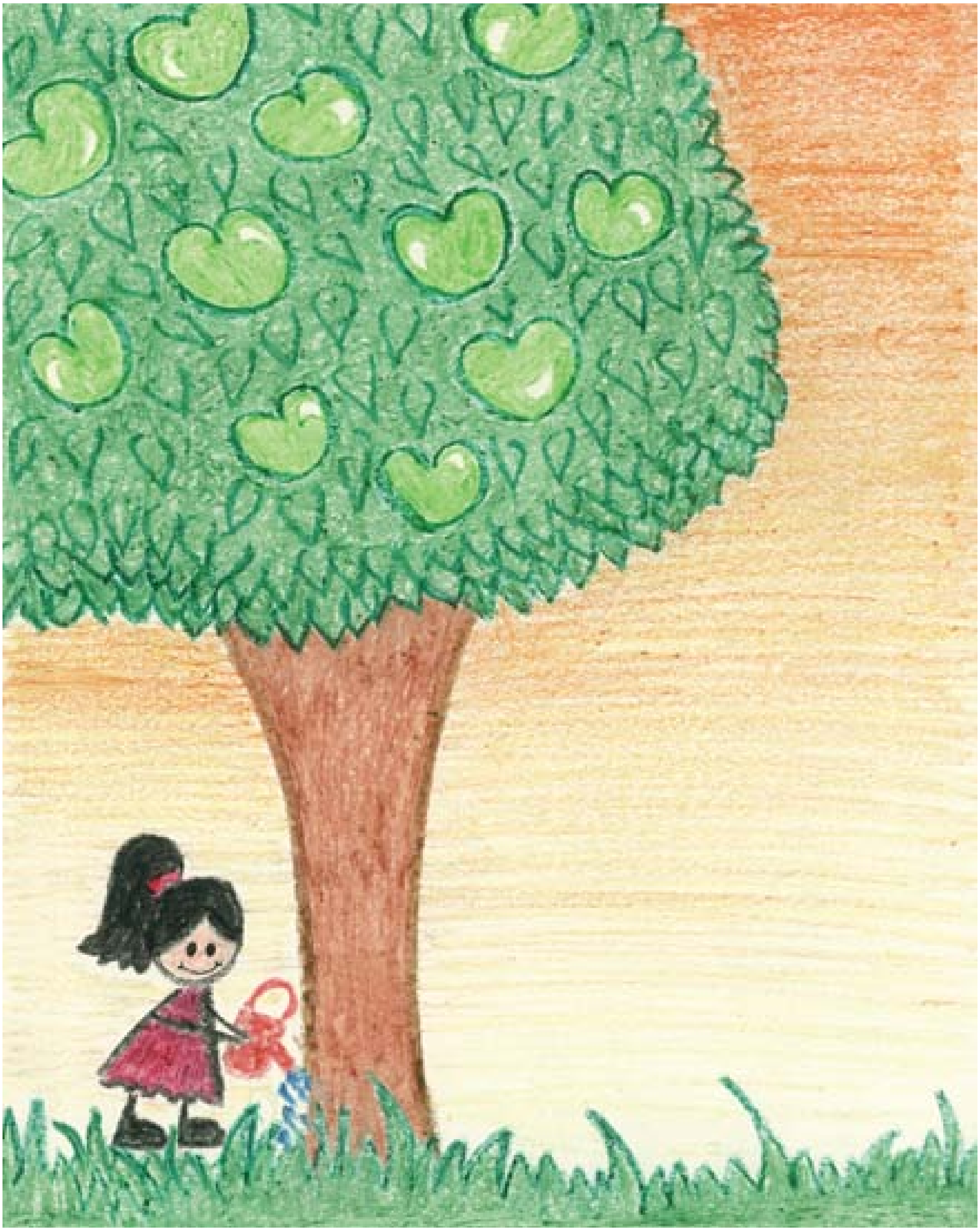
HOSPITALS
TOUCHING LIVES

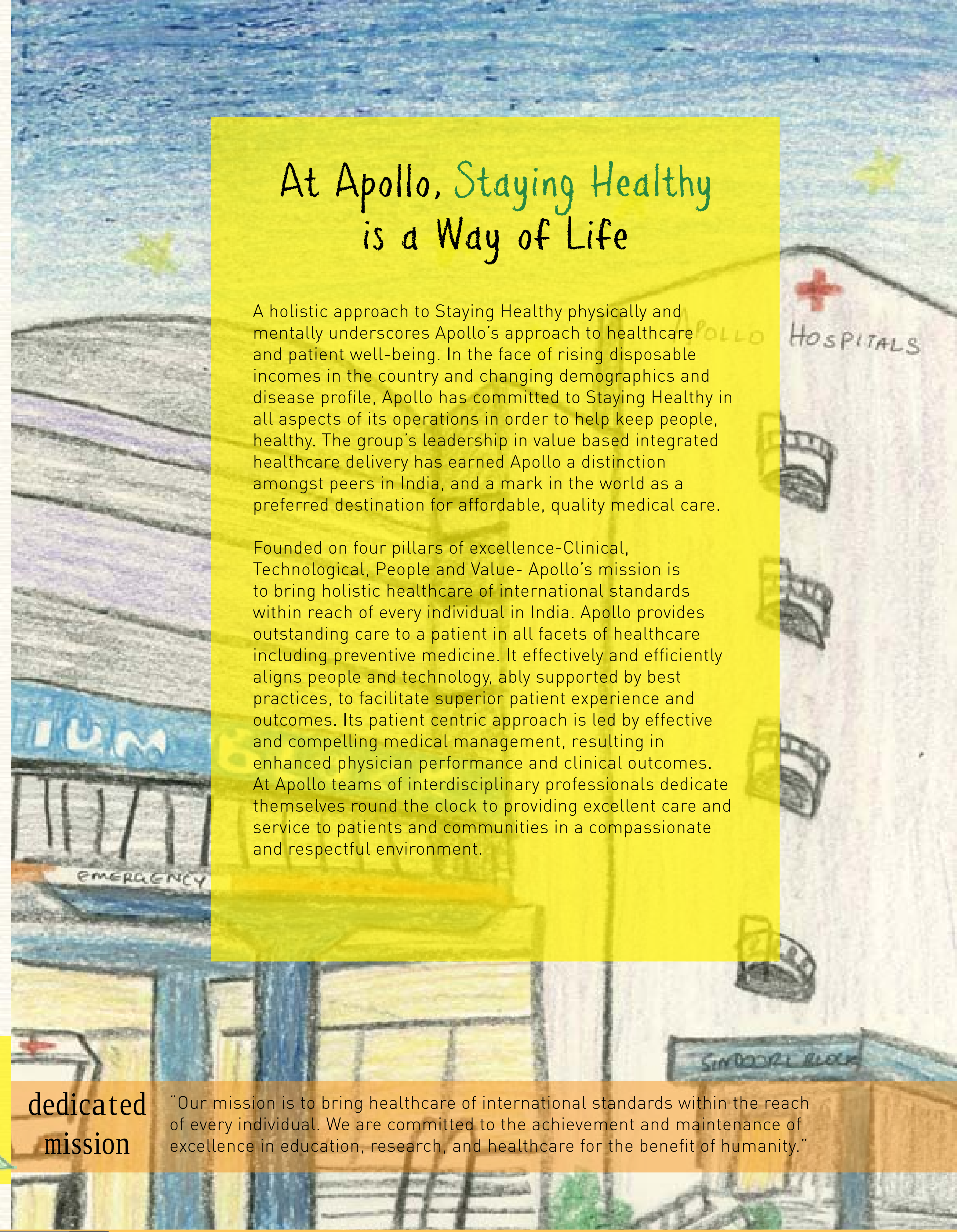
Staying Healthy



Annual Report 2012-13

Staying Healthy

The hand drawn illustrations used in this Annual Report reflect a child's vision of Apollo Hospitals and our core business of keeping people healthy. The drawings echo the optimism of the numerous children Apollo has touched in one way or another through the Save A Child's Heart Initiative (SACHi) and the Society to Aid the Hearing Impaired (SAHI). These children are fighters. And they are winners. They have sunny dispositions and are poised on the threshold of a whole new life experience thanks to the nurturing care of Apollo Hospitals, SACHi and SAHI. Apollo stands behind that optimism and strives to make their dreams real.



At Apollo, Staying Healthy is a Way of Life

A holistic approach to Staying Healthy physically and mentally underscores Apollo's approach to healthcare and patient well-being. In the face of rising disposable incomes in the country and changing demographics and disease profile, Apollo has committed to Staying Healthy in all aspects of its operations in order to help keep people, healthy. The group's leadership in value based integrated healthcare delivery has earned Apollo a distinction amongst peers in India, and a mark in the world as a preferred destination for affordable, quality medical care.

Founded on four pillars of excellence-Clinical, Technological, People and Value- Apollo's mission is to bring holistic healthcare of international standards within reach of every individual in India. Apollo provides outstanding care to a patient in all facets of healthcare including preventive medicine. It effectively and efficiently aligns people and technology, ably supported by best practices, to facilitate superior patient experience and outcomes. Its patient centric approach is led by effective and compelling medical management, resulting in enhanced physician performance and clinical outcomes. At Apollo teams of interdisciplinary professionals dedicate themselves round the clock to providing excellent care and service to patients and communities in a compassionate and respectful environment.

