	160.27
(ii)	**Loans repayable on demand**		
	HDFC Limited	1,000.00	1,000.00
	Total	**1,490.64**	**1,271.96**
	Add : Share of Joint Ventures	259.23	155.34
	Total	**1,749.87**	**1,427.30**

12. OTHER CURRENT LIABILITIES

(₹ in million)

	Particulars	31.03.2012	31.03.2011
(a)	Current maturities of long-term debt	672.96	666.40
(b)	Interest accrued but not due on borrowings	63.99	65.17
(c)	Interest accrued and due on borrowings	0.93	-
(d)	Income received in advance	27.15	0.44
(e)	Unpaid dividends	19.87	18.28
(f)	Unpaid matured deposits and interest accrued thereon	17.99	9.84
(g)	Other payables		
	i) Sundry Creditors Others	254.63	362.8
	ii) Retention Money on Capital Contracts	2.14	0.96
	iii) Inpatient Deposits	173.09	100.99
	iv) Rent Deposits	2.43	1.40
	v) Other Deposits	2.50	1.00
	vi) Tax Deducted at Source	173.90	94.42
	vii) Outstanding Expenses	439.14	278.76
	viii) Wealth Tax	2.21	1.82
	Total	**1,852.92**	**1,602.28**
	Add : Share of Joint Ventures	389.80	194.10
	Total	**2,242.72**	**1,796.38**

During the year, the amount transferred to Investors Education and Protection Fund of the Central Government as per the provisions of Section 205A and 205C of the Companies Act, 1956 is ₹ 1.67 million (₹ 1.33 million) in aggregate which comprises of ₹ 1.54 million (₹ 1.32 million) as unpaid dividend and ₹ 0.13 million (₹ 0.01 million) as unpaid deposit.

13. SHORT TERM PROVISIONS

(₹ in million)

	Particulars	31.03.2012	31.03.2011
(a)	**Provision for employee benefits**		
	Bonus	152.79	141.22
	Total	152.79	141.22
(b)	**Others**		
	i) For Dividend - Equity Shares	537.87	467.67
	ii) For Dividend Distribution Tax - Equity Shares	87.26	75.87
	Total	**625.12**	**543.53**
	Total (a+b)	**777.92**	**684.75**
	Add : Share of Joint Ventures	4.01	9.06
	Total	**781.93**	**693.81**

14. TANGIBLE ASSETS

(₹ in million)

Fixed Assets	Gross Block				Accumulated Depreciation					Net Block	
	Balance as at April 1, 2011	Additions during the year	Deletions during the year	Balance as at March 31, 2012	Balance as at April 1, 2011	Depreciation charge for the year	Deletions for the year	Impair-ments	Balance as at March 31, 2012	Balance as at March 31, 2012	Balance as at March 31, 2011
Tangible Assets											
Land	1,317.55	501.61	.	1,819.16	.	-	-	-	.	1,819.16	1,317.55
Buildings	3,841.05	1,551.79	49.89	5,342.95	370.78	98.02	.	-	468.80	4,874.15	3,470.27
Lease hold Improvements	353.77	392.35	5.10	741.03	118.29	45.47	1.65	-	162.12	578.91	235.49
Plant and Equipment											
Medical Equipment & Surgical Instruments	6,828.48	1,496.12	40.52	8,284.07	2,394.05	503.05	33.96	-	2,863.14	5,420.93	4,434.42
Air Conditioning Plant & Air Conditioners	490.40	416.07	2.23	904.24	140.10	49.55	0.37	-	189.27	714.96	350.30
Furniture and Fixtures	1,532.75	417.76	46.29	1,904.22	460.61	119.11	8.69	-	571.04	1,333.17	1,072.13
Vehicles	315.86	60.29	17.73	358.42	105.83	29.15	10.14	-	124.85	233.57	210.03
Office equipment	818.93	164.26	15.22	967.97	415.55	94.91	12.49	-	497.97	470.00	403.38
Others				.				-	.		
Electrical Installations & Generators	1,083.83	153.11	2.60	1,234.34	335.80	45.42	0.86	-	380.36	853.98	748.03
Fire fighting equipment	34.00	35.46	.	69.46	5.58	1.90	.	-	7.47	61.99	28.42
Boilers	1.87	1.03	.	2.90	1.12	0.05	.	-	1.16	1.74	0.75
Kitchen equipment	44.41	7.95	.	52.36	10.90	1.89	.	-	12.80	39.56	33.51
Refrigerators	30.82	5.35	0.59	35.58	6.97	1.35	0.05	-	8.27	27.31	23.85
Wind Electric Generator	26.85	-	-	26.85	11.60	-		-	11.60	15.25	15.25
Total	**16,720.55**	**5,203.15**	**180.17**	**21,743.52**	**4,377.18**	**989.88**	**68.21**	**.**	**5,298.84**	**16,444.68**	**12,343.37**
Less Depreciation Written Back		**-**	**-**	**-**	**0.28**	**-**		**-**	**0.28**	**0.28**	**0.28**
Total	**16,720.55**	**5,203.15**	**180.17**	**21,743.52**	**4,376.90**	**989.88**	**68.21**	**.**	**5,298.56**	**16,444.95**	**12,343.65**
Share of Joint Ventures	2,853.67	183.71	15.32	3,022.06	718.80	155.43	11.71	38.46	900.98	2,121.08	2,134.87
Total	**19,574.22**	**5,386.86**	**195.49**	**24,765.58**	**5,095.70**	**1,145.30**	**79.92**	**38.46**	**6,199.54**	**18,566.03**	**14,478.52**
Previous Year	14,994.52	2,261.85	222.49	17,033.88	3,623.19	794.82	30.17	-	4,387.84	12,646.04	

a) During the year ₹.48.80 million has been capitalised based on Para 46A of Accounting Standards 11. The Effects of Changes in Foreign Exchange Rates (revised 2003)

15. INTANGIBLE ASSETS

(₹ in million)

Fixed Assets	Gross Block				Accumulated Depreciation					Net Block	
	Balance as at April 1, 2011	Additions/ (Disposals)	Deletions	Balance as at March 31, 2012	Balance as at April 1, 2011	Amortization for the year	Deletions	Impair-ments	Balance as at March 31, 2012	Balance as at March 31, 2012	Balance as at March 31, 2011
Computer Software	125.69	85.64	-	211.33	26.90	41.58	-	-	68.47	142.86	98.79
Trademark and concepts rights	29.10	20.00	-	49.10	6.40	1.35	-	-	7.75	41.35	22.70
Goodwill	1.78	-	-	1.78	.	-	-	-	.	1.78	1.78
Total	**156.57**	**105.64**	**.**	**262.21**	**33.30**	**42.93**	**.**	-	**76.23**	**185.98**	**123.27**
Share of Joint Ventures	24.95	5.65	.	30.60	15.59	4.74	-	0.20	20.53	10.07	9.36
Total	**181.52**	**111.29**	**.**	**292.81**	**48.89**	**47.67**	**-**	**0.20**	**96.76**	**196.05**	**132.63**
Previous Year	43.06	20.38	-	63.44	13.27	7.76	-	-	21.03	42.41	

16. Capital Work-in-Progress ₹ 1,976.46 million (₹ 3,497.61 million) comprises amounts spent on assets under construction and directly related pre-operative expenses. The amount of interest included in capital work in progress is ₹ 250.41 million (₹ 325.02 million)*.

* Includes Interest on Borrowings Capitalised for the year ended 31st March 2012 is ₹ 183.00 million (₹ 154.42 million).

17. NON CURRENT INVESTMENTS

(₹ in million)

Particulars	31.03.2012	31.03.2011
Trade Investments (Refer A below)		
(a) Investment in Equity instruments	580.63	348.40
Total (A)	**580.63**	**348.40**
Other Investments (Refer B below)		
(a) Investment in Equity instruments	2,726.96	2,487.52
(b) Investment in Preference Shares	22.00	22.00
(c) Investments in debentures or bonds	589.24	589.24
(d) Investments in Government or Trust securities	0.25	0.29
Total (B)	**3,338.45**	**3,099.04**
Grand Total (A + B)	3,919.08	3,447.43
Advance for Investment	160.57	136.48
Total	**4,079.65**	**3,583.92**
Add : Share of Joint Ventures	342.09	277.53
Total	**4,421.74**	**3,861.45**

(₹ in million)

Particulars	31.03.2012	31.03.2011
Aggregate amount of quoted investments (Market Value ₹ 718.70 million: 2010-11: ₹ 664.59 million)	491.45	291.95
Aggregate amount of unquoted investments	3,930.29	3,569.50
Total	**4,421.74**	**3,861.45**

A) Details of Trade Investments

Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	Face value (INR)	No. of Shares / Units	No. of Shares / Units	Quoted / Unquoted	Partly Paid / Fully paid	Amount (₹ in million)	Amount (₹ in million)	Whether stated at Cost Yes/No
			31.03.2012	31.03.2011			31.03.2012	31.03.2011	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Investment in Equity Instruments									
Indraprastha Medical Corporation Limited(Goodwill on acquisition = ₹ 160.21 million : 31.03.2011 = ₹ 140.61 million)	Associate	10	20,190,740	19,306,041	Quoted	Fully Paid	488.80	289.58	Yes
Stemcyte India Therapautics Private Limited (Goodwill on acquisition = ₹ 69.38 million : 31.03.2011 = ₹ 49.91 million)	Associate	1	240,196	88,303	Unquoted	Fully Paid	91.83	58.82	Yes
Total							580.63	348.40	

A) Details of Trade Investments

Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	Face value (INR)	No. of Shares / Units	No. of Shares / Units	Quoted / Unquoted	Partly Paid / Fully paid	Amount (₹ in million)	Amount (₹ in million)	Whether stated at Cost Yes/No
			31.03.2012	31.03.2011			31.03.2012	31.03.2011	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Investment in Equity Instruments									
Family Health Plan Limited(Capital Reserve on consolidation = ₹ 4.24 million : 31.03.2011 = ₹ 4.24 million)	Associate	10	490,000	490,000	Unquoted	Fully Paid	42.75	24.73	Yes
Apollo Health Street Limited(Goodwill on acquisition = ₹ 1071.12 million : 31.03.2011 = ₹ 1071.12 million)	Associate	10	11,181,360	11,181,360	Unquoted	Fully Paid	2,679.83	2,458.24	Yes
Kurnool Hospitals Enterprises Limited	Others	10	157,500	157,500	Unquoted	Fully Paid	1.73	1.73	Yes
Furture Parking Private Limited	Others	10	-	4,900	Unquoted	Fully Paid	-	0.05	Yes
Health Super Hiway Private Limited	Others	10	200	200	Unquoted	Fully Paid	.	.	Yes
The Karur Vysya Bank	Others	10	12,811	12,811	Quoted	Fully Paid	2.49	2.21	Yes
Cholamandalam DBS Finance Ltd	Others	10	1,000	1,000	Quoted	Fully Paid	0.16	0.16	Yes
Sunrise Medicare Private Ltd	Others	-	78	250,000	Unquoted	Fully Paid	.	0.39	Yes
Investment in Preference Shares									
Health Super Hiway Private Limited	Others	54.10	406,514	406,514	Unquoted	Fully Paid	22.00	22.00	Yes
Investments in Debentures or Bonds									
Optionally Redeemable Convertible Debentures									
Apollo Health Street Limited	Associate	160	3,682,725	3,682,725	Unquoted	Fully Paid	589.24	589.24	Yes
Investments in Government or Trust securities									
National Savings Certificate	Others				Unquoted	Fully Paid	0.25	0.29	Yes
Total							**3,338.45**	**3,099.04**	

a. The Company has pledged its 20,775,197 (20,775,197) shares in Apollo Gleneagles Hospitals Limited as a security for the loan advanced by IDFC and HDFC to Apollo Gleneagles Hospitals Limited.

b. National Saving Certificates shown under investments are pledged with the Chief Ration Officer, Government of Andhra Pradesh.