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."

chairman's message

Dear Shareholders,

Just like the absence of sadness is not joy, the absence of disease is not health. The WHO states this, and all of us instinctively know it. Health is our greatest gift. It is god given, but the duty to nurture it is ours alone.

Apollo Hospitals has spent the last thirty years enriching and several million lives with its healing touch. Our commitment to advanced patient care has helped us put in place the world's busiest solid organ transplant program. During FY13 we completed 500 bone marrow transplants with outstanding outcomes. After successfully rolling out Robotic surgery capabilities in Chennai and Hyderabad, we introduced the same this year in our hospitals in Delhi and Kolkata. The group has completed over 130,000 heart surgeries, by far the largest cardiac programme across the globe, with a success rate of 99.6%. We are also the first healthcare organization in the Asia Pacific region to offer the Renaissance TM Robotic system for spine surgeries.

The last year saw us crossing the milestone of ₹ 10 billion in standalone pharmacies sales. We now have over 1500 stores and are focused on continuing to grow this segment profitably. We also have a scientific expansion strategy of commissioning over 1,000 beds across seven locations in the coming year. The expansion plans as envisaged also includes 500 beds as part of our "Reach" Hospitals initiative. The "Reach" Hospitals initiative was recognized for "Inclusive Business Innovation" at the prestigious G20 summit in Mexico. Apollo Hospitals group was the only Healthcare organization in the world to be declared winner.

We plan to establish a Proton Therapy centre in India. This advanced radiation therapy under the Proteus Plus technology by IBA, Belgium, provides best-in-class treatment for cancer. This centre, will be the first of its kind in the region covering Asia, Africa and Australia.

For a growing country like India, staying healthy has to become a mantra. From the micro to the macro, every facet of our ecosystem needs to embrace the importance of staying healthy. Individuals, neighbourhoods, and organizations have to embrace it. Thanks to the stresses of modern day living, India has today emerged as the diabetes capital of the world and a spate of cardiac and other lifestyle diseases confronts our society.

At Apollo we believe staying healthy requires a 360 degree approach; our framework encompasses employees, the local communities, the under privileged, the corporate world, underserved communities and even neighbouring nations. And to all of them, our message is the same—follow an active lifestyle marked by systematic exercise, balanced meals, and stress-free living. Alongside, regular health checks are a must as early detection is closely aligned to staying healthy.

As a health services provider, we are committed to staying healthy in all aspects of our functioning and continuously endeavour to sharpen our clinical excellence. Apollo Hospitals Group is today one of the largest provider groups globally, having equalled or surpassed notable institutions across the world in several important criteria, including patient volumes, solid organ transplant volumes, and clinical outcomes. Even though the Apollo Group has continuously redefined itself over the past three decades, the core of our promise, serving the patient, remains unchanged and is our raison d'être. This defines and drives all our activities, be it clinical or operational, and ultimately determines our financial health as well.

Financially speaking, staying healthy to deliver the prescribed results translates to prudent selection of the right opportunities, strategic capital infusion, forethought in allocation, and the capacity to balance growth with profitability. We have a long history of industry-leading performance and have again been able to deliver strong growth and improved profitability in 2012-13. We recorded consolidated annual revenues of ₹ 37.7 billion, reflecting 19.7% growth. Consolidated Net Profit grew by 38.8% to ₹ 3,044 million and consolidated diluted EPS for the year stood at ₹ 21.88 per share. I am pleased to announce a 110% dividend of ₹ 5.5 per share for fiscal year 2013.

Continuous value addition and innovation in each of our activities, the hallmark of the Apollo culture, underpins our corporate story. This has resulted in several accolades nationally and globally, testifying to our pioneering leadership in healthcare delivery. The responsibility of being at the helm inspires us to go the extra mile to surpass the highest expectations patients and their relatives have of us.

We live in a borderless world and healthcare is indeed truly so. When Apollo was conceived thirty years ago, very few believed us when we said that one day Apollo would reverse the trend of Indians going abroad for treatment, to one where India would be treating the world. Patients from across the globe now look up to the Apollo Hospitals Group to provide solutions to their health concerns, be it in cardiology, oncology, orthopaedics, neurology, gastroenterology, or transplants. Our approach is early detection and timely treatment, which we believe lead to better outcomes for the patients.

We are now embarking on a set of transformational initiatives keeping the future in mind. Building competencies and capabilities, infusing fresh talent, and future-proofing our team, remain our top agenda. Harnessing the power of information technology in reaching out to the patient will continue to be our talisman for enabling quality health care to all.

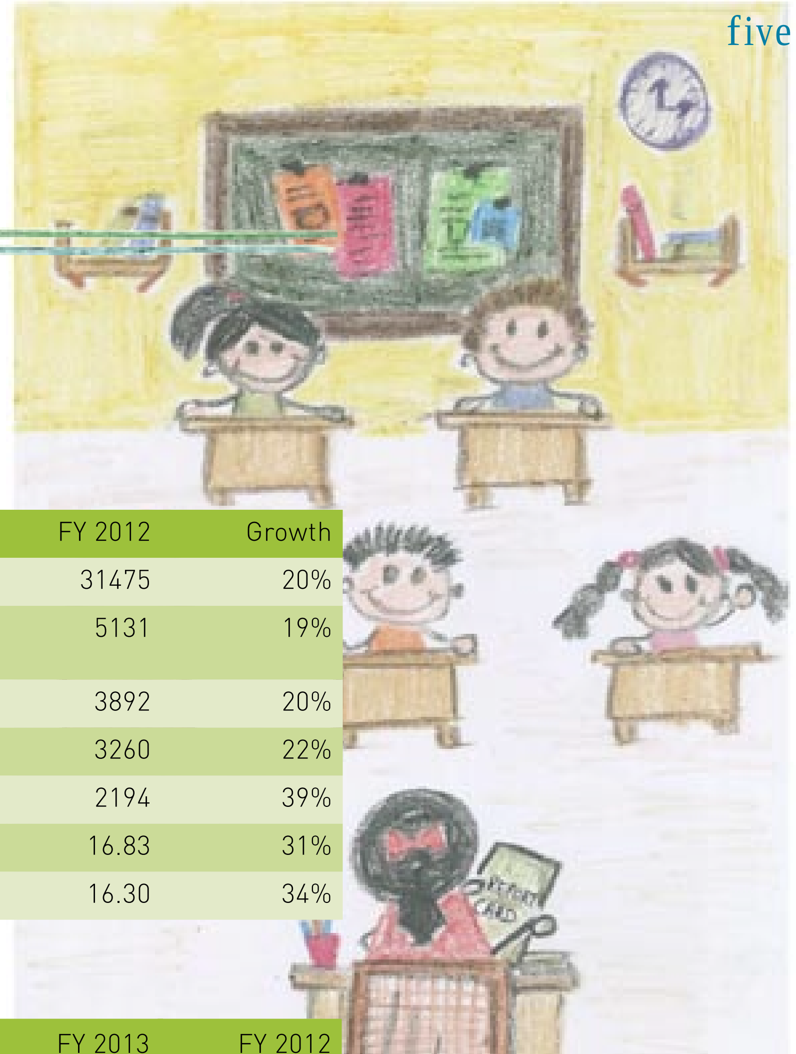
And finally as a responsible corporate, we continue to stay focused on running our business in an sustainable and socially responsible manner.

Over the past three decades, you, our shareholders, the Board of directors, our doctors, our employees, our bankers & financial institutions and the Central and State Governments have stood by us providing unwavering support through every step and initiative undertaken by us. I thank each one of you and look forward to your continued support, belief and trust.

With warm personal regards to you and your families. God bless.

Dr. Prathap C. Reddy
Chairman
Apollo Hospitals Group.

staying healthy in performance



financial highlights

consolidated financial performance

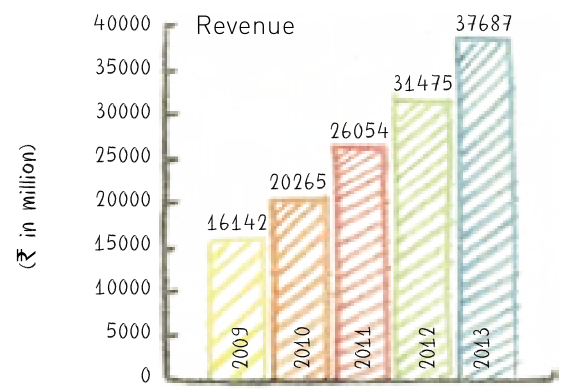
Rupees million, except for share data	FY 2013	FY 2012	Growth
Revenue from operations	37687	31475	20%
Operating EBITDA (Earnings before Interest, Tax & Depreciation)	6082	5131	19%
Operating EBIT (Earnings before Interest & Tax)	4659	3892	20%
Profit Before Tax	3991	3260	22%
Profit After Tax	3044	2194	39%
Earnings per Share (EPS)-Basic	22.08	16.83	31%
Earnings per Share (EPS)-Diluted	21.88	16.30	34%

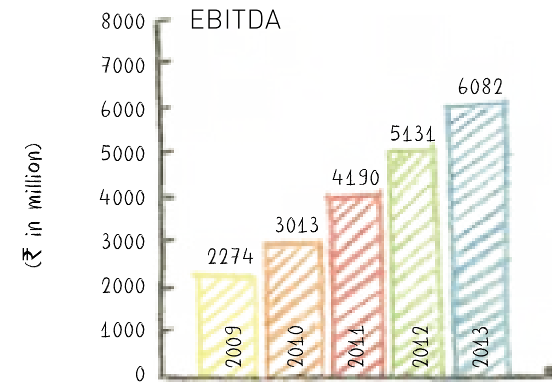
consolidated financial position

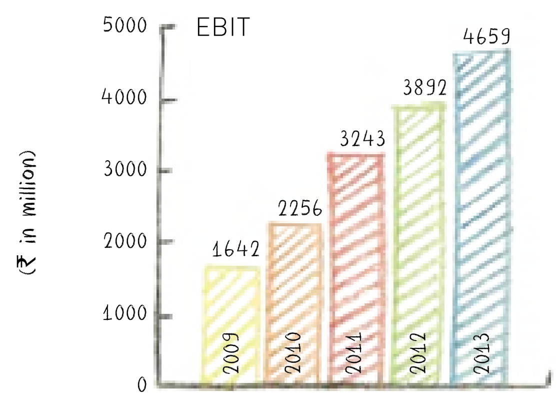
Rupees million	FY 2013	FY 2012
Application of Funds	**41,050**	**32,807**
Fixed Assets	25,987	20,855
Goodwill	1,453	1,350
Non-Current Investments	1,480	4,422
Net Current Assets & Long term Advances * #	11,879	5,935
Deferred Tax Asset	251	245
Sources of Funds	**41,050**	**32,807**
Shareholders Funds	27,313	24,913
Capital Reserve on Consolidation	155	155
Minority Interest	173	126
Loan funds and Long term provisions/liabilities	10,863	5,818
Deferred Tax Liability	2,546	1,795

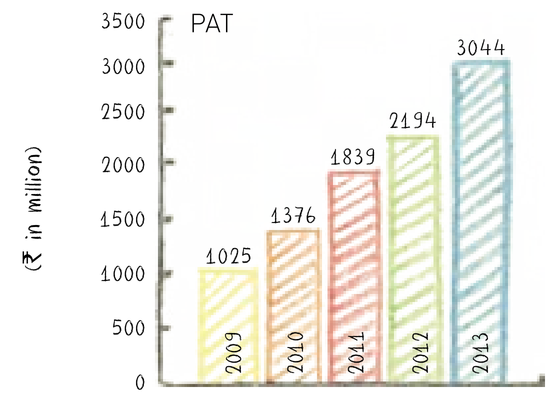
* Includes cash and investment in liquid mutual funds of ₹ 6,822 million in FY13 and ₹ 3,364 million in FY12.
# Previous year numbers have been regrouped and reclassified wherever necessary to conform with current year classification.

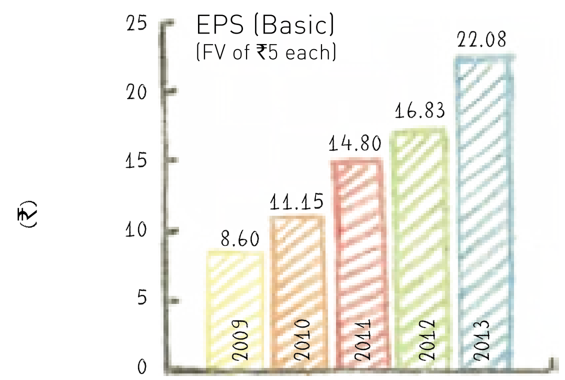
five years at a glance

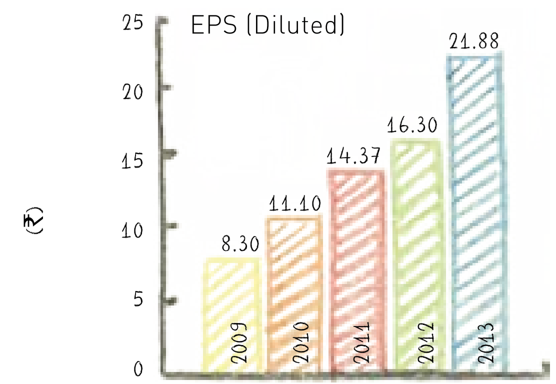


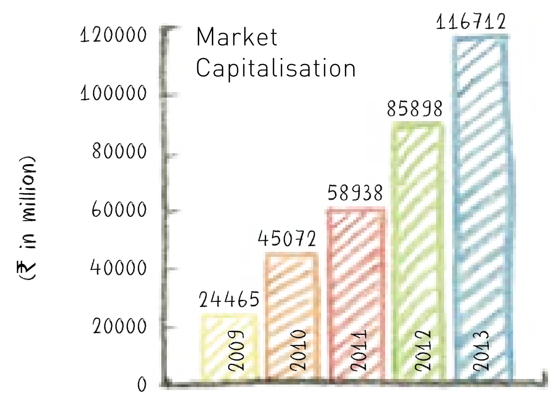


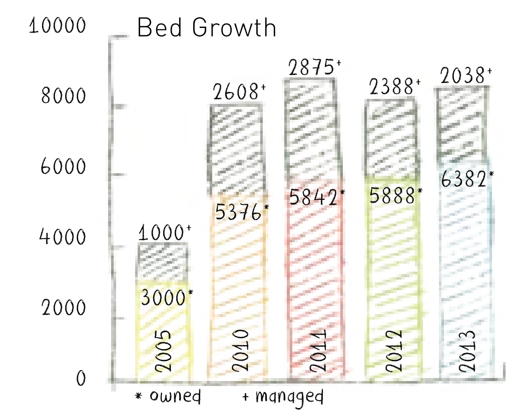












performance highlights
corporate review
statutory section
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financial statements

milestones

over 30 mn
lives touched in 30 years

6300+ owned
2000+ managed
over 8300 hospital beds

5300+
doctors

38 owned
13 managed
51 hospitals

8700+
nurses

over 1500
pharmacies across 20 states

4000+
paramedics

over 100
clinics

over 2.7 mn
FY13
out nts

over 300,000

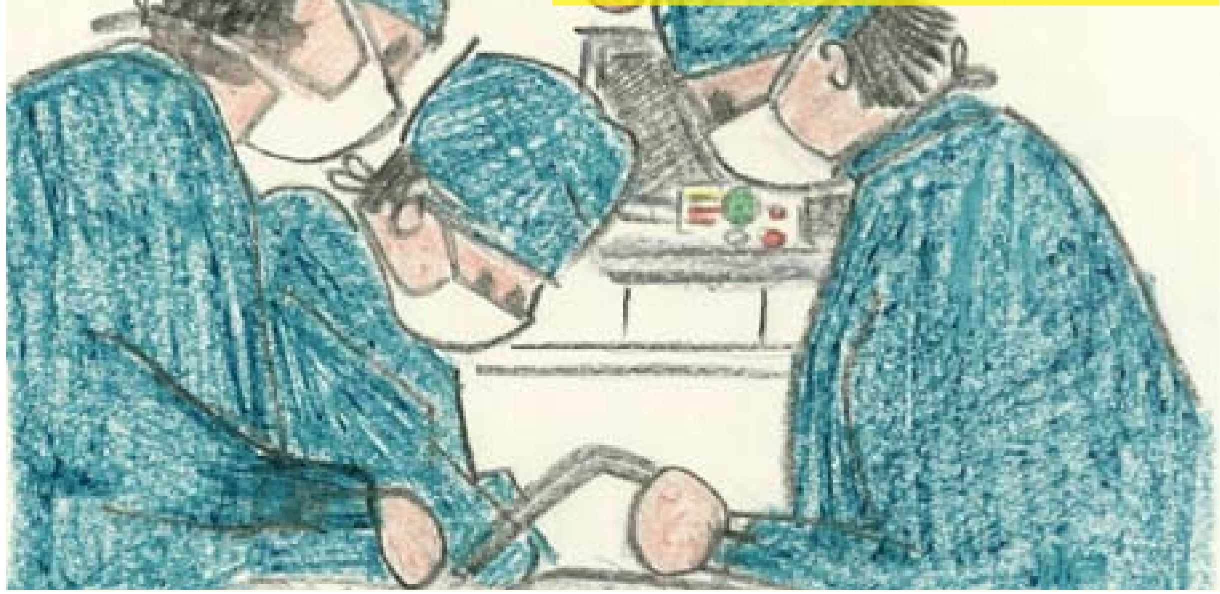
as leaders in clinical excellence

8 JCI accredited hospitals

11 NABH accredited hospitals

Clinical excellence is Apollo's pioneering concept and the hallmark of its healthcare practice. A combination of highly skilled and experienced doctors and detailed protocols, has effected superior patient outcomes and clinical practices. A standing proof to this excellence is the number of JCI accredited hospitals under the Apollo flagship.