18. LONG TERM LOANS AND ADVANCES

(₹ in million)

Particulars	31.03.2012		31.03.2011	
a. Capital Advances				
Secured, considered good	.		.	
Unsecured, considered good	383.94		185.68	
Doubtful	.		.	
	.	383.94	.	185.68
b. Security Deposits				
Secured, considered good	.		.	
Unsecured, considered good	695.74		776.29	
Doubtful	.		.	
	.	695.74	.	776.29
c. Other Loans and Advances				
Advance to Suppliers	16.03		28.25	
Other Advances	761.73		816.38	
Advance Income Tax	1,721.30		1,586.53	
Tax deducted at source	1,464.13		1,018.29	
		3,963.18		3,449.46
Interest Receivable		85.66		30.89
Total		**5,128.53**		**4,442.31**
Add : Share of Joint Ventures		145.80		27.21
Total		**5,274.34**		**4,469.52**

19. CURRENT INVESTMENTS

(₹ in million)

Particulars	31.03.2012	31.03.2011
(a) Investments in Equity Instruments	203.82	203.82
(b) Investments in Debentures	10.00	.
(c) Investments in Mutual Funds	995.90	882.58
Total	**1,209.72**	**1,086.40**
Add : Share of Joint Ventures	10.11	72.21
Total	**1,219.83**	**1,158.61**

(₹ in million)

Particulars	31.03.2012	31.03.2011
Aggregate amount of quoted investments (Market Value ₹ 1,340.34 million 2010-11: ₹ 276.23 million)	957.96	152.45
Aggregate amount of unquoted investments	261.87	1,006.16
Total	**1,219.83**	**1,158.61**

Details of Current Investments

Name of the Body Corporate	Subsidiary/ Associate/ JV/ Controlled Entity / Others	Face value (INR)	No. of Shares / Units	No. of Shares / Units	Quoted / Unquoted	Partly Paid / Fully paid	Amount (₹ in million)	Amount (₹ in million)	Basis of Valuation
			31.03.2012	31.03.2011			31.03.2012	31.03.2011	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Investments in Equity Instruments									
British American Hospitals Enterprises Limited	Others	100MUR	1,393,079	1,393,079	Unquoted	Fully Paid	**203.82**	**203.82**	Cost
Investments in Debentures									
IFCI Venture Capital funds limited	Others	1,000,000	10	-	Unquoted	Fully Paid	**10.00**	.	Cost
Investments in Mutual Funds									
Reliance Monthly Intercal Fund Series II Institutional									
Dividend plan	Others	10	-	14,006,385	Unquoted	Fully paid	.	140.13	Cost
Canara Robeco Floating Rate Short term Growth Fund	Others	10	-	13,179,311	Unquoted	Fully paid	.	200.00	Cost
HDFC FMP 100D March 2011 (2) Dividend Series XVII	Others	10	-	18,000,000	Unquoted	Fully paid	.	180.00	Cost
HDFC Quarterly Interval Fund - Plan C	Others	10	-	8,995,233	Unquoted	Fully paid	.	90.00	Cost
HDFC FMP 35D March 2011 (2)	Others	10	-	12,000,000	Unquoted	Fully paid	.	120.00	Cost
Reliance Horizon Fund - XX - Series 24-Growth Plan	Others	10	50,027,068	-	Quoted	Fully paid	500.27	.	Cost
Reliance Quarterly Interval Fund - Series III-Institutional Dividend Plan	Others	10	25,166,512	-	Quoted	Fully paid	251.99	.	Cost
Birla Sun life Cash plus -Institutional Premium Growth	Others	100	1,194,121	-	Quoted	Fully paid	200.00	.	Cost
Canara Robeco Indigo Quarterly Dividend Fund	Others	10	489,366	-	Quoted	Fully paid	5.00	.	Cost
DSP BlackRock Money Manger Fund - Institutional Plan -Daily dividend	Others	1,000		151,626	Quoted	Fully paid	.	151.75	Cost
Reliance Income fund Retail Plan - Growth Plan - Growth Option	Others	10	30,231	30,231	Quoted	Fully paid	0.70	0.70	Cost
AIG Short Term Fund Institutional weekly Dividend	Others	1,000	37,899	-	Unquoted	Fully paid	37.94	.	
Total							**1,209.72**	**1,086.40**	

20. INVENTORIES

(₹ in million)

	Particulars	31.03.2012		31.03.2011	
a.	Medicines (Valued at cost)	1,498.93		1,231.57	
b.	Stores and spares (Valued at cost)	97.99		49.36	
c.	Lab Materials (Valued at cost)	38.98		24.72	
d.	Surgical Instruments (Valued at cost)	156.11		127.26	
e.	Other Consumables (Valued at cost)	97.34		124.07	
	Total		**1,889.35**		**1,556.98**
	Add : Share of Joint Ventures		26.02		27.46
	Total		**1,915.38**		**1,584.44**

21. TRADE RECEIVABLES

(₹ in million)

Particulars	31.03.2012	31.03.2011
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	.	
Unsecured, considered good	2,915.87	1,865.18
Unsecured, considered doubtful	.	.
	2,915.87	1,865.18
	2,915.87	1,865.18
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	.	.
Unsecured, considered good	717.01	960.28
Unsecured, considered doubtful	49.32	.
	766.33	960.28
Less: Provision for doubtful debts	49.32	24.95
	717.00	935.33
Total	**3,632.88**	**2,800.51**
Add : Share of Joint Ventures	234.45	202.63
Total	**3,867.33**	**3,003.14**

i. Confirmations of balances from Debtors, Creditors are yet to be received in a few cases though the group has sent letters of confirmation to them. The balances adopted are as appearing in the books of accounts of the group.

ii. Sundry Debtors represent the debt outstanding on sale of pharmaceutical products, hospital services and project consultancy fees and is considered good. The group holds no other securities other than the personal security of the debtors.

iii. Advances and deposits represent the advances recoverable in case or in kind or for value to be realised. The amounts of these advances and deposits are considered good for which the group holds no security other than the personal security of the debtors.

22. CASH AND CASH EQUIVALENTS

(₹ in million)

Particulars	31.03.2012		31.03.2011	
a. Balances with banks				
Current Accounts	937.00		1,000.86	
Deposit Accounts	1,027.44		441.41	
Unpaid Dividend Accounts	19.87		18.28	
Margin money Deposits	22.24		20.03	
Deposits against guarantees	25.60		58.41	
		2,032.15		1,538.99
b. Cheques, drafts on hand	-	-	-	-
c. Cash on hand		**78.90**		**51.57**
Total		**2,111.04**		**1,590.56**
Add : Share of Joint Ventures		257.34		190.61
Total		**2,368.38**		**1,781.17**

a. The Company's Fixed Deposit receipts amounting to ₹ 24.53 million (₹ 45.94 million) are under lien with the bankers for obtaining Letters of credit and Bank Guarantee.

23. SHORT TERM LOANS AND ADVANCES

(₹ in million)

Particulars	31.03.2012		31.03.2011	
a. Loans and advances to related parties				
Secured, considered good	.			
Unsecured, considered good	66.05		44.85	
Doubtful	.		-	
		66.05		44.85
Other Loans and Advances				
Advance to Suppliers	136.90		407.76	
Other Advances	642.17		461.12	
Loans and advacne to employees	56.94		36.20	
		836.01		905.08
Total		**902.06**		**949.93**
Add : Share of Joint Ventures		82.30		38.50
Total		**984.36**		**988.43**

24. OTHER CURRENT ASSETS

(₹ in million)

Particulars	31.03.2012	31.03.2011
Prepaid Expenses	111.09	88.62
Rent Receivables	3.85	2.48
Interest Receivable	100.68	91.08
Franchise Fees Receivable	7.92	11.10
Total	**223.53**	**193.27**
Add : Share of Joint Ventures	45.59	78.67
Total	**269.12**	**271.95**

25. REVENUE FROM OPERATIONS

(₹ in million)

Particulars	31.03.2012	31.03.2011
Revenue form healthcare services	20,638.86	17,777.32
Pharmacy sales	8,605.80	6,613.90
Revenue from other services	332.41	245.34
Total	**29,577.07**	**24,636.56**
Add : Share of Joint Ventures	1,898.18	1,416.94
Total	**31,475.25**	**26,053.50**

a. The hospital collections of the Company are net of discounts of ₹ 27.61 million (₹ 37.09 million).

26. OTHER INCOME

(₹ in million)

Particulars	31.03.2012	31.03.2011
Interest Income	132.16	100.25
Dividend Income	100.79	18.84
Net gain/(loss) on sale of investments		
Current investment	6.85	(1.63)
Long term investment	-	-
Other non-operating income		
Income from Treasury Operations	-	11.77
Net gain on foreign currency transactions and translation	6.03	5.99
Total	**245.83**	**135.22**
Add : Share of Joint Ventures	13.24	13.64
Total	**259.07**	**148.86**

Apollo Hospitals Enterprise Limited

a. Gain on Forward Contract during the year ended 31st March 2012 accounted for in the Statement of Profit and Loss is Nil (₹ 11.77 million)

b. For the year ended 31st March 2012, the Foreign Exchange gain (the difference between the spot rates on the date of the transactions, and the actual rates at which the transactions are settled) is ₹ 4.29 million (2010-11: Foreign Exchange Loss ₹ 8.86 million).

27. EMPLOYEE BENEFITS EXPENSE

(₹ in million)

Particulars	31.03.2012	31.03.2011
Salaries and wages	3,981.18	3,260.62
Contribution to provident and other funds	263.87	240.69
Employee State Insurance	36.46	23.14
Staff welfare expenses	234.08	190.83
Staff Education & Training	14.87	14.11
Bonus	152.79	141.22
Total	**4,683.25**	**3,870.61**
Add : Share of Joint Ventures	345.33	280.55
Total	**5,028.58**	**4,151.16**

The Following Companies in the group have complied with Accounting Standard 15 Employee benefit as notified under the Companies (Accounting Standards) Rules, 2006.

- Alliance Medicorp (India) Limited
- Samudra Healthcare Enterprises limited
- Apollo Health and Lifestyle Limited
- Apollo Lavasa Health Corporation Limited
- Apollo Gleneagles Hospital Limited
- Apollo Gleneagles pet Ct Private Limited
- Quintiles Phase One Clinical Trials India Private Limited
- Apollo Hospitals International limited
- Apollo Munich Health Insurance Company Limited
- Family Health Paln (TPA) Limited
- Indraprasatha Medical Corporation Limited

In consideration of Accounting Standard Interpretation (ASI) 15 "Notes to the Consolidated Financial Statements" the information relating to the above given in the separate financial statements of Parent Company or other companies in the Group is not disclosed.