The Joint Commission International (JCI) is a U.S based accreditation body dedicated to improving healthcare quality and safety around the world. The accreditation is an international gold standard for hospitals. The National Accreditation Board for Hospitals & Healthcare Providers (NABH) is a constituent board of the Quality Council of India, set up to establish and operate accreditation programmes for healthcare organizations. At Apollo, we constantly assess our process efficiency and make critical changes as needed to improve patient health.



performance highlights
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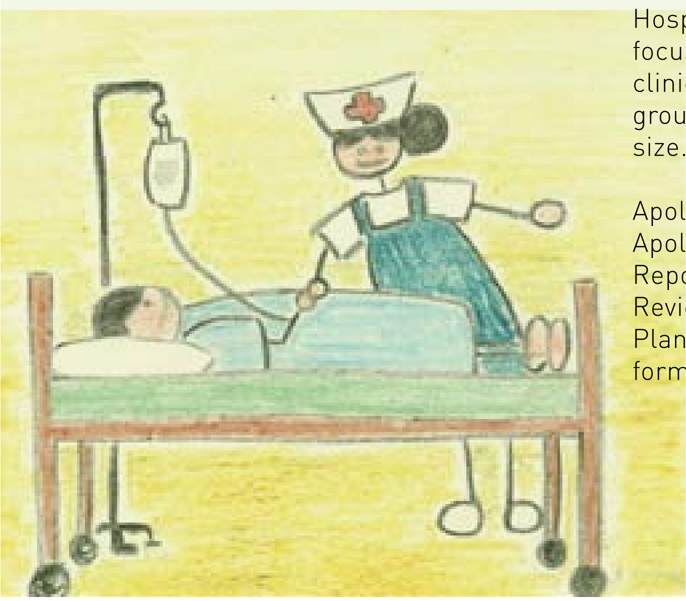
Sustained clinical excellence is made possible only by effective medical management. At Apollo, quality is a practice, a way of life that we have imbibed in our processes. Healthcare quality metrics which can influence measurable changes in process, protocols, and behaviours, help us provide the best medical treatment possible. Over 30 million patients from over 120 countries that we have treated stand testimony to this all important pillar of success.

patients from
120
countries

the apollo standards of clinical care (TASCC)

The Apollo Standards of Clinical Care (TASCC) comprises sets of process requirements and outcome measures which underpin the Apollo Hospitals' approach to clinical care. TASCC focuses on delivering uniform high quality clinical care to all patients alike, across all group hospitals irrespective of location and size.

Apollo Clinical Excellence@25 (ACE@25), Apollo Quality Program (AQP), Apollo Incident Reporting System (AIRS), Apollo Mortality Review (AMR), and Apollo Critical Policies Plans and Procedures (ACPPP) together form TASCC.



apollo clinical excellence@25 (ACE@25)

Apollo Clinical Excellence@25, the revolutionary clinical balanced scorecard incorporates 25 clinical quality parameters involving complication rates, mortality rates, average length of stay after a major procedure, hospital acquired infection rates, pain management and medication errors in a dashboard called Rocket ACE (RACE). The numerators and denominators, inclusions and exclusions are defined clearly and the data collection methodology is standardized across all participating hospitals in the group—currently 31 in number. The data collected is validated by a 20 member Clinical Audit Team. We analyze the trends on a quarterly, half yearly and annual basis, and benchmark our performance with some of the world's best hospitals.

ACE@25 embodies our commitment to continuously challenge ourselves in the face of a changing environment, and stimulates us to keep raising the bar in our clinical performance.

paediatric cardiac surgeries
↑ 300%

98%
success rate

the apollo quality program (AQP)

The Apollo Quality Program focuses on patient safety practices in all Apollo hospitals regardless of accreditation status and covers four broad areas: Safety during clinical handovers, Surgical safety, Medication safety and the Six International Patient Safety Goals of JCI. Trends have shown a positive trajectory over the last year and compliance rates have improved steadily in all areas.

successful bilateral knee replacement for 93 year old man

the apollo mortality review (AMR)

Another important review launched in 2012 is the Apollo Mortality Review (AMR). Using important trigger criteria, all deaths in the hospital are identified, categorised, systematically reviewed and analyzed to identify ways of improving outcomes and follow up actions and protocols are devised to minimize such occurrences. AMR is now standard operating procedure across 31 hospitals in the group.

apollo critical policies, plans & procedures (ACPPP)

Apollo has standardized various clinical and non-clinical processes from clinical care to nursing care, managerial processes, utility systems, and infrastructural requirements by implementing the Apollo Critical Policies, Plans and Procedures (ACPPP)—25 policies in all—across all hospitals in the group. This assures that patients receive optimal clinical care under any circumstance.

centres of excellence

130,000+ heart surgeries

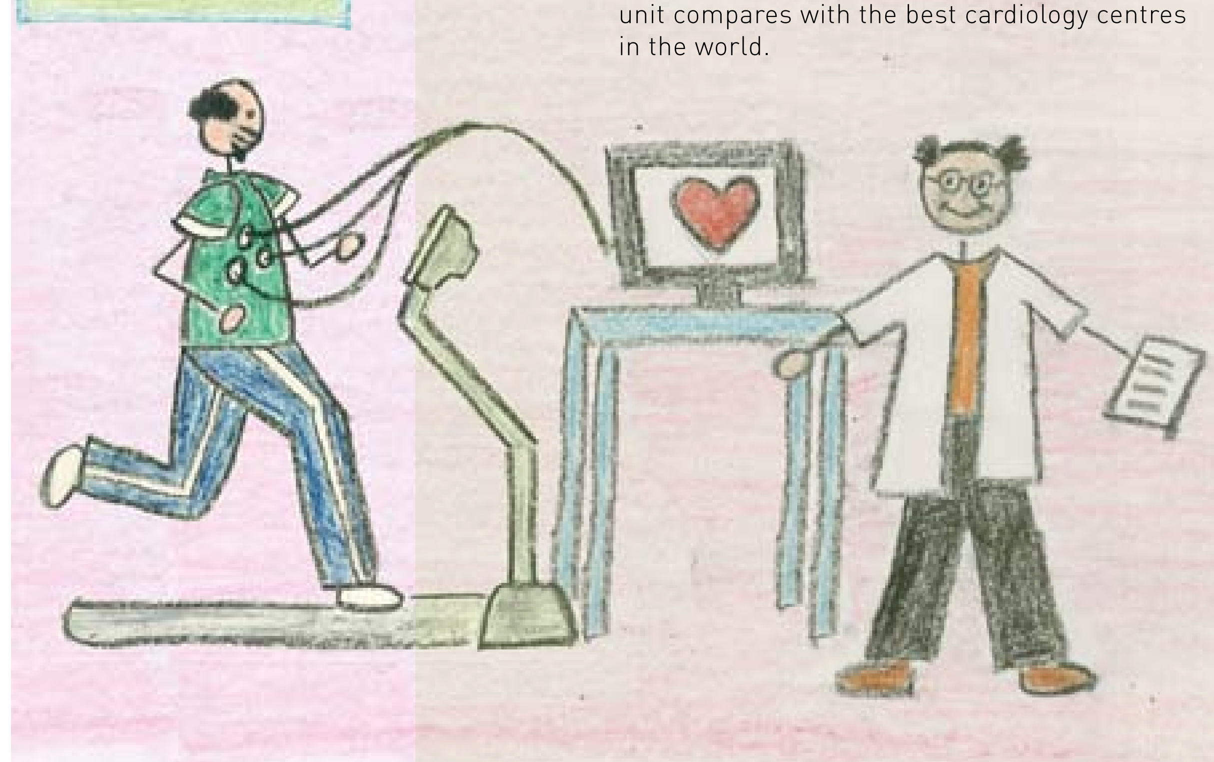
99.6% success rate

successful

- heart surgery on 2 day old baby
- pacemaker implant on 97 year old man

the centre for cardiology

The heart institutes at Apollo is one of the world's largest groups of Cardiology and Cardio-Thoracic Surgery. The institute is staffed with some of the world's best cardiologists and cardiothoracic surgeons whose commitment to the prevention and treatment of heart disease has led to better patient outcomes and improved quality of life, for the thousands who have walked into the hospital for a cure. The expertise of the unit has been enhanced through continuous training, education and clinical practice, leading to innovative solutions towards treating heart disease. With the completion of over 130,000 heart surgeries, including key hole and complicated coronary by-pass surgeries, surgeries for valvular heart disease, and infant and neonatal heart surgeries, the performance score card for the unit compares with the best cardiology centres in the world.



the centre for orthopedics

Equipped with the latest medical and imaging equipment, and incorporating the latest trends and techniques, the centre offers a full range of orthopedic services to patients. Highly experienced surgeons perform advanced surgical procedures like joint replacements, hip resurfacing, arthroscopies, advanced spine surgeries, and complex trauma surgeries to help relieve pain and restore an active life style. Apollo is one of the earliest hospitals to use the Chrondocyte replacement technique and the iPod Navigation technique.

99%
success rate for hip resurfacing procedure

FY13
4400+
minimally invasive knee replacement surgeries

FY13
1000+
hip replacements

3100+
spine surgeries

FY13
10,000+
neurosurgical operations each year

the apollo neuro institutes

World class neurologists, neuro surgeons, critical care specialists, nurses and researchers comprise the highly skilled neuro team at the Neuro Institute at Apollo Hospitals. Adept at delicate surgical maneuvers, and with a track record of enviable patient outcomes, the team treats diseases that affect the brain, the spinal cord, muscles, and nerves, like brain tumors, head injuries, stroke, headaches, and seizures.

The Neurophysiological lab is equipped with state of the art machinery capable of advanced diagnostics.

Over 10,000 neurosurgical operations are carried out every year in our hospitals where we also provide integrated rehabilitation services. Stereotaxy and Frameless Stereotaxy which help pinpoint (accuracy within 1mm) the localization of structures within the brain, Operative Electrophysiology, Micro Neurosurgery, and Minimally Invasive brain and spinal surgery, are all in a day's work at the centres.

cancer is curable

the apollo cancer institutes

The Apollo Cancer Institutes is one of the nations leading centres for cancer cure. The cancer institutes carried out the first successful cord blood transplant in the country for leukemia. The institute offers services of international standards for oncology care and has completed more than 500 successful bone marrow transplants thus far (89 in 2012). The centre is equipped with the latest equipments and avant-garde technology for quick and accurate screening, evaluation, diagnosis, treatment, palliative care and rehabilitation—all under one roof.

Apollo's team of experienced consultants (medical, surgical, and radiation oncologists, radiologists, histopathologists, and physicians from relevant specialties), is highly skilled and adopts a multi-disciplinary approach to providing oncology care. The Breast Clinic, the Brain Tumour Clinic, and the Thyroid Clinic are specialty clinics within the Apollo Cancer Institutes. The dedicated Paediatric Oncology

FY13
5000+
surgeries

89
BMTs

Division manages childhood disorders like blood and lymph node cancers.

Apollo offers the Cyberknife Robotic Radio surgery, the world's first and only radio surgery system designed to treat tumours anywhere in the body with sub-millimeter accuracy. The Novalis Tx, the latest technology in radiation therapy is known to maximize tumor destruction while minimizing damage to normal tissues, and is used in radiation oncology.

Apollo Cancer Institutes conducted over 5000 surgeries across 6 locations (Ahmedabad, Bangalore, Chennai, Delhi, Hyderabad and Kolkata) in 2012. These included the da Vinci Robotic Surgeries for treatment of Urology, Gynaecology, Thoracic, Abdominal and Head & Neck cancers. In FY13, over 42,000 chemotherapies were done and over 8000 patients were treated with radiotherapy.

Apollo's hemato-oncology services include diagnosis and management of the entire spectrum of acute and chronic leukemia, lymphomas, and myelomas.

To mark World Cancer Day in February this year, Apollo launched a unique initiative to create awareness about the advantages of Robotic Surgery which is a better treatment option for cancer, as it is more precise, minimally invasive, heals faster, and has better clinical outcomes.

FY13

8000+
patients treated with radiotherapy

42,000+
chemotherapies

1200+
solid organ transplants in a single calendar year

FY13

360+
liver transplants

FY13

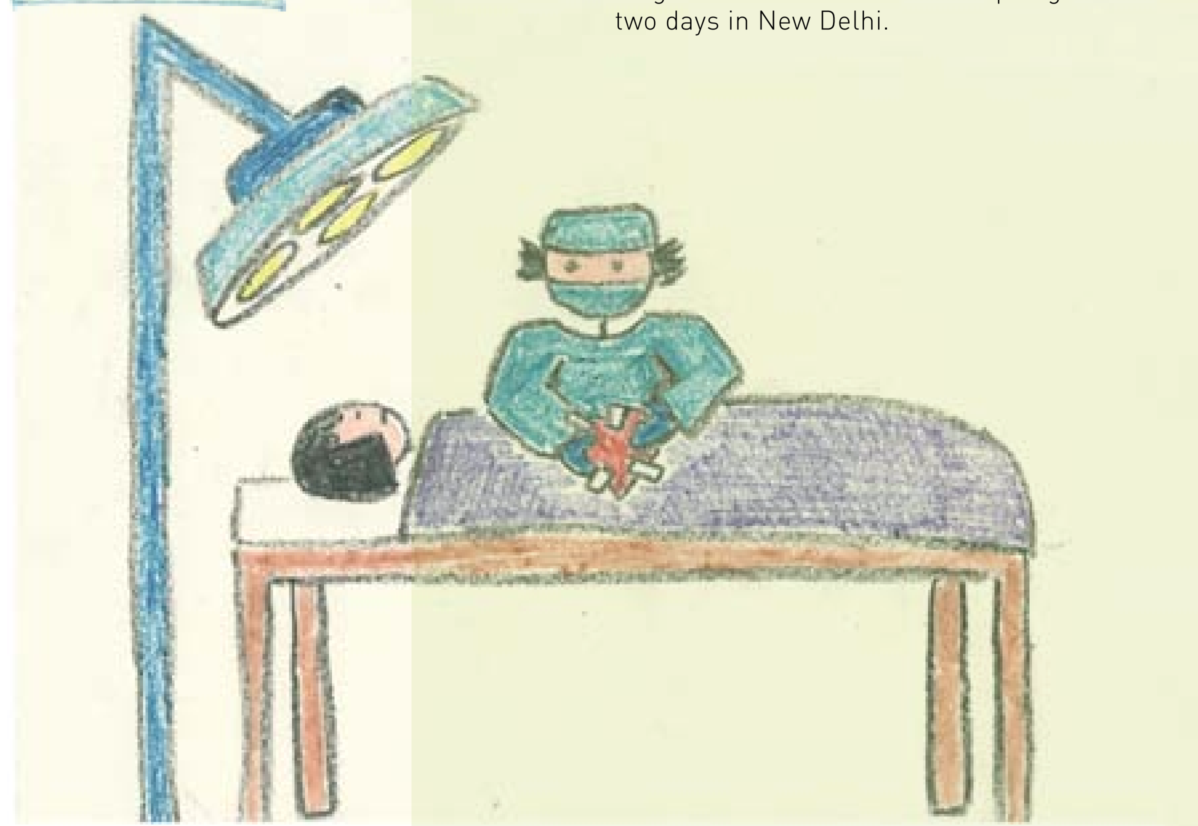
840+
kidney transplants

the transplant centre

Apollo Transplant Institutes provide a fresh lease of life for patients through liver, kidney and multi organ transplants. The Institutes offer transplant services, paediatric and adult hepatology, gastroenterology, nephrology, and urology services, supported by superior diagnostic facilities in radiology, interventional radiology, immunology, transplant histopathology, and microbiology. The Apollo Transplant Institutes holds the record for best in class outcomes, and have earned a badge as the busiest transplant centre in the world.

Using immune adsorption columns to reduce blood group antibodies, the first ABO-incompatible kidney transplant in the country was done at Chennai in 2012.

There is a rising need for transplants across the country. The Transplant Centre completed 1200 transplants in 2012. We have launched an awareness campaign called 'Gift a Life' to persuade organ donation from the community. 20,000 pledges were garnered over a month long drive in Chennai and 3000 pledges over two days in New Delhi.



apollo emergency

Apollo Hospitals is a pioneer of modern day emergency care in India. It has set up the 'National Network of Emergency Services' and strenghthened the five clinical pathways on stroke, acute coronary syndrome, trauma, sepsis, and seizures, to provide emergency care of uniform quality standards across the country.

Apollo Emergency Care is a scientifically developed protocol-driven emergency system with several unique and innovative features. Community awareness programs and training for 'Life Savers' are conducted regularly. Its 24-hour emergency and trauma care is geared to meet all medical and surgical emergencies, including polytrauma.

National Network of Emergency Services

The National Network of Emergency Services is operational across 9 cities in the country. The system comprises 22 emergency rooms and over 500 personnel. The network is expanding rapidly and is expected to progressively cover more towns and cities.

Air Ambulance

Saving time is the first step in saving lives. Air Ambulance Services are generally used when ground transportation could potentially endanger a patient's life. The services are also indispensable when the patient is in a remote area and time is of essence.

Apollo is equipping each of its major hospitals with emergency air ambulance services. At Kolkata and Colombo, our hospitals have roof helipads; and our Delhi and Hyderabad hospitals have landing facilities. We operate both fixed wing aircrafts and helicopters. While the responsibility for logistics is given to aviation companies, we manage all medical aspects like trained personnel, equipment and patient care through our 1066 emergency services.

The National Network of Emergency Services

- An easy to remember emergency access number - 1066
- Ambulances that are well equipped and manned by trained personnel – a veritable 'Hospital on Wheels'
- Air Ambulance Services for remote areas and life-threatening emergencies
- Effective communication system between the central control room, ambulances and the emergency facilities in the hospitals
- Standardised emergency rooms in the hospitals that are a part of the network
- Common functional and medical protocols across the system
- Training of doctors and other personnel required for pre-hospital and in-hospital care
- 'Dost'- an accident insurance card to increase affordability
- Life Savers'- a community involvement programme for rescuing emergency victims and mobilising emergency response

as innovators technology excellence

Increasing population and inadequate medical infrastructure in remote rural geographies in India have galvanized Apollo into amalgamating technological superiority with clinical leadership to launch telemedicine services.

Our TeleHealth Services, TeleHealth Network and Apollo TeleClinics, aim to transcend geographical barriers and touch a big populace which has poor access to quality healthcare.

mHealth is a platform that utilizes India's incredible cellular penetration to deliver cutting edge remote health care. It envisions Healthcare Hubs for countrywide delivery of healthcare solutions.