Apollo Hospitals Enterprise Limited

Particulars	as at 31st March 2012		as at 31st March 2011	
	Gratuity	Earned Leave	Gratuity	Earned Leave
Assumptions				
Discount Rate	8.00%	8.00%	8.00%	8.00%
Rate of Increase in Salaries	6.00%	8.00%	6.00%	8.00%
Mortality pre- retirement	LIC 1994-96 Ultimate			
Disability	Nil	Nil	Nil	Nil
Attrition	23.00%	23.00%	23.00%	23.00%
Estimated rate of return on plan assets	8.00%	8.00%	8.00%	8.00%
Investment details on plan assets	100% of the plan Assets are invested on debt instruments			

(₹ in million)

Particulars	as at 31st March 2012			as at 31st March 2011		
	Gratuity	Earned Leave	Total	Gratuity	Earned Leave	Total
Present Value of Obligation as on 1st April, 2011	187.59	98.05	285.64	150.26	91.06	241.32
Interest Cost	14.85	7.50	22.35	11.96	7.12	19.08
Current Service Cost	26.24	11.92	38.16	20.24	10.64	30.88
Benefit Paid	(3.93)	(8.69)	(12.62)	(1.52)	(4.22)	(5.74)
Actuarial (gain) / Loss on obligation	21.15	3.69	24.84	6.65	(6.55)	0.10
Present Value of Obligation as on 31st March, 2012	**245.90**	**112.47**	**358.37**	**187.59**	**98.05**	**285.64**
Defined benefit obligation liability as at the balance sheet is wholly funded by the company						
Change in plan assets						
Fair Value of Plan Assets as on 1st April, 2012	173.55	75.15	248.70	139.50	74.39	213.89
Expected return on plan assets	14.54	7.10	21.64	12.52	5.98	18.50
Contributions	20.00	20.00	40.00	30.00	40.00	70.00
Benefits paid	(3.93)	(8.69)	(12.62)	(1.52)	(4.22)	(5.74)
Actuarial gain / (loss)	(14.15)	8.71	(5.44)	(6.95)	(41.00)	(47.95)
Fair Value of Plan Assets as on 31st March, 2012	**190.01**	**102.27**	**292.28**	**173.55**	**75.15**	**248.70**
Reconciliation of present value of the obligation and the fair value of the plan assets						
Fair value of the defined benefit	245.90	112.47	358.37	187.59	98.05	285.64
Fair value of plan assets at the end of the year	(190.01)	(102.27)	(292.28)	(173.55)	(75.15)	(248.70)
Liability / (assets)	55.89	10.20	66.09	14.04	22.90	36.94
Unrecognised past service cost	-	-	-	-	-	-
Liability / (assets) recognised in the balance sheet	**55.89**	**10.20**	**66.09**	**14.04**	**22.90**	**36.94**
Gratuity & Leave Encashment cost for the period						
Service Cost	26.24	11.92	38.16	20.24	10.64	30.88
Interest Cost	14.85	7.50	22.35	11.96	7.12	19.08
Expected return on plan assets	(14.54)	(7.10)	(21.64)	(12.52)	(5.98)	(18.50)
Actuarial (gain) / loss	35.30	(5.02)	30.28	13.60	34.46	48.06
Past Service Cost	-	-	-	-	-	-
Net gratuity cost	**61.85**	**7.30**	**69.15**	**33.28**	**46.24**	**79.52**
Investment details of plan assets						
100% of the plan assets are invested in debt instruments						
Actual return on plan assets	**0.39**	**15.81**	**16.20**	**5.57**	**(35.02)**	**(29.45)**

28. FINANCE COSTS

(₹ in million)

Particulars	31.03.2012	31.03.2011
Interest expense	675.52	622.52
Other borrowing costs		
Bank Charges	83.35	37.16
Brokerage & Commission	2.10	2.09
Total	760.97	661.76
Add : Share of Joint Ventures	130.44	116.71
Total	**891.41**	**778.47**

29. OTHER EXPENSES

(₹ in million)

Particulars	31.03.2012	31.03.2011
Power and Fuel	493.72	429.05
House Keeping Expenses	192.69	188.06
Water Charges	55.01	44.81
Rent	965.24	797.45
Repairs to Buildings	125.03	119.35
Repairs to Machinery	289.19	198.10
Repairs to Vehicles	35.63	26.14
Office Maintenance & Others	211.87	175.81
Insurance	40.38	37.85
Rates and Taxes, excluding taxes on income	67.46	55.58
Printing & Stationery	190.01	163.83
Postage & Telegram	14.75	26.97
Director Sitting Fees	1.87	2.31
Advertisement, Publicity & Marketing	601.81	436.26
Travelling & Conveyance	260.40	220.69
Subscriptions	9.04	9.08
Security Charges	82.32	69.79
Legal & Professional Fees	279.92	244.66
Continuing Medical Education & Hospitality Expenses	10.47	9.24
Hiring Charges	47.89	39.24
Seminar Expenses	6.23	4.19
Telephone Expenses	100.09	79.49
Books & Periodicals	9.27	7.36
Donations	24.99	13.64
Bad Debts Written off	136.63	60.13
Provision for Bad Debts	24.38	14.24
Royalty paid	1.42	0.67
Outsourcing Expenses	510.99	413.94
Miscellaneous Expenses	72.80	88.92
Loss on Sale of Asset	37.28	31.71
Total	4,898.79	4,008.53
Add : Share of Joint Ventures	793.42	554.89
Total	**5,692.22**	**4,563.43**

a. The Electricity charges incurred in respect of main hospital is net of ₹ 7.27 million (₹ 6.94 million) [units qualified KWH 1,454,755 (1,388,260), being the rebate received from TNEB for Wind Electric Generators owned & run by the Company.

b) Payment to auditors as statutory auditors (₹ in million)

Particulars	31.03.2012	31.03.2011
Audit Fees*	19.73	17.29
Taxation Matters*	1.21	1.09
Company Law Matters*	0.91	0.87
Expenses	0.34	0.77

*Inclusive of Service Tax @10.3%

c. Directors travelling included in travelling and conveyance amounts to ₹ 18.53 million (₹ 19.26 million)

30. CONTINGENT LIABILITIES

(₹ in million)

	Particulars	31.03.2012	31.03.2011
	Contingent liabilities and commitments (to the extent not provided for)		
(i)	**Contingent Liabilities**		
	(a) Claims against the company not acknowledged as debt	500.49	511.62
	(b) Guarantees		
	Bank Guarantees	167.38	217.57
	Corporate Guarantees	242.50	207.50
	(c) Other money for which the company is contingently liable		
	Sales Tax	1.41	1.86
	Customs Duty	99.70	99.70
	Income Tax	398.30	384.47
	Letter of Credits	234.46	145.03
	EPCG	1,528.86	1,404.37
	Redemption premium on FCCB	11.28	5.31
	Value Added Tax	2.27	2.27
		3,186.65	**2,979.70**
	(ii) Commitments		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	12,482.66	8,230.69
		12,482.66	8,230.69
	Total	**15,669.31**	**11,210.39**

Apollo Health and Lifestyle Limited

The Company had received a Show cause notice from VAT authorities claiming that Franchise Services come under the scope of VAT and issued an Assessment Order for payment of ₹ 12.67 million towards VAT and CST claims for the period from 1st April 2005 till 31st March 2008.

The Company followed appeal procedures with the Commercial Tax Assessing Authorities and filed a petition in the Andhra Pradesh High Court for staying recovery of CST. The Hon'ble High Court issued a stay order against the demand of ₹ 12.67 million and directed AHLL to remit ₹ 5.6 million in 30 days.

The Company moved the Supreme Court and filed a Special Leave Petition (SLP) challenging the Andhra Pradesh High Court Order. The Supreme Court rejected the SLP since the issue was pending with AP High Court.

The Company remitted ₹ 5.6 million as per the AP High Court Order before the due date.

The Deputy Commissioner (Appeals) partly allowed the appeal and directed the CTO to undertake the reassessment. The CTO based on the reassessment issued an order dt .21.3.2012 levying a tax liability of ₹ 4.94 million against the originally assessed liability of ₹ 12.67 million.

An appeal has been preferred with the Apellate Deputy Commissioner with respect to the order passed by the CTO.

Apollo Health Street Limited

a. City of Chicago had raised a claim for USD 1.86 million (March 31, 2011: USD 1.86 million) [including USD 0.83 million for legal and consultants fees] against Health Receivables Management Inc. for indemnification of loss as per the Professional Service Agreement. Management had challenged the claim raised and believes that the claim is not sustainable. Further, the matter is currently dormant as City of Chicago is not pursuing the claim since April 14, 2011. However, in the previous year on a conservative basis, the Group had made a provision of USD 0.31 million which is continuing in the current year as well.

b. An ex-employee of City of Chicago filed a complaint under Federal False Claims Act, 31 and Illinois False Claims Act, 740 that Accordis Inc. (acquired subsidiary, subsequently merged with AHSL) knowingly submitted false information to Medicare and Medicaid on behalf of the City of Chicago during 2000 to 2007 without specifying the amounts. The subsidiary company has filed motion to dismiss all the claims against it. Meanwhile, plaintiff's counsel has approached AHSL to discuss settlement. The subsidiary company along with its attorneys is currently exploring settlement options and is investigating and developing factual and legal defences. The subsidiary company based on legal advice believes that it will have a favourable outcome.

c. Certain employees of the subsidiary company have filed compensation claims for injury at work premises. The subsidiary company believes that it is adequately insured for such claims and no liability would devolve upon it.

d. Others

(₹ in million)

Particulars	March 31, 2012	March 31, 2011
Bank guarantee issued to Commissionerate of Health Medical Services & Medical education/ Health and family welfare department, Government of Gujarat	-	0.64
Appeal pending with Income Tax Appellate Tribunal (ITAT) against the income tax assessment and related demand for the assessment year 2004-2005	14.30	14.30

Management based on internal assessment believes that cases will be decided in favour of the Group.

Family Health Plan (TPA) Limited

The Commissioner of Customs, Central Excise and Service Tax-Hyderabad-II Commisionerate vide Adjudication Order No.08/2008-Adjn-ST dated 24-03-2008 levied a Penalty u/s. 76 of the Finance Act towards delayed remittance of Service Tax payable (Amount of penalty not quantified). The Company has preferred Appeal against the above Order with The Hon'ble Customs, Excise and Service Tax Appellate Tribunal (South Zonal Bench) Bangalore and got the Appeal admitted and also got the Stay Order from the Hon'ble Court for pre-deposit of penalty. The matter is sub-judice, awaiting final hearing.

The Company received a Show Cause Notice from the Income Tax Department during the Financial Year 2009-10 towards payment of TDS on payments made to the Hospitals on behalf of Insurance Companies along with the Interest for a period of six preceding financial years based on the CBDT Circular No.08 of November 2009 and amount not quantified.

The company had gone on an appeal against the Show Cause Notice from the Income Tax Department and also CBDT Circular No.08 of November 2009 in Chennai High Court for applicability of TDS on payments made to Hospitals as reimbursement of Expenses. The same is admitted and granted Stay of Operations of Show Cause Notice and also that of CBDT Circular.

Apollo Munich Health Insurance Company Limited

(₹ in million)

Particulars	31.03.2012	31.03.2011
Partly paid up Investments	Nil	Nil
Underwriting commitments outstanding	Nil	Nil
Claims other than against policies, not acknowledged as debts by the company	Nil	Nil
Guarantees given by or on behalf of the company	3.59	2.10
Statutory demands/ liabilities in dispute, not provided for	4.26	16.66
Reinsurance obligations to the extent not provided for in accounts	Nil	Nil
Others*	75.75	82.70

*Represents amounts payable on cancellation of a service contract.

Indraprasatha Medical Corporation Limited

In respect of other matters ₹ 55.64 million (Previous Year ₹ 45.64 million)

31. UTILISATION OF AMOUNTS FROM SECURITIES ISSUED

(₹ in million)

A	**Funds Received through Preferential Issue**		
	Opening Balance as on 1st April 2011	387.05	
	Amount received from the Promoter during the year	894.06	
	Total Funds Received		1,281.11
B	**Particulars of Utilisation**		
	Capital Expenditure & Working Capital during the year	1,281.11	
	Total		1,281.11

32. EARNINGS PER EQUITY SHARE

(₹ in million)

Particulars	31.03.2012	31.03.2011
Profit attributable to equity shareholders (₹ in million) (A1)	2,193.46	1,839.22
Weighted Averaged Equity Shares outstanding during the year (Nos) - (B1)	130,327,516	123,922,957
Basic Earnings Per Share before extra-ordinary item - (A1/B1) (₹)	16.83	14.84
Diluted Earnings attributable to equity shareholders (₹ in million) (A2)	2,198.15	1,845.25
Foreign Currency Convertible Bond issued (C1) (Nos)	1,268,343	1,107,025
Equity Shares outstanding for Diluted Earnings Per Share. (Nos) - (D1)	134.87	128,003,621
Diluted Earnings Per Share (A2/D1) (₹)	16.30	14.37

33. RELATED PARTY DISCLOSURES

A. List of Related Parties where control exists and other related parties with whom the Company had transactions and their relationships:

Name of related parties	Nature of relationship
Family Health Plan Limited	Associates
Apollo Health Street Limited	
Indraprastha Medical Corporation Limited	
Stemcyte India Therapautics Private Limited	
Dr. Prathap C Reddy	Key Management Personnel
Smt. Preetha Reddy	
Smt. Suneeta Reddy	
Smt. Sangita Reddy	
Smt. Shobana Kamineni	
PCR Investments Limited	Enterprises over which Key Management Personnel are able to exercise significant influence
Indian Hospitals Corporation Limited	
Apollo Sindoori Hotels Limited	
PPN Power Generating Company Private Limited	
Health Super Hiway Private Limited	
Faber Sindoori Management Services Private Limited	
Ashok Birla Apollo Hospitals Private Limited	
Apollo Mumbai Hospital Limited	
Lifetime Wellness Rx International Limited	
Apollo Clinical Excellence Solutions Limited	
PPN Holding Private Limited	
Preetha Investments Private Limited	
PPN Power Generation (Unit II) Private Limited	
TRAC India Private Limited	
PPN Holdings (Alfa) Private Limited	
Aircel Limited	
Aircel Cellular Limited	
Dishnet Wireless Limited	
Apollo Infrastructure Project Finance Company Limited	
Vasumathi Spinning Mills Limited	
Kalpatharu Infrastructure Development Company Private Limited	
Sindya Power Generating Company Private Limited	
Sindya Holdings Private Limited	
Sindya resources Pvt Limited. Singapore	
Garuda Energy Private Limited	
Deccan Digital Networks Private Limited	
Kalpatharu Enterprises Private Limited	
Sirkazhi Port Private Limited	
Sindya Builders Private Limited	
Tharani Energy India Private Limited	
Apollo Energy Company Limited	
Healthnet Global Limited	

Name of related parties	Nature of relationship
Sindya Infrastructure Development Company Private Limited	Enterprises over which Key Management Personnel are able to exercise significant influence
Associated Electrical Agencies	
P. Obul Reddy & Sons	
Apex Builders	
Apex Construction	
Kei Energy Private Limited	
Kamineni Builders Private Limited	
Kei Vita Private Limited	
Kei Rajamahendri Resorts Private Limited	
KEI-RSOS Petroleum and Energy Private Limited	
KEI-RSOS Shipping Private Limited	
Peninsular Tankers Private Limited	
Keimed Limited	
Spectra Clinical Laboratory	
Kamineni Builders	
Universal Quality Services LLC	
Apollo Health Resources Limited	
AMG Healthcare Destination Private Limited	
Apex Agencies	
Apex Agencies(Hyd)	
Apollo Educational Infrastructure Services Limited	
Apollo Healthcare Foundation	
Apollo Hospitals Charitable Trust	
Apollo Hospitals Educational and Research Foundation	
Apollo Hospitals Educational Trust	
Apollo Med Skills Limited	
Apollo Reach Hospitals Enterprises Limited	
Apollo Telehealth Services Private Limited	
British American Hospitals Enterprise Limited	
Elixir Communities Private Limited	
Indian Hospitel Private Limited	
Kumaranathu and Company	
Kurnool Hospital Enterprise Limited	
Matrix Agro Private Limited	
TRAC Eco and Safari Park Private Limited	
Vaishnavi Constructions	
Medversity Online Limited, Hyderabad	
Trivitron Healthcare Private Limited	Significant Control (Alliance Medicorp (India) Limted)
HDFC Ergo General Insurance Company Limited	Associates of Apollo Munich Health Insurance Company Limited
Aragonda Apollo Medical & Educational Research Foundation	
Indo German Chamber of Commerce	
Apollo Reach Hospital Enterprise Limited	
Emed Life Insurance Broking Services Limited	
Munchener Ruckversicherung Gesellschaft	

Name of related parties	Nature of relationship
Sahayadri City Management	Fellow Subsidiaries of Apollo Lavasa Health Corporation Limited
My City Technology Limited	
Full Spectrum Adventure Limited	
Lavasa Corporation Limited	
Reasonable Housing Limited	
Hindustan Construction Company Limited (HCL)	Utimate Parent Company of Apollo Lavasa Health Corporation Limited
Quintiles Mauritius Holding Inc	Parent Company of Quintiles Phase One Clinical Trials India Private Limited
Quintiles Transnational, USA	Ultimate Parent Company of Quintiles Phase One Clinical Trials India Private Limited
Green Channel Travel Services (Div of IRM Limited)	Significant Influence (Apollo Hospital International Limited)
Cadila Pharmaceuticals Limited	Significant Control (Apollo Hospital International Limited)
Shri. Antony Jacob	Key Management Personnel of Apollo Munich Health Insurance Company Limited
Online Hospital Equipment Services Private Limited	Associates of Apollo Health and Lifestyle Limited
Quintiles Pacific, Inc, USA	Subsidiaries of Quintiles Phase One Clinical Trials India Private Limited
Quintiles Limited, UK	
Quintiles East Asia Private Limited, Singapore	

(₹ in million)

Sl No	Name of related parties	Nature of Transaction	31.03.2012	31.03.2011
1	Family Health Plan Limited	a) Investment in Equity	4.90	4.90
		b) Receivables as at year end	11.77	-
		c) Transactions during the period	5.43	-
		d) Premium Income	8.79	2.17
		e) Claim Payments	38.17	2.38
		f) TPA Fees	87.79	61.78
		g) Payables as at year end	22.12	0.53
2	Apollo Health Street Limited	a) Investment in Equity	1,231.85	1,231.85
		b) Investment in Debentures	589.24	589.24
		c) Rent received	28.90	19.92
		d) Receivables as at year end	-	1.42
		e) Interest on debentures	67.65	61.89
		f) Transactions during the year	2.03	-
		g) Payables at year end	11.22	-
		h) Premium Income	0.75	0.66
		i) Claim Payments	0.20	-
3	Indraprastha Medical Corporation Limited	a) Investment in Equity	393.72	359.64
		b) Receivables as at year end	397.74	144.18
		c) Dividend Received	30.89	30.60
		d) Commission on Turnover	46.43	40.85
		e) License Fees	13.54	9.48
		f) Pharmacy income	1292.45	1052.02
		g) Transactions during the year	1.70	0.12
		h) Deputation Charges	1.50	0.53
		i) Premium Income	30.49	26.19
		j) Claim Payments	39.63	29.31
		k) Expenses towards services rendered	0.04	0.02
		l) Reimbursement of Expenses	0.08	-
4	Stemcyte India Therapautics Private Limited	a) Investment in Equity	80.00	50.00
		b) Unsecured Loan	25.00	4.05
5	Dr. Prathap C. Reddy	Remuneration paid	171.60	137.12
6	Smt. Preetha Reddy	Remuneration paid	68.64	54.85
7	Smt. Suneeta Reddy	Remuneration paid	50.20	34.28
8	Smt. Sangita Reddy	Remuneration paid	17.16	13.71
9	Smt. Shobana kamineni	a) Remuneration paid	17.16	13.71
		b) Expenses towards services rendered	4.80	4.80

(₹ in million)

Sl No	Name of related parties	Nature of Transaction	31.03.2012	31.03.2011
10	Apollo Sindoori Hotels Limited	a) Payables as at year end	11.16	6.58
		b) Reimbursement of Expenses	1.46	6.96
		c) F&B and other outsourcing services	221.05	27.71
		d) Pharmacy Income	0.01	-
		e) Transaction during the Year	-	133.24
11	Health Super Hiway Private Limited	a) Investment in Equity	2.01	24.01
		b) Investment in Preference Shares	22.00	-
		c) Receivables as at year end	1.50	3.50
		d) Advance Given	1.76	-
		e) Transaction during the Year	-	2.32
12	Faber Sindoori Management Services Private Limited	a) Payables as at year end	13.77	12.08
		b) Transactions during the year	157.38	126.01
		c) Reimbursement of Expenses	0.90	0.91
		d) Housekeeping services availed	57.78	54.74
		e) Claim Payments	0.39	-
		f) Premium Income	0.29	2.00
13	Lifetime Wellness Rx International Limited	a) Payables as at year end	2.62	0.24
		b) Transactions during the year	10.81	4.90
		c) Expenses towards service rendered	5.42	1.83
14	P. Obul Reddy & Sons	a) Payables as at year end	-	2.21
		b) Transactions during the year	11.62	13.88
		c) Reimbursement of Expenses	0.78	0.12
		d) Receivables as at year end	0.01	-
15	Keimed Limited	a) Payables as at year end	43.29	0.76
		b) Purchases	3,201.27	2,635.08
		c) Pharmacy Income	0.26	0.31
		d) Premium Income	1.67	-
16	Medvarsity Online Limited	a) Rent received	0.90	0.86
		b) Transactions during the year	0.05	-
17	Apollo Health Resources Limited	a) Receivables as at year end	11.75	11.75
		b) Transactions during the year	0.35	0.31
18	Apollo Mumbai Hospital Limited	a) Receivables as at year end	6.35	6.23
		b) Reimbursement of Expenses	12.03	8.88
		c) Pharmacy income	2.37	3.12
		d) Advance Given	0.07	-
19	Aircell Cellular Limited	a) Payables as at year end	0.27	0.88
		b) Transactions during the year	3.24	3.26
		c) Reimbursement of Expenses	0.08	-
20	Apollo Hospitals Educational and Research Foundation	a) Receivables as at year end	1.94	-
		b) Reimbursement of Expenses	1.74	0.77
		c) Pharmacy Income	0.44	-

(₹ in million)

Sl No	Name of related parties	Nature of Transaction	31.03.2012	31.03.2011
21	Dishnet Wireless Limited	a) Payables as at year end	0.06	0.14
		b) Transactions during the year	0.58	0.25
		c) Expenses towards for services rendered	4.49	1.42
22	Ashok Birla Apollo Hospitals Private Limited	a) Advance for Investment	8.45	5.00
		b) Receivables as at year end	18.75	-
23	Kurnool Hospitals Enterprise Limited	a) Investment in Equity	1.73	1.73
24	AMG Health Care Destination Private Limited	a) Advance for Investment	12.33	-
25	Future Parking Private Limited	a) Investment in Equity	24.01	-
		b) Advance Given	0.49	-
26	British American Hospitals Enterprise Limited	Investment in Equity	203.82	203.82
27	Health Net Global Private Limited	a) Expenses towards for services rendered	5.14	1.14
		b) Premium Income	0.01	0.18
		c) Advance Given	1.00	-
28	Cadila Pharmaceuticals Limited	a) Payables as at year end	-	0.38
		b) Transactions during the period	2.57	1.65
		c) Unsecured Loan	138.38	109.26
		d) Pharmacy Purchases	3.78	-
29	Green Channel Travel Services (Div of IRM Limited)	a) Transactions during the year	3.40	-
30	Quintiles Transnational, USA	a) Payables at the year end	5.29	6.05
		b) Computer Supplies and Maintanance	8.62	4.68
		c) Legal & Professional Fees	2.20	1.37
31	Quintiles Mauritius Holding Inc	a) Share Capital issued	21.43	90.00
		b) Share Premium received	8.57	-
32	Indian Hospitals Corporation Limited	a) Advance Given	40.00	-
33	Lavasa Corporation Limited	a) Operating Income	3.79	4.50
		b) Purchase of Fixed Assets	-	0.27
		c) Inter Corporate Deposit Received	29.25	73.23
		d) Inter Corporate Deposit Paid	-	73.56
		e) Interest paid on inter corporate deposit	9.02	8.45
		f) Project and other services received	-	3.87
		g) Inter Corporate Deposit outstanding	77.61	48.36
		h) Interest Accured and due on above	-	11.03
		i) Equity Share Capital	-	7.60
		j) Payables as at year end	17.95	0.43