Such proactive investment in technology and the synergy of our clinical, administrative, and technical capabilities has enabled us to offer teleconsultations even overseas. In December, we launched this service in Yangon, Myanmar in colloboration with KC Healthcare, facilitating quality treatment through telemedicine for people in Myanmar.

Apollo offers the most advanced platform for minimally invasive surgery available in the world today—the da Vinci Robotics program using cutting edge equipment like the CyberKnife, at a fraction of the cost overseas.

We plan to establish the first ever Proton Therapy Centre in the region, at Chennai to offer patients across Asia, Africa, and Australia, the most advanced Radiation Therapy in cancer treatment. This is a pioneering effort in technology led medical treatments in India.

process excellence

We focus on continuous improvement in key process metrics to help drive service excellence and patient delight. An initiative to reduce the Average Length Of Stay (ALOS) in mature hospitals has resulted in not only greater patient satisfaction, but has also improved our patient admissions. Minimally invasive procedures have translated into similar benefits for the patients and the hospital. Initiatives like the process improvement exercise in surgical consumables has helped standardize consumption across specialties and various types of surgeries, reducing hospital costs for the patient and lowering consumables' cost for the hospital.

FY11
ALOS
4.79
days

FY13
ALOS
4.65
days

research excellence

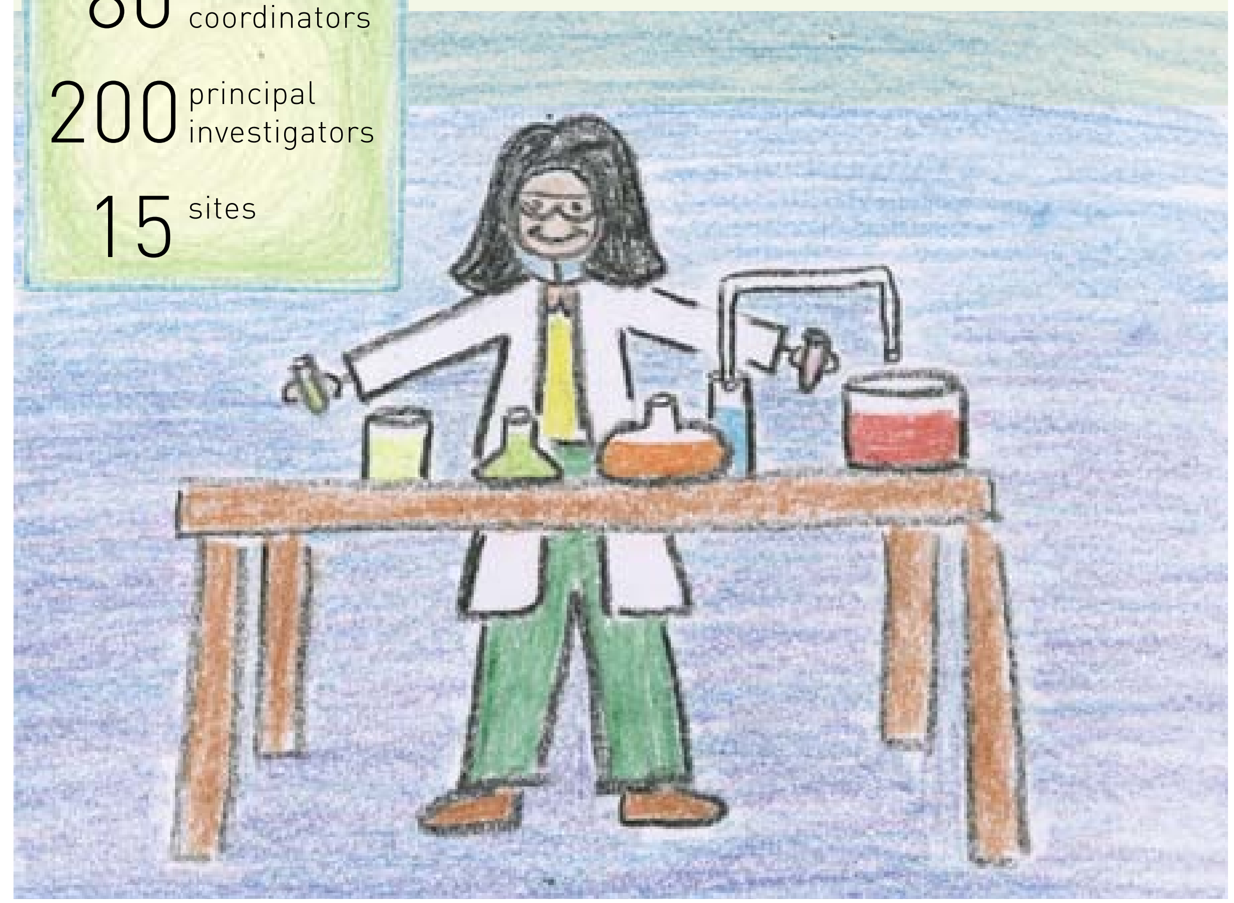
The Apollo Hospitals Educational and Research Foundation (AHERF) undertakes and promotes scientific and medical research programs that have a bearing on the health, social, economic, and industrial needs of India. In doing so it leverages the strength of our clinicians and clinical researchers, a large number of varied patients, state-of-the-art diagnostic and therapeutic technologies, and an excellent medical records system.

Translational Research in stem cells and molecular diagnostics form the thrust areas of research at AHERF. Clinical evaluation protocols for stem cell therapies in the areas of ischemic stroke, critical limb ischemia and non-union fractures, vascular necrosis of bone, spinal cord injury and cerebral palsy, are being developed. Technology collaborations for using point of care systems for clinical protocols are also being explored.

80 research coordinators

200 principal investigators

15 sites



as care providers
people centric approach

At Apollo Hospitals, patient centric care lies at the core of our healthcare practice. Best practices shared across our hospital network influence every patient touch point in the delivery chain, and the nearly 35,000 member Apollo family—doctors, nurses, paramedics, and others, commit to giving a patient the best experience possible through tender loving care, a cornerstone of the Apollo healthcare philosophy.

We have a dedicated 4 digit access number—1066, which is a 24x7x365 helpline and this is the only private emergency network for medical help in India. Once dialled, a crew springs into action, cognizant that every minute after that, counts. An ambulance is dispatched and in the quickest time possible the patient is brought into our hospital and immediately handled by a team of compassionate and skilled emergency doctors and specialists.

The Emergency Response Centre solution is a complete solution with plug and play modules including modules for Call Takers, Dispatch Officers, Fleet Management and EVLT (Electronic Vehicle Location Tracking), with GIs integration.

Apollo Prism is an on-line patient controlled Personal Health Record database and is accessible to doctors and patients anytime and anywhere. This trouble-free on-line access makes it simple for the patient to manage their health requirements and seek help if an emergency arises.

Our commitment to patient welfare goes beyond patient discharge. Unique Home Healthcare Limited, the 100% subsidiary of Apollo Hospitals provides one of a kind home nursing care services. It manages over 300 trained nurses who can provide care at home post hospitalization on a 24x7 basis throughout the year. The nurses not only provide medical help but can also educate family members about the best ways to promote speedy recovery.

Apkos Rehab Pvt. Ltd. is a joint venture between Apollo Hospitals and Kos, Italy, the objective of which is to operate state-of-the-art rehabilitation centres allied to cardiology, oncology, neurology and orthopaedics across India. The pilot centered in Hyderabad offers functional and psychiatric rehabilitation services.

as strategists
cluster based approach

At Apollo Hospitals our strategy is centred on the "patient first" principle. While we are seeking to constantly improve the quality of our healthcare services, we are focused on generating strong financial performance and appropriate returns for our shareholders through the execution of a strong business strategy.

Our approach has been founded on four key principles—Clinical excellence, Technological excellence, Patient care excellence and Value excellence, all of which have been fundamental to our success thus far, and continue to remain the bedrock of our business.

Our cluster based growth strategy understands the requirements and cultural nuances of the local population, making it an effective approach.

Our strategy is centred on:

- Strengthening our presence in key strategic markets through the Cluster strategy for expansion
- Focusing on a portfolio of high value clinical specialties
- Focusing on life enhancing procedures and elective surgeries
- Geographic expansion through setting up hospitals in select Tier II towns and cities in India under the Apollo REACH initiative
- Improving operating efficiencies and profitability
- Focusing on medical value travellers from select markets including those in the Middle East, Africa and South East Asia
- Focusing on continued growth in stand-alone pharmacies market
- Leveraging brand value and enhancing customer reach through investment in primary clinics, sugar clinics, dialysis centres and dental care as separate focus verticals

Cluster Strategy for expansion with Greenfield Projects in attractive newer Markets

- Chennai: Ensure continued dominance by expanding into West and South. New specialist standalone hospitals to both support COEs as well as increase dominance Eg. Heart centre / Birthing centre (CRADLE) , Women & Child hospital
- Bangalore: Widen market reach by adding two hospitals - North and South. Specialist hospitals : Ortho, Cradle
- New hospitals in metros like Mumbai and large cities like Patna, Indore with no existing presence – reaching to wider urban population
- Tier II cities – Expansion through REACH hospitals, first mover advantage and leveraging Apollo's strong brand.