(₹ in million)

Sl No	Name of related parties	Nature of Transaction	31.03.2012	31.03.2011
34	Full Spectrum Adventure Limited	Operating Income	0.08	0.30
35	My City Technology Limited	a) Purchase of Fixed Assets	-	1.39
		b) Payables at year end	3.96	1.37
36	Sahayadri City Management	a) Payables at year end	6.84	-
37	Mr.Antony Jacob	a) Premium Income	0.03	0.01
		b) Expenses towards services rendered	13.20	11.44
38	Munchener Ruckversicherung Gesellschaft	a) Premium on cessions to re insurers	9.23	17.16
		b) Re insurance commission earned	0.01	0.00
		c) Losses recovered from re insurers	6.34	5.91
		d) Payables as at year end	0.38	3.53
39	Emed Life Insurance Broking Services Limited	a) Payables as at year end	3.35	0.00
		b) Expenses for services rendered	10.25	2.61
40	Apollo Reach Hospital Enterprise Limited	a) Claim Payments	0.04	-
		b) Premium Income	0.29	-
41	Indo German Chamber of Commerce	a) Expenses for services rendered	0.01	-
42	Aragonda Apollo Medical & Educational Research Foundation	a) Claim Payments	0.09	-
43	HDFC Ergo General Insurance Company Limited	a) Claim Payments	107.48	-
		b) Premium Income	584.13	-
		c) TPA Fees	29.10	-
		d) Management Expenses	227.82	-
		e) Receivables as at year end	36.27	-
44	Trivitron Healthcare Private Limited	a) Purchase of Plant & Machinery	5.49	1.87
		b) Purchase of Consumables	0.00	0.17
45	Online Hospital Equipment Services Private Limited	a) Advances given	0.52	-
46	Reasonable Housing Limited	a) Advances given	-	0.29
47	Hindustan Construction Company	a) Loans & Advances given	-	0.33

In case of other related parties, there are no transactions with the Company.

34. LEASES

In respect of Non- cancellable Operating Leases

Lease payments recognized in the Statement of Profit and Loss is ₹ 965.24million (₹ 797.45 million)

(₹ in million)

Minimum Lease Payments	31.03.2012	31.03.2011
Not later than one year	769.47	565.68
Later than one year and not later than five years	2,024.57	1,226.16
Later than five years	3,291.74	1,734.52

Lease agreements are renewable for further period or periods on terms and conditions mutually agreed between the lessor and AHEL.

Variations/Escalation clauses in lease rentals are made as per mutually agreed terms and conditions by the lessor and AHEL.

Apollo Gleneagles Hospitals Limited

The Company has certain cancellable operating lease arrangements for residential accommodation and use of certain medical equipments with tenure extending upto one year. Term of certain lease arrangements include option for renewal on specified terms and conditions, and payment of security deposit etc. Expenditure incurred on account of Operating lease rentals during the year and recognized in the Statement of Profit and Loss amounts to ₹ 10.82 million (Previous Year ₹ 9.14 million).

Apollo Health Street Limited

Operating Leases

The Group has leased out certain office premises on operating lease. The lease term is for 84 months and thereafter not renewable. There are no restrictions imposed by lease arrangements. Sub-lease receivables recognised in the statement of profit and loss account for the year ended March 31, 2012 and March 31, 2011 is ₹ 12.01 million and ₹ 11.23 million respectively.

The minimum lease receivables are as under:

(₹ in million)

Particulars	March 31, 2012	March 31, 2011
Not later than one year	13.69	11.61
Later than one year and not later than five years	38.53	44.98
Later than five years		

Finance leases

a) Fixed assets include vehicles and leasehold improvements obtained on finance lease arrangements. The finance lease term is for a period of twenty four to seventy two months. There is no escalation clause in any of the lease agreements. Some leases have purchase and renewal clauses. There are no restrictions imposed by lease arrangements. The minimum lease payments due are as under:

(₹ in million)

Particulars	March 31, 2012	March 31, 2011
Total minimum lease payments at the year end	0.25	10.06
Less: Unearned finance income	-	0.38
Present value of total minimum lease payments [Rate of Interest 0% to 11.49%]	0.25	9.67
Not later than one year [Present value ₹ 0.25 million and ₹ 9.46 million as on March 31, 2012 and March 31, 2011 respectively]	0.25	9.84
Later than one year but not later than 5 years [Present value ₹ Nil and ₹ 0.22 million as on March 31, 2012 and March 31, 2011 respectively]	-	0.22

b) Assets taken under finance lease

(₹ in million)

Particulars	31.03.2012		31.03.2011	
	Cost	Net block	Cost	Net block
Leasehold improvements	41.92	-	41.92	5.83
Computer and computer equipments	-	-	10.33	-
Furniture and fixtures	-	-	13.86	0.66
Vehicles	1.84	0.86	12.18	3.02

35. IMPAIRMENT

Apollo Hospitals Enterprise Limited

During the year 2002-03, on a review of fixed assets, certain selected medical equipments were identified and impaired. For the current year, on a review as required by Accounting Standard 28 'Impairment of Assets', the management is of the opinion that no impairment loss or reversal of impairment loss is required, as conditions of impairment do not exist.

Apollo Gleneagles Hospital Limited

The Company runs a diagnostic Centre (the Centre), independent of its Hospital and therefore, both the Hospital as well as the Centre has been considered by the Management as two separate Cash Generating Units (CGUs) for the purpose of determination of impairment in value of fixed assets. As required by Accounting Standard 28 on 'Impairment of Assets' the Company has carried out an assessment at the Balance Sheet date for ascertaining indications ,if any, of further impairment loss/ reversal of impairment loss recognized in earlier years. In view of the Management no such indications exist as on 31stMarch 2012.

36. In the process of acquiring Apollo Gleneagles Hospitals Limited (AGHL) in Kolkata, Apollo Hospitals Enterprise Limited had initially invested ₹ 30 million [₹ 5 million towards equity and ₹ 25 million to discharge other liabilities of AGHL, erstwhile Duncan Gleneagles Hospital Limited (DGHL)] to acquire 50.26% holding in the DGHL (subsequently reduced to 49%, now increased to 50%). AGHL assigned an unsecured debt of ₹ 163.7 million existing in its books to Apollo Hospitals Enterprise Limited, in which the Company received ₹ 90 million during the year leaving a balance unsecured debt of ₹ 86 million. Out of ₹ 90 million received ₹ 25 million has been adjusted against the advance and balance taken to income. As a measure of prudence, balance amount is not recognized as an advance or investment in the books of Apollo Hospitals Enterprise Limited currently and will be accounted for as and when the amount(s) are received.

37. GENERAL INFORMATION

a) Apollo Hospitals Enterprise Limited

On review of the operations of setting up the Hospital in Noida, the Company has re-assigned the lease agreement between itself and the lessor to its associate, Indraprastha Medical Corporation Limited by extinguishing its rights and privileges in the original lease deed dated 27th October 2001.

Unrealised amounts on project development and pre-operative project expenses incurred at Bilaspur Hospital amounting to ₹ 56.62 million are included in advances and deposits account. The above expenses incurred on project will be amortised over the balance lease period of 8 years. The balance yet to be amortised as on 31.03.2012 is ₹ 25.17 million (₹ 28.31 million).

b) A B Medical Centres Limited

As the Company's main business is running of hospital the provisions regarding disclosure of information on Licensed Capacity, Installed Capacity, Production and Sales particulars do not applicable.

c) Apollo Munich Health Insurance Company Limited

i. Encumbrances

The company has all the assets within India. All the assets of the company are free from any encumbrances except deposits in banks amounting to ₹ 3.59 million (₹ 2.34 million). The deposits have been placed with banks for the purposes of executing bank guarantees in favour of hospitals towards cash-less arrangements.

ii. **Commitments made and outstanding for:** (₹ in million)

Particulars	As at 31.03.2012	As at 31.03.2011
Loans	Nil	Nil
Investments	Nil	Nil
Fixed Assets	12.85	3.92

iii. **Claims, less reinsurance paid to claimants:** (₹ in million)

Class of Business	In India		Outside India	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Miscellaneous	1,630.94	828.75	6.37	3.33

iv. **Age-wise breakup of claims outstanding** (₹ in million)

Class of Business	Outstanding for more than six months		Outstanding for six months or less	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Miscellaneous	9.18	10.14	144.75	109.50

v. **Claims settled and remaining unpaid for a period of more than six months:** (₹ in million)

Particulars	31.03.2012	31.03.2011
Miscellaneous	Nil	Nil

vi. **Premium less reinsurance written during the year:** (₹ in million)

Class of Business	Outstanding for more than six months		Outstanding for six months or less	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Miscellaneous	3984.90	2286.66	Nil	Nil

No premium income is recognized on "varying risk pattern" basis

vii. **Extent of risk retained and reinsured:** (₹ in million)

Class of Business	Risk Retained		Risk Retained	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Miscellaneous	84%	81%	16%	19%

viii. **Value of Contracts in relation to Investments:** (₹ in million)

Particulars	31.03.2012	31.03.2011
Purchase where deliveries are pending	Nil	Nil
Sales where payments are overdue	Nil	Nil

ix. All the investments held by the Company are performing assets.

x. The Company does not have any investment property as at March 31, 2012.

xi. The investments as at year-end have not been allocated to Policy Holders &Shareholders accounts since the same are not earmarked separately

xii. The historical cost of investments in mutual funds which have been valued on fair value basis is ₹ 199.77 million (₹ 164.19 million).

xiii. Investments made pursuant to section 7 of Insurance Act, 1938, are as follows:

(₹ in million)

Particulars	31.03.2012	31.03.2011
6.25% GOI CDSS 02-01-2018	75.00	74.13
6.01% GOI CDSS 25-03-2028	5.38	5.31
7.95% GOI CDSS 28-08-2032	19.47	19.45
8.20% GOI CDSS 15-02-2022	20.01	20.07
8.33% GOI CDSS 07-06-2036	1.00	1.00
	102.86	**101.89**

These investments are in the constituent subsidiary general ledger account with Axis Bank Limited.

xiv. Expenses relating to outsourcing, business development and marketing support are given below:

(₹ in million)

Operating expenses	31.03.2012	31.03.2011
Outsourcing Expenses	509.28	395.19
Marketing Support	298.74	188.94
Business Promotion	158.58	65.12

xv. Sector Wise Business

Disclosure of sector-wise business based on gross direct written premium (GWP) is as under (₹ in million)

Business Sector	31.03.2012			31.03.2011		
	GWP (Rs. in Million)	No. of Lives	% of GWP	GWP (Rs. in Million)	No. of Lives	%of GWP
Rural	536.78	724,304	11.29%	154.43	86,891	5.45%
Social	44.84	64,128	0.94%	5.07	27,893	0.18%
Urban	4174.78	1,015,272	87.77%	2675.13	820,200	94.37%

xvi. Disclosure of Fire and Marine Revenue accounts:

As the company operates in single insurance business class viz. Miscellaneous Insurance Business, the reporting requirements as prescribed by IRDA with respect to presentation of Fire and Marine Insurance revenue accounts are not applicable.

xvii. **Summary of Financial Statements is provided as under:** (₹ in million)

S. No.	Particulars	2011-2012	2010-2011
	Operating Results:		
1	Gross Premium Written	4758.51	2834.63
2	Net Earned Premium Income	3008.24	1487.39
3	Income from Investments (net)	148.04	66.96
4	Other Income	0.00	0.00
5	Total Income	3156.28	1554.36
6	Commission (Net of Reinsurance)	281.34	177.42
7	Brokerage	79.29	53.42
8	Operating Expenses	1742.84	1332.59
9	Claims Incurred	1750.89	921.54
10	Operating Profit/Loss	(618.79)	(877.20)
11	Total Income under Shareholders Account	144.66	82.87
12	Profit /(Loss) before tax	(474.13)	(794.33)
13	Provision for Tax	(0.14)	(0.08)
14	Profit/(Loss) after tax	(474.27)	(794.41)
	Miscellaneous:		
15	Policy holders' Account:	Not applicable being	
	Total Fund	Non-Life Insurance Co.	
	Total Investments		
	Yield on investments		
16	Shareholders' Account:	Not applicable being	
	Total Fund	Non - Life Insurance Co.	
	Total Investments		
	Yield on investments		
17	Paid Up Equity Capital	2546.50	1962.00
18	Net Worth	1436.32	1050.70
19	Total Assets	5036.03	3600.01
20	Yield on total investments	8.76%	8.20%
21	Earnings Per Share (₹)	(2.29)	(5.66)
22	Book value per Share(₹)	5.64	5.36
23	Total Dividend	Nil	Nil
24	Dividend Per share	Nil	Nil

xviii. Accounting ratios are provided as under:

Performance Ratios	2011-2012 (in times)	2010-2011 (in times)
Gross Premium Growth Rate (Gross premium for the current year divided by the gross premium for the previous year)	1.68	2.47
Gross Premium to Shareholders Funds Ratio (Gross premium for the current year divided by paid up)	3.31	2.70
Growth Rate of Shareholders Funds (Shareholders' funds as at the current balance sheet date divided by shareholders' funds as at the previous balance sheet date)	1.37	1.17
Net Retention Ratio (Net premium divided by gross premium)	0.84	0.81
Net Commission Ratio (Commission net of reinsurance for a class of business divided by net premium)	0.07	0.08
Expenses of Management to Gross Direct Premium (Expenses of management divided by the total gross)	0.37	0.47
Combined Ratio (Gross Claims paid plus Expenses plus Gross Commission divided by Gross premium)	0.88	0.90
Technical Reserves to Net Premium Ratio (Reserve for unexpired risks plus premium deficiency reserve plus reserve for outstanding claims divided by net premium)	0.67	0.69
Underwriting Balance Ratios (Underwriting profit divided by net premium for the respective class of business)	(0.16)	(0.38)
Operating Profit Ratio (Underwriting profit plus investment income divided by net premium)	(0.12)	(0.34)
Liquid Assets to Liability Ratio (Liquid assets of the insurer divided by the policy holders' liabilities)	0.35	0.31
Net Earnings Ratio (Profit after tax divided by net premium)	(0.12)	(0.35)
Return on Net Worth (Profit after tax divided by net worth)	(0.33)	(0.76)
Reinsurance Ratio (Risk reinsured divided by gross premium)	0.16	0.19

d) Apollo Cosmetic Surgical Center Private Limited

Number of employees of the Company who are in receipt of or entitled to received emoluments amounting in the aggregate to ₹ 0.2 million or more per month or ₹ 2.4 million per annum including perquisite in NIL.

e) Apollo Health Street Limited

i) Employee stock option plans

A) Employee stock option plan 2005

The Company had instituted an employee stock plan in the financial year 2005-06 and had granted stock options to certain employees. The shareholder and Board of Directors approved the plan on April 14, 2005. The options vest over a period of three years and would be settled by issue of fully paid equity shares.

a. Key features of employee stock option plan

Grant date	April 14, 2005		
Exercise price	10		
Exercise period	10 years from date of vesting or IPO whichever is earlier		
Vesting schedule of outstanding options	**Date**	**Number of options**	
		31.03.2012	**31.03.2011**
	September 30, 2005	17,300	17,300
	March 31, 2006	700	700
	March 31, 2007	40,800	48,000
	March 31, 2008	9,800	19,400
		68,600	**85,400**

Stock options:

Particulars	31.03.2012	31.03.2011
Outstanding at the beginning of the year	85,400	112,200
Granted during the year	-	-
Forfeited/surrendered during the year	16,800	2,000
Exercised during the year	-	24,800
Exercisable at the end of the year	68,600	85,400
Expired during the year	-	-
Outstanding at the end of the year	68,600	85,400
Weighted average remaining contractual life	*	*

*10 years from date of vesting or IPO whichever is earlier.

b. Pricing of option at the date of modification (April 19, 2010)

	Incremental fair value of option at date of modification	1.90
	Option pricing model used	Black Scholes Model
	Inputs to the model:	
a)	Average share price	160
b)	Exercise price	10
c)	Expected volatility- Unlisted company	0%
d)	Risk free interest rate	7.5%
e)	Weighted average option life	5 years

The Company accounts for compensation cost in respect of its stock options using intrinsic value method. Had the Company accounted for its stock options using the fair value method, the employee compensation expense for the year ended March 31,2012 would have been higher by ₹ Nil (March 31, 2011: ₹ 0.16 million) and the profit for the year would have been lower by ₹ Nil (March 31, 2011: ₹ 0.16 million).

B) Employee stock option plan 2006

The Company instituted employee stock option plan 2006 and had granted stock option to certain employees. The Shareholders and the Board of Directors approved the plan on October 20, 2006. The option vests over a period of three years and would be settled by issue of fully paid equity shares.

a. Key features of employee stock option plan

Grant date	October 20, 2006		
Exercise price	98		
Exercise period	10 years from date of vesting or IPO whichever is earlier		
Vesting schedule of outstanding options	**Date**	**Number of options**	
		31.03.2012	**31.03.2011**
	October 19, 2007	327,065	358,990
	October 19, 2008	151,808	186,548
	October 19, 2009	238,920	283,435
		717,793	**828,973**

Stock options:

Particulars	31.03.2012	31.03.2011
Outstanding at the beginning of the year	828,973	864,499
Granted during the year	-	-
Forfeited/ surrendered during the year	111,180	1,751
Exercised during the year	-	33,775
Exercisable at the end of the year	717,793	828,973
Expired during the year	-	-
Outstanding at the end of the year	717,793	828,973
Weighted average remaining contractual life	*	*

*10 years from date of vesting or IPO whichever is earlier.

b. Pricing of option at the date of modification (April 19, 2010)

	Incremental fair value of option at date of modification	9.40
	Option pricing model used	Black Scholes Model
	Inputs to the model:	
a)	Average share price	160
b)	Exercise price	98
c)	Expected volatility- Unlisted company	0%
d)	Risk free interest rate	7.5%
e)	Weighted average option life	5 years

The Company accounts for compensation cost in respect of its stock options using intrinsic value method. Had the Company accounted for its stock options using the fair value method, the employee compensation expense for the year ended March 31,2012 would have been higher by ₹ Nil (March 31, 2011: ₹ 7.50 million) and the profit for the year would have been lower by ₹ Nil (March 31, 2011: ₹ 7.50 million).

C) Employee stock option plan 2006 - Plan II

The Company instituted employee stock option 2006 - Plan II and had granted stock option to certain employees. The Shareholders and the Board of Directors approved the plan on March 16, 2007. The options vest over a period of three years and would be settled by issue of fully paid equity shares.

a) **Key features of employee stock option plan**

Grant date	March 16, 2007		
Exercise price	154		
Exercise period	10 years from date of vesting or IPO whichever is earlier		
Vesting schedule of outstanding options	**Date**	**Number of options**	
		31.03.2012	**31.03.2011**
	March 15, 2008	4,850	4,920
	March 15, 2009	9,700	9,840
	March 15, 2010	33,950	34,440
		48,500	**49,200**

Stock options:

Particulars	31.03.2012	31.03.2011
Outstanding at the beginning of the year	49,200	49,200
Granted during the year	-	-
Forfeited/ surrendered during the year	700	-
Exercised during the year	-	-
Expired during the year	-	-
Exercisable at the end of the year	48,500	49,200
Outstanding at the end of the year	48,500	49,200
Weighted average remaining contractual life	*	*

*10 years from date of vesting or IPO whichever is earlier.

b) **Pricing of option at the date of modification (April 19, 2010)**

	Incremental fair value of option at date of modification	4.17
	Option pricing model used	Black Scholes Model
	Inputs to the model:	
a)	Average share price	160
b)	Exercise price	154
c)	Expected volatility- Unlisted company	0%
d)	Risk free interest rate	7.5%
e)	Weighted average option life	5 years

The Company accounts for compensation cost in respect of its stock options using intrinsic value method. Had the Company accounted for its stock options using the fair value method, the employee compensation expense for the year ended March 31,2012 would have been higher by ₹ Nil (March 31, 2011: ₹ 0.20 million) and the profit for the year would have been lower by ₹ Nil (March 31, 2011: ₹ 0.20 million)

D) **Apollo Employees - Accelerated stock option plan**

The Company instituted Apollo Employees - Accelerated stock option plan for certain employees. The Shareholders and the Board of Directors approved the plan on July 20, 2007. The options vest over a period of one month and would be settled by issue of fully paid equity shares.

a) Key features of employee stock option plan

Grant date	July 20,2007
Exercise price	160
Exercise period	5 years from date of vesting
Vesting schedule	30 days from the date of grant

Stock options:

Particulars	31.03.2012	31.03.2011
Outstanding at the beginning of the year	298,484	298,484
Granted during the year	-	-
Forfeited/surrendered during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Exercisable at the end of the year	298,484	298,484
Outstanding at the end of the year	298,484	298,484
Weighted average remaining contractual life	0.40 years	1.40 years

*10 years from date of vesting or IPO whichever is earlier.

b) Pricing of option at the date of modification (April 19, 2010)t

	Incremental fair value of option at date of modification	21.92
	Option pricing model used	Black Scholes Model
	Inputs to the model:	
a)	Average share price	160
b)	Exercise price	160
c)	Expected volatility- Unlisted company	0%
d)	Risk free interest rate	6.5%
e)	Weighted average option life	2.34 year

The Company accounts for compensation cost in respect of its stock options using intrinsic value method. Had the Company accounted for its stock options using the fair value method, the employee compensation expense for the year ended March 31,2012 would have been higher by ₹ Nil (March 31, 2011: ₹ 6.54 million) and the profit for the year would have been lower by ₹ Nil (March 31, 2011: ₹ 6.54 million).

E) Employee stock option plan 2007

The Company instituted employee stock option 2007. The Shareholders and the Board of Directors approved the plan on August 14, 2007 which provided for the issue of 297,000 stock options to certain employees. The options vest over a period of three years and to be settled by issue of fully paid equity shares.