Focus on Centres of Excellence

- Identified cardiology, oncology, neurology, orthopedics, critical care and transplants as the key focus areas of our tertiary care hospitals
- Strengthen each Centre of Excellence through the addition of experienced and skilled doctors
- Provide comprehensive sub-specialties and treatment services
- Continually invest in the latest medical technology
- Well-defined clinical guidelines and protocols with a strong focus on clinical outcomes
- Knowledge sharing and the adoption of best practices across the network

Cost Efficiencies and Focus on Improving Key Operating Metrics

- Optimise asset utilisations and minimum wastage of all resources thorough standardised SOP's and Lean Management
- Higher patient turnover by reducing average length of stay and optimised ward processes for faster turnaround time of all diagnostic process
- Improving average revenue per bed day through richer case mix
- Maximize efficiencies through greater integration, better supply chain management
- Improve equipment utilization at our hospitals

Increase Presence in Indian Healthcare Retail Space

- Standalone pharmacy business - Calibrated expansion plans with focus on same store growth, increased private label sales and margin improvement
- Improving operating efficiencies by implementing a centralized database and inventory management system
- Leverage brand value and enhance customer reach through investment in Primary clinics, Sugar Clinics, dialysis centres and dental care as separate focus verticals.

Expansion Plans and Growth Strategy

Year	No of Beds
FY2014	1,010
FY2015	935
FY2016	740
Total	**2,685**
FY2017	Proton Beam Therapy

To add 13 hospitals to current 38; 2,685 beds to the current 6,382

backward & forward integration

healthcare education

Healthcare systems cannot operate in silos. Every touchpoint of the delivery chain has to be integrated seamlessly to exponentially increase benefits to the people and also deliver competitive advantage. Apollo Group's significant presence at every touchpoint of the medical value chain makes us a leading healthcare provider in India and brings credibility to our brand.

Quality education infrastructure like Nursing Colleges, Courses for Allied Health professionals, Hospital Management programs, and on-going certifications for doctors and nurses, serve to adequately train and employ the best available talent in the marketplace. In proportion to its burgeoning population, India is woefully understaffed with doctors and nurses to meet healthcare demands. It is projected that a staggering 14.3 million healthcare professionals will be needed in the country by 2022. To meet these demands, Healthcare Education has evolved into an important aspect of Apollo's long term strategy.

Apollo University Education—Allied Medical colleges, Nursing colleges, Pharmacy colleges, Allied Health colleges, Hospital management programs

Apollo MedSkills—in partnership with the National Skill Development Corporation (NSDC) to develop skills needed in the healthcare vertical

Apollo Medvarsity—on-line medical education

Apollo Medical Finishing School—pioneering syllabus to close gap between medical school graduates and industry requirements

apollo pharmacy

Apollo Pharmacy is India's largest organized pharmacy retail chain with a network of over 1,500 stores which offer a wide range of medicines, surgical products, hospital consumables, and over-the-counter products on a 24x7 basis. The pharmacies are accredited with International Quality Certification.

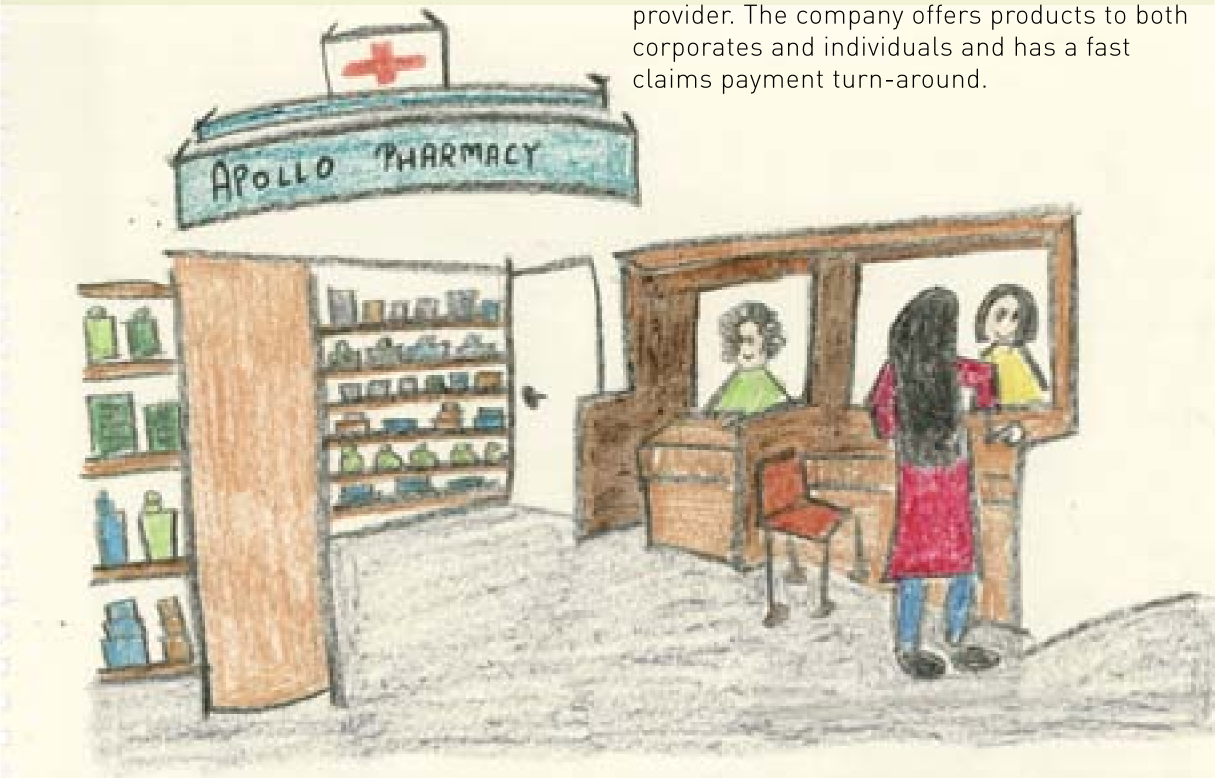
An asset light business model with a proven track record, the pharmacies have delivered consistent growth and increased penetration of generic and private label sales. The Apollo pharmacies offer a retail experience certified by the group's brand value. Our plans focus on nourishing store growth through product diversification, minimizing stock outs through inventory management systems, central stocking to ensure same day customer order fulfillment, and enabling customers to order prescription refills 24 hours a day.

1,500+
pharmacies

₹1000 crores
landmark revenue

apollo munich health insurance

Apollo Munich Health Insurance is a joint venture between Apollo and Munich Health. This strategic partnership between Munich, an insurance company with insurance and reinsurance competence in more than 40 countries, and Apollo India's largest integrated healthcare provider, has created a virtual health insurance powerhouse that understands both healthcare and insurance. Apollo Munich is a straightforward, user friendly, and hassle free health insurance provider. The company offers products to both corporates and individuals and has a fast claims payment turn-around.



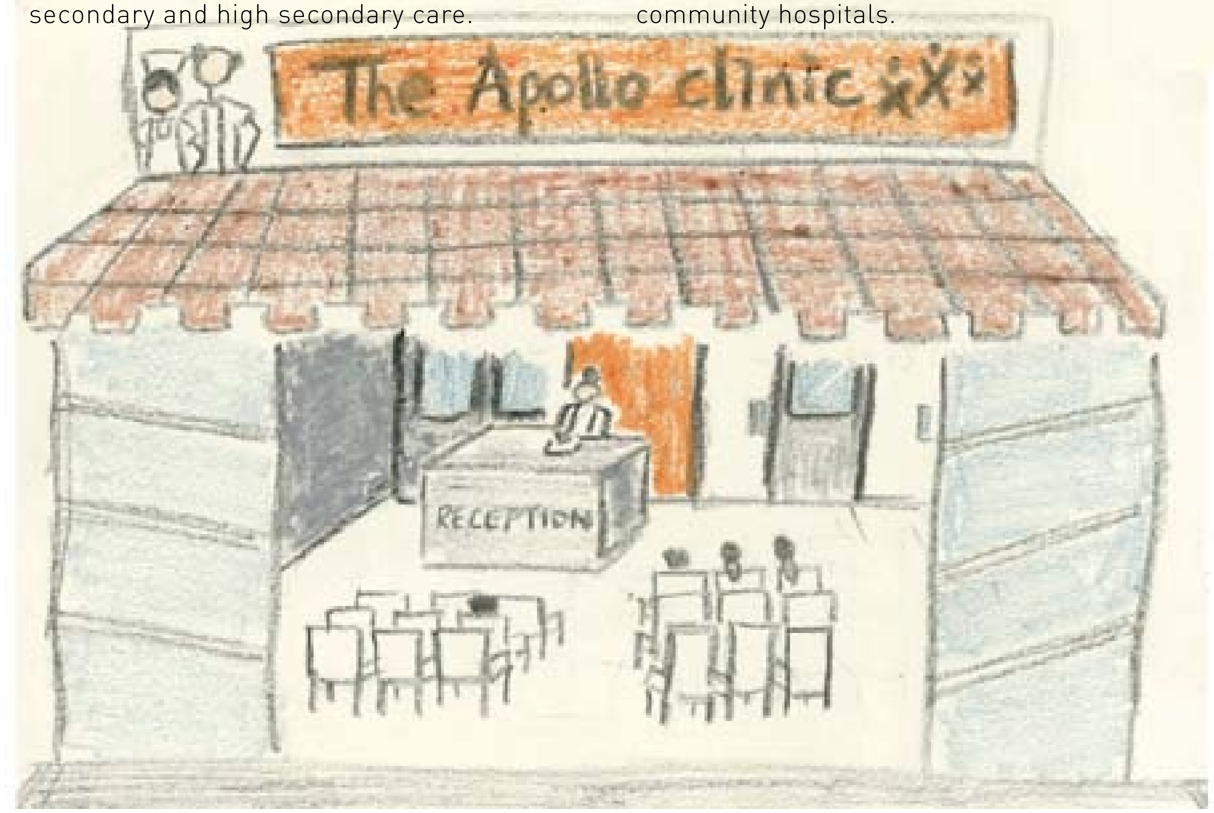
in the country clinics and health centres

Wellness, immunization, and disease management especially in lifestyle ailments like diabetes and hyper-tension are important aspects of staying healthy. The concept of preventive healthcare focuses on eating right, exercising, and scheduling regular health checks. At Apollo, preventive health check packages are designed to suit the individual needs of a wide cross section of people across age groups.