Grant date	August 14, 2007
Exercise price	154
Exercise period	5 years from date of vesting
Outstanding options	Nil

Stock options:

Particulars	31.03.2012	31.03.2011
Outstanding at the beginning of the year	-	170,000
Granted during the year	-	-
Forfeited/ surrendered during the year	-	170,000
Exercised during the year	-	-
Expired during the year	-	-
Exercisable at the end of the year	-	-
Outstanding at the end of the year	-	-

F) Proforma disclosures:

The Guidance Note on 'Accounting for employee share based payments' ('Guidance Note') issued by ICAI establishes financial accounting and reporting principles for employees share based payment plans. The Guidance Note applies to employee share based payments, the grant date in respect of which falls on or after April 1, 2005. The Company follows the intrinsic value method to account compensation expense arising from issuance of stock options to the employees. Had compensation cost been determined under the fair value approach described in the Guidance Note, using the Black Scholes pricing model, the Company's net income and basic and diluted earnings per share (as restated) would have been reduced to the proforma amounts as set out below:

Stock options:

Particulars	31.03.2012	31.03.2011
Consolidated Net profit/(Loss) as reported	1.09	48.47
Less: Employee stock compensation expense	-	(14.40)
Pro forma net profit	1.09	34.07
Basic EPS		
- As reported	0.04	1.68
- Pro forma	0.04	1.18
Diluted EPS		
- As reported	0.04	1.66
- Pro forma	0.04	1.16

ii. Derivative instruments and unheeded foreign currency exposure

a. Interest rate swap

i) As on March 31, 2012 the Company's subsidiary, AHSL had certain open interest rate swaps arrangements with banks, which were entered into solely for the purpose of hedging against interest rate fluctuations on certain long term borrowings of US$ 92.23 million(March 31, 2011: US$ 94.05 million) with those banks. As on the balance sheet date, a 'Mark to Market' valuation of the outstanding swaps indicates a notional loss of US$ 9.92 million (March 31, 2011: US$ 15.31 million) i.e. ₹ 507.33 million (March 31, 2011: ₹ 683.47 million). Management believes that the mark to market loss is notional in nature However, as a measure of abundant precaution it has accrued US$ 0.52 million i.e., ₹ 26.52 million towards the fixed premiums payable defined in the loan restructuring agreement, in case mark to market amount continues to be negative.

Management strongly believes that no provision is required to be made for the Mark to Market loss of ₹ 480.81 million as at the date of balance sheet since:

- The swap arrangements are purely for hedging purposes and not intended to be used for trading or speculative purposes;
- The loss on balance sheet date is entirely notional in nature, and does not require to be paid or settled as on that date;
- Being in the nature of interest rate hedge, the MTM on swaps are likely to have little or no impact on reported results over the period of the contracts.

ii) Interest rate swaps outstanding as at the balance sheet date:

The Company's subsidiary, AHSL has entered into interest rate swaps to hedge its risks associated with interest rate fluctuations and the details of the same are mentioned below:

Hedge against exposure to variable interest outflow on loans.

Receive LIBOR plus spread of 2.75% and pay as per the terms mentioned below:

Notional amount (₹ In Million)	Period		Rate
	From (and including)	To (but excluding)	
108.75	29-May-09	28-Aug-09	1.25%
96.15	29-Aug-09	28-May-10	1.25%
96.15	29-May-10	28-Nov-10	6.25%
94.15	29-Nov-10	27-Feb-11	6.25%
94.05	28-Feb-11	28-May-11	9.25%
93.96	29-May-11	28-Aug-11	9.25%
93.81	29-Aug-11	28-Nov-11	9.25%
93.67	29-Nov-11	28-Feb-12	9.25%
93.67	29-Feb-12	28-May-12	9.25%
90.78	29-May-12	28-Aug-12	9.25%

b. Details of other outstanding derivatives

i) Forward contracts (₹ in Million)

Particulars of derivatives	Purpose	31.03.2012	31.03.2011
Forward contracts outstanding as at Balance Sheet date*	Hedge against expected receivables	Sell US$ 10	Sell US$ 10

*Out of above US$ 7.45 million (March 31, 2011 US$ 0.73 million) represents hedge against inter-company receivables.

ii) **Options**

A. An ex-employee of the subsidiary, AHSL has an option to put back 85,000 shares of AHSL held by him to AHSI at price of US $ 8.94 per share. The price will increase by 10% per annum from August 2009.

B. During the previous year, AHSL had entered into an interest rate option agreement for period of one year starting August 29, 2012 to hedge against it's USD-LIBOR based interest liability. As per the arrangement, if the USD-LIBOR is above 5.50% p.a, AHSL receives differential between the three months LIBOR and 5.50% p.a. The notional amounts are as follows:

Period		Notional Amount (₹ in million)
From (and including)	**To (but excluding)**	
29-Aug-12	29-Nov-12	91.10
29-Nov-12	28-Feb-13	89.42
28-Feb-13	29-May-13	86.78
29-May-13	29-Aug-13	84.13

C. During the current year, AHSL had entered into an interest rate option agreement for period of one year starting August 29, 2013 to hedge against it's USD-LIBOR based interest liability. As per the arrangement, if the USD-LIBOR is above 3.50% p.a, AHSL receives differential between the three months LIBOR and 3.50% p.a. The notional amounts are as follows:

Period		Notional Amount (₹ in million)
From (and including)	**To (but excluding)**	
29-Aug-13	29-Nov-13	79.25
29-Nov-13	28-Feb-14	76.36
28-Feb-14	29-May-14	73.24
29-May-14	29-Aug-14	69.39

iii) **Particulars of un hedged foreign currency exposure**

As at March 31, 2012

	USD	Closing rate	₹ in million
Trade payables and current liabilities	65,285	51.16	3.34
Cash and bank balances	368,583	51.16	18.86
Unbilled revenue	18,420	51.16	0.94
	GBP	**Closing rate**	**₹ in million**
Trade receivables	19,732	81.8	1.61
	EUR	**Closing rate**	**₹ in million**
Trade payables and current liabilities	1000	68.34	0.07
Trade receivables	4,000	68.34	0.27

As at March 31, 2011

	USD	Closing rate	₹ in million
Trade payables and current liabilities	297,988	44.65	13.31
Cash and bank balances	431,863	44.65	19.28
	GBP	**Closing rate**	**₹ in million**
Trade receivable	19,732	71.93	1.42
Cash and bank balances	1,576	71.93	0.11
	EUR	**Closing rate**	**₹ in million**
Trade receivable	4,000	63.24	0.25

Indraprastha Medical Corporation Limited

a. Under the terms of the agreement between the Government of NCT of Delhi and the company, the Hospital project of the company has been put up on the land belonging to Government of NCT of Delhi. The Government of NCT of Delhi is committed to meet the expenditure to the extent of Rs. 154.78 million out of IMCL Building fund account (funds earmarked for the period) together with the interest thereon for construction of definite and designated buildings while the balance amount of the cost of the building will be borne by the Company. As at 31st March, 2012, the aforesaid fund, together with interest thereon amounting to Rs. 192.36 million have been utilized towards progress payments to contractors, advances to contractors, payments for materials, etc. The ownership of the building between Government of NCT of Delhi and the company will be decided at a future date keeping in view the lease agreement.

b. On a Public Interest Litigation (PIL) regarding free treatment in the hospital the Hon'ble Delhi High Court vide its order dated 22nd September, 2009 has held that free treatment provided by the hospital as per the terms of lease deed with Government of National Capital Territory of Delhi shall be inclusive of medicines and consumables. In response to the said order the company filed a Special Leave Petition in the Hon'ble Supreme Court for appropriate directions with a prayer to stay the judgment of the Hon'ble Delhi high court. The Hon'ble Supreme Court of India has admitted the Special Leave Petition and passed an interim order on 30.11.2009. In pursuance of the interim order, the Hospital is charging for medicines & medical consumables from patients referred by the Govt. of Delhi for free treatment in the Hospital.

38. INCOME TAX

Western Hospital Corporation Private Limited

During the year ended 31 March, 2011, the Company has received an Assessment Order for the Assessment Year 2008-2009 based on which the excess of provision for tax made in the books of account over the assessed tax amounting to Rs 0.06 million has been written back.

39. CONSOLIDATED SEGMENT REPORTING

(₹ in million)

	Particulars	31.03.2012	31.03.2011
1.	**Segment Revenue**		
	(Net sales / Income from each Segment)		
	a) Hospitals	22,222	19,081
	b) Retail Pharmacy	8,606	6,614
	c) Others	937	538
	Sub - Total	**31,765**	**26,233**
	Less : Intersegment Revenue	31	31
	Net sales / Income from operations	**31,734**	**26,202**
2.	**Segment Results**		
	(Profit / (Loss) before Tax and interest from each segment)		
	a) Hospitals	4,187	3,588
	b) Retail Pharmacy	57	(43)
	c) Others	240	143
	Sub - Total	**4,484**	**3,689**
	Less :		
	(i) Interest (Net)	891	814
	(ii) Other un-allocable expenditure net of un-allocable income	333	261
	Profit Before Tax and Extraordinary item	3,260	2,613
	Less: Extra Ordinary Item	-	-

	Profit Before Tax	3,260	2,613
	Less :		
	(i) Current tax	443	567
	(ii) Tax for earlier years (net)	-	-
	(iii) Deferred tax liability	714	328
	Add: Deferred Tax Asset	7	22
	Profit After Tax before Minority Interest	**2,110**	**1,740**
	Less : Minority Interest	(12)	(15)
	Add : Share of Associates' Profits	71	84
	Net Profit Relating to the Group	**2,194**	**1,839**
3.	**Segment Assets**		
	a) Hospitals	27,973	25,434
	b) Retail Pharmacy	3,012	2,423
	c) Others	7,185	5,374
	Total	**38,170**	**33,231**
	Unallocated Corporate Assets	3,080	2,378
	Goodwill on consolidation	1,347	677
	Deferred Tax Asset	-	-
	Total Assets as per Balance Sheet	**42,597**	**36,286**
4.	**Segment Liabilities**		
	a) Hospitals	11,505	13,216
	b) Retail Pharmacy	296	208
	c) Others	504	315
	Total	**12,306**	**13,738**
	Unallocated Corporate Liabilities	3,475	2,209
	Shareholders Funds	24,894	18,989
	Minority Interest	126	249
	Deferred Tax Liability	1,796	1,101
	Total Liabilities as per Balance Sheet	**42,597**	**36,286**
5.	**Segment Capital Employed**		
	a) Hospitals	24,007	21,550
	b) Retail Pharmacy	2,716	2,215
	c) Others	6,463	5,047
	Total	**33,186**	**28,812**
6.	**Segment Capital Expenditure Incurred**		
	a) Hospitals	5,026	2,533
	b) Retail Pharmacy	230	174
	c) Others	240	77
	Total	**5,496**	**2,784**
7.	**Segment Depreciation**		
	a) Hospitals	1,119	582
	b) Retail Pharmacy	86	74
	c) Others	34	16
	Total	**1,239**	**942**

8.	**Segment Non-cash expenditure**		
	(excluding Depreciation)		
	a) Hospitals	-	5
	b) Retail Pharmacy	-	1
	c) Others	-	-
	Total	**-**	**6**

40. CHANGE IN AUTHORISED SHARE CAPITAL

Western Hospital Corporation Private Limited

The Shareholders of the Company have passed a resolution at the Extraordinary General Meeting held on 17 December, 2008, for increasing the Authorized Share Capital of the Company from 50,000,000 Equity Shares of Rs 10 each aggregating to Rs. 500 million to 100,000,000 Equity Shares of Rs. 10 each aggregating to ₹ 1,000 million. However, the Company has not filed the required forms for increasing the Authorized Share Capital with the Registrar of Companies (ROC) as at 31 March, 2012 along with the amended Memorandum of Association for giving effect to the aforesaid change, for approval/confirmation from the ROC. Hence, the Authorized Share Capital of the Company as at 31 March, 2012 continues to be reflected as ₹ 500 million.

41. Figures of the current year and previous year have been shown in million.

42. Figures in brackets relate to the figures for the previous year.

43. Previous year figures have been regrouped and reclassified wherever necessary to confirm with current years classification.

44. Where disclosures have not been made by subsidiaries, associates or joint ventures in their independent Notes, the figures relate to those of the Parent Company alone.

As per our Report annexed

For **M/s. S. Viswanathan**
Chartered Accountants
Firm Registration No. 004770S

V C Krishnan
Partner
(Membership No. 022167)
17, Bishop Wallers Avenue West
Mylapore, Chennai - 600 004

Place : Chennai
Date : 29th May 2012

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
General Manager - Project Finance
& Company Secretary

For and on behalf of the Board of Directors

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Managing Director

Suneeta Reddy
Joint Managing Director

Consolidated Cash Flow Statement

for the Year Ended 31st March 2012

(₹ in million)

	Particulras	31.03.2012		31.03.2011	
A	**Cash Flow from operating activities**				
	Net profit before tax and extraordinary items		**3,259.73**		**2,613.18**
	Adjustment for:				
	Depreciation	1,235.83		941.70	
	Profit on sale of assets	-		(0.13)	
	Profit on sale of investments	(11.44)		(5.74)	
	Loss on sale of investments	1.11		4.05	
	Loss on sale of assets	39.94		34.74	
	Interest paid	891.41		778.44	
	Foreign Exchange loss	(7.71)		(6.26)	
	Misc.Exp.written off	3.27		5.81	
	Income from treasury operation	-		(11.77)	
	Provision for bad debts	39.99		17.30	
	Interest received	(140.23)		(106.03)	
	Dividend received	(100.79)		(20.69)	
	Bad debts written off	151.86		63.95	
	Liability & sundry balances Written back	-		(6.05)	
			2,103.22		1,689.32
	Operating profit before working capital changes		5,362.95		4,302.51
	Adjustment for:				
	Trade or other receivables	(1,166.70)		(919.51)	
	Inventories	(325.19)		(165.83)	
	Trade payables	391.96		380.82	
	Others	227.03		(337.67)	
			(872.89)		(1,042.20)
	Cash generated from operations		4,490.05		3,260.31
	Foreign Exchange loss		7.71		6.26
	Taxes paid		(627.22)		(675.11)
	Cash flow before extraordinary items		3,870.54		2,591.46
	Adjustments for Misc.Exp.written off				(3.15)
	Net cash from operating activities		**3,870.54**		**2,588.32**
B	**Cash flow from Investing activities**				
	Purchase of fixed assets		(3,945.01)		(3,334.98)
	Pre-operative expenses		(13.59)		(53.99)
	Purchase of investments		(7,795.28)		(3,922.68)
	Sale of investments		6,723.89		2,615.96
	Sale of fixed assets		78.42		178.07
	Interest received		140.23		52.00
	Dividend received		131.68		50.97
	Cash flow before extraordinary item				
	Sale of lanka shares				
	Extraordinary Item				
	Net cash used in Investing activities		**(4,679.65)**		**(4,414.65)**

(₹ in million)

	Particulras	31.03.2012		31.03.2011	
C	**Cash flow from financing activities**				
	Membership fees		-		-
	Proceeds from issue of share premium		4,067.46		35.03
	Proceeds from issue of share capital		91.55		71.52
	Proceeds from advance against share capital		-		685.31
	Proceeds from long term borrowings		1,306.92		1,949.50
	Proceeds from short term borrowings		212.97		181.70
	Repayment of finance/lease liabilities		(2,965.80)		(1,254.54)
	Income from treasury operations		-		11.77
	Interest paid		(891.41)		(780.36)
	Dividend paid		(467.67)		(432.49)
	Net cash from financing activities		**1,354.02**		**467.44**
	Net increase in cash and cash equivalents (A+B+C)		**544.92**		**(1,358.90)**
	Cash and cash equivalents (opening balance)		1,823.47		3,140.06
	Cash and cash equivalents (Closing balance)		2,368.38		1,781.17
	Component of Cash and cash equivqlents				
1)	Cash Balances		84.40		55.37
	Balance with Banks				
1)	Available with the company for day to day operations		2,264.11		1,707.52
2)	Amount available in unclaimed dividend and unclaimed deposit		19.87		18.28

Notes:

1. Previous year figures have been regrouped wherever neccessary.
2. Figures in bracket represent outflow.

As per our Report annexed

For **M/s. S. Viswanathan**
Chartered Accountants
Firm Registration No. 004770S

V C Krishnan
Partner
(Membership No. 022167)
17, Bishop Wallers Avenue West
Mylapore, Chennai - 600 004
Place : Chennai
Date : 29th May 2012

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
General Manager - Project Finance
& Company Secretary

For and on behalf of the Board of Directors

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Managing Director

Suneeta Reddy
Joint Managing Director

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO THE SUBSIDIARY COMPANIES

Name of the Subsidiary Company	Unique Home Healthcare Limited	AB Medical Centres Limited	Samudra Health care Enterprises Limited	Apollo Hospital (UK) Ltd	Apollo Health and Lifestyle Limited	Imperial Hospitals & Research Centre Ltd	Pinakini Hospitals Limited	Apollo Cosemtic Surgical Centres Pvt Limited	Alliance Medicorp (India) Limited	Western Hospitals Corporation Pvt Limited	ISIS Healthcare India Private Limited	Mera Healthcare Private Limited	Apollo Koramangala Cradle Limited	Alliance Dental Care Private Limited
Financial Year of the subsidiary ended on	31-Mar-12	31-Mar-12	31-Mar-12	31-Mar-12	31-Mar-12	31-Mar-12	31-Mar-12	31-Mar-12	31-Mar-12	31-Mar-12	31-Mar-12	31-Mar-12	31-Mar-12	31-Mar-12
Date from which it become subsidiary	5-Sep-98	19-Jul-01	29-Nov-05	8-Aug-05	12-Dec-02	18-Jan-06	18-Jun-08	7-Oct-09	31-Mar-11	15-Dec-11	30-Mar-09	11-Jul-09	08-Dec-11	31-Mar-11
Shares of subsidiary company held on the above date and extent of holding														
i) Equity Shares (Nos)	29,823,012	16,800	12,500,000	5,000	19,469,800	25,681,000	855,228	2,844,262	5,661,000	18,000,000	50,000	865,000	50,000	1,825,298
ii) Extent of Holding (%)	100.00	100.00	100.00	100.00	100.00	85.76	74.94	69.40	51.00	100.00	100.00	100.00	100.00	51.00
Net aggregate amount of profits/(losses) of the subsidiary for the above financial year so far as they concern members of Apollo Hospitals Enterprise Limited														
i) Dealt with	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
ii) Not Dealt with (₹ in million)	1.01	4.44	13.08	£(0.006) INR (0.47)	(11.16)	(30.79)	0.86	(3.24)	(14.14)	2.87	0.39	0.06	(1.43)	(13.51)
Net aggregate amount of profits/(losses) of the subsidiary for previous financial years as far as it concerns members of Apollo Hospitals Enterprise Limited														
i) Dealt With	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
ii) Not Dealt With (₹ in million)	2.18	4.28	17.16	£(0.004) INR (0.33)	3.71	(29.30)	(0.87)	(4.03)	1.43	NA	(1.23)	1.24	NA	2.78

Note : In respect of Apollo Hospitals (UK) Limited, the assets and liabilities are translated at closing rate of the reported period and Income and Expenses are translated at the average rate of the above reported period.

For and on behalf of the Board of Directors

Krishnan Akhileswaran
Chief Financial Officer

Dr. Prathap C Reddy
Executive Chairman

Place : Chennai
Date : 29th May 2012

S M Krishnan
General Manager - Project Finance
& Company Secretary

Preetha Reddy
Managing Director

Suneeta Reddy
Joint Managing Director

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

(₹ in million)

Name of the Subsidiary Company	Country of Incorporation	Reporting Currency	Capital	Reserves	Total Assets	Total Liabilities	Invest-ments	Turnover/ Total Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend
Unique Home Healthcare Limited	India	INR	298.23	16.68	320.61	320.61	299.24	18.23	1.40	0.39	1.01	-
AB Medical Centres Limited	India	INR	16.80	18.44	42.93	42.93	-	6.52	5.89	1.46	4.44	-
Samudra Healthcare Enterprises Limited	India	INR	125.00	102.63	339.61	339.61	-	263.14	18.80	5.72	13.08	-
Apollo Hospital (UK) Limited	UK	INR	0.41	(2.76)	0.43	0.43	-	-	(0.47)	-	(0.47)	
		GBP	0.005	(0.03)	0.03	0.03	-	-	(0.006)	-	(0.006)	
Apollo Health and Lifestyle Limited	India	INR	194.69	371.31	714.43	714.43	-	363.02	3.50	14.65	(11.16)	-
Imperial Hospital and Research Centre Limited	India	INR	299.45	81.05	2149.64	21,49.64	-	1,016.45	(37.61)	6.81	(30.80)	-
Pinakini Hospitals Limited	India	INR	11.41	(54.81)	16.90	16.90	-	0.96	0.86	-	0.86	-
Apollo Cosmetic Surgical Centres Pvt Limited	India	INR	40.98	11.46	34.48	34.48	-	40.45	(3.24)	-	(3.24)	-
Alliance Medicorp (India) Limited	India	INR	111.00	(14.15)	195.68	195.68	16.86	122.47	(12.74)	1.40	(14.14)	-
Western Hosptials Corporation Pvt Limited	India	INR	180.00	(41.41)	139.97	139.97	37.94	8.88	3.31	0.44	2.87	-
ISIS Health Care India Private Limited [1]	India	INR	0.50	-	24.23	24.23	-	13.08	0.82	0.43	0.39	-
Mera Health Care India Private Limited[1]	India	INR	8.65	7.15	17.31	17.31	-	10.52	0.05	(0.01)	0.06	-
Apollo Koramangala Cradle Limited[1]	India	INR	0.50	-	40.50	40.50	-	-	(1.43)	-	(1.43)	-
Alliance Dental Care Private Limited[2]	India	INR	18.25	45.52	143.76	143.76	-	98.24	(12.11)	1.40	(13.51)	-

1. Subsidiary of Apollo Health and Lifestyle Limited
2. Subsidiary of Alliance Medicorp (India) Limited

Note : In respect of Apollo Hospitals (UK) Limited, the assets and liabilities are translated at closing rate of the reported period and Income and Expenses are translated at the average rate of the above reported period.

For the kind Attention of Shareholders

a. Shareholders / Proxy holders attending the meeting should bring the attendance slip to the meeting and hand over the same at the entrance duly signed.

b. Shareholders / Proxy holders attending the meeting the requested to bring the copy of the Annual Report for the reference at the meeting.

NOTES


Apollo Hospitals
Apollo Hospitals AHMEDABAD
4Hrs EMERGENCY

Apollo Hospitals is one of Asia's largest healthcare groups with over 8,250 beds across 50 hospitals. We firmly believe in Excellence, Expertise and Empathy, three words that define our culture; one mission that anchors our vision. It is this philosophy that has propelled us to touch lives, to heal and to continuously improve healthcare delivery in India. It is this passion that has led to the development of our centers of excellence across medical disciplines. Our simple goal is to make the patient experience safer and better, and make our brand of healthcare more effective and efficient.

Apollo HOSPITALS
TOUCHING LIVES

Apollo Hospitals Enterprise Limited

No.19, Bishop Garden, Raja Annamalaipuram, Chennai - 600 028
www.apollohospitals.com

concept, content and design at aicl (info@aicl.in)