Apollo's belief in health care being a local play coupled with a huge gap in quality healthcare facilities in semi-urban locations in Tier II cities, motivated the implementation of REACH (Reliable, Efficient, Accessible, Community Healthcare) Hospitals, a low cost model with focus on secondary and high secondary care.

Apollo's REACH Hospitals in district headquarters, a hub and spoke model, complement existing healthcare facilities in rural India and are the vanguards of a paradigm shift in healthcare delivery to these areas. The initiative was recognized at the prestigious G20 Summit in Mexico and the group was distinguished as the exclusive winner of "Inclusive Business Innovation" award. Plans are on the anvil to increase beds in the REACH Hospitals by 500 in FY14.

With a network of 51 hospitals and 100 clinics, Apollo has plans to increase the total beds in the group by 1000 across seven locations in FY14, which includes 3 REACH hospitals in Trichy, Nellore and Nasik apart from a mix of Tertiary care and community hospitals.



neighbourhood clinics

Apollo Health and Lifestyle Limited delivers family focused one stop integrated primary health care services, tele-consultation, diagnostic, and pharmacy services through branded Apollo Clinics across India. A foray into retail health, these neighbourhood clinics take health care to the doorstep of the patient. We presently have over 100 clinics in operation.

sugar clinics

Diabetes is not a disease. It is a way of life. Diabetes management requires a balanced life style, one enriched by healthy eating habits and regular exercise. While diabetes was traditionally thought to be a genetic condition, modern day life styles and accompanying stress have rendered diabetes a leading lifestyle disease which if not managed can increase the risk of coronary heart disease, stroke, kidney disease and other conditions. The concept of Sugar Clinics in the neighbourhood is an effort by Apollo to increase awareness about diabetes and provide world class care within the reach of those who need it. Sugar Clinics provide a complete range of Diabetes Care Services ranging from preventive care, specialized diagnostics, and disease management services for management of diabetes related complications.

cradle

'Delivering Joy' to the mother-to-be, Apollo's new initiative Cradle, enhances the overall birthing experience. Pregnancy and motherhood are important chapters in a woman's life and having a baby is one of life's most exciting and important occasions for a woman. Cradle seeks to deliver a personal, unforgettable one of a kind experience for the mother, her baby, and her family. All in an atmosphere of elegant comfort and relaxation, supported by caring obstetricians, nursing staff, neonatologists and paediatricians. The Cradle is a high-end, premium boutique birthing centre, which has been conceived exclusively to satisfy the service and quality needs of a younger generation of Indians.

dental clinics

Apollo White envisions a complete makeover of Indian dental healthcare and aims to take dentistry to a world class level. A first of its kind Dental care brand, Apollo White is all set to create a success story with a fleet of world class dental spas, studios, clinics & express centres spread across the country. The centres offer a range of services from avant garde cosmetic dentistry to simple and affordable dental services. Experienced doctors, cutting edge technology, latest equipments and a comfortable ambience make Apollo White dental care one of the best in the country.

dialysis clinics

The Apollo Hospitals network does 224,000 dialysis procedures per year. The Apollo Dialysis Clinics is an Apollo Hospitals' initiative to take dialysis outside the hospital framework for easy access and quicker delivery.

The group in collaboration with Alliance Medicorp (India) Limited through a Joint Venture with Apollo Health and Lifestyle Ltd., has launched the first standalone Dialysis Centre in Public Private Partnership with Central Government Health Scheme (CGHS). Of the 1.5 lakh new patients who suffer from end-stage renal failure annually, only 3,500 get kidney transplants and 6,000 undergo dialysis. A space of 2400 sq. ft. has been converted into a state of the art dialysis facility with a capacity to dialyze up to 21 cases of Chronic Renal Failure per day with seven functional Dialysis machines.

day surgery

A contemporary state of the art facility, the first Day Surgery centre in Chennai, covers a comprehensive list of medical specialties and is ideal for elective short stay surgeries. The centre is spread on 5 floors and offers Super Specialist consultations across multiple specialties. The ultra modern Day Surgery has 3 operation theaters with laminar Flow, 16 day beds, and a dedicated recovery bay. Other facilities in the integrated centre include a Family clinic with an endoscopy suite and an entire floor for Apollo's preventive health check offerings. An Emergency bay provides round the clock emergency care and an in-house Chest pain clinic is always ready and prepared to handle cardiac emergencies. The on-site pharmacy with OTC medicines and surgical disposables, is open 24x7.

footprint, expansion & achievements

Continued momentum in network expansion in FY13:

- Launched 260-bed REACH Hospital in Ayanambakkam during the year
- Launched the 140-bed Ortho & Spine specialty hospital in Bangalore during the year
- Entered into an agreement to increase stake in Imperial Hospital, Bangalore from 51% to 100%. Raised stake to 86% during the year.
- Entered into long term lease of Lifeline Hospital facility in OMR, South Chennai, with capacity of 170 beds. Facility will be refurbished and launched under the Apollo Hospitals Brand in H2 FY14

- Divested stake in BPO arm - Apollo Health Street to Sutherland Global Services. Proceeds of sale to be deployed for expansion of healthcare delivery services business
- Apollo Hospitals included in the CNX Nifty Junior Index and the CNX 100 Index with effect from Sept 28, 2012

- Apollo Hospitals included in the prestigious MSCI India Index w.e.f. May 31, 2013 compiled by MSCI, Inc. a leading provider of investment decision support tools worldwide
- CRISIL Equities continued to rate Apollo Hospitals at CRISIL IER Fundamental Grade 5/5 throughout the year

in the world medical value travel

Apollo's superior clinical standards and value-based service offerings, makes it an attractive medical travel destination for people overseas. Apollo's medical expertise, rated on par with international standards, offers more affordable healthcare with similar patient outcomes. Its clinical excellence, well trained doctors, post operative care, and safety and infection control processes, compares favourably with leading hospitals in the West.

At Apollo we understand that seeking medical treatment outside one's home country can be an exhausting experience, physically and emotionally. The International Patients Division goes the extra mile to ensure that patients coming to our hospital feel right at home.

To make the visit as smooth as possible and enable a safe healing experience, we have provided detailed information about our hospitals, our range of services, treatment options, choice of doctors, travel guidelines, visa requirements, and payment methods, on our website.

The international patients division of Apollo Hospitals can take charge of all arrangements like airport pick-ups, travel, transportation, accommodation, and coordination of appointments including post treatment care if required. The warm, hospitable attitude of our staff combined with the fact that there is no waiting time in India for surgeries, makes medical value travel appealing to more than 70,000 international patients each year at our hospitals.

> 55 medical specialties

< 48 hours for response turnaround

> 70,000 international patients

in recognition

- The REACH Hospital Initiative recognized for "**Inclusive Business Innovation**" at the prestigious **G20 summit** in Mexico. The only Healthcare organization in the world to be declared the winner at the G20 challenge
- Apollo Hospitals Chennai voted the **No. 1 private hospital in India** in **The Week–Hansa Best Hospital Survey, 2012.** Apollo Hospitals Chennai and Indraprastha Apollo Hospitals, Delhi voted **4th** and **6th** best respectively amongst the Top 10 Multi-specialty hospitals in India
- Dr. Prathap C Reddy, Chairman, Apollo Hospitals, was conferred with the "**NDTV Indian of The Year 2012 – Lifetime Achievement Award**"
- Apollo Hospitals declared the **Healthcare Service Provider Company of the Year** (revenues above ₹ 1,000 crore) by **Frost & Sullivan** at the **4th Annual India Healthcare Excellence Awards 2012**
- Apollo Hospitals declared **winner in four categories** at the **Asian Hospital Management Awards, 2012**
  - Indraprastha Apollo Hospitals, Delhi awards for – "**Apollo Community Outreach Programme**" and "**Improving Patient Satisfaction Levels**"
  - Apollo Gleneagles Hospitals, Kolkata - awards for "**Increased Productivity through Reduction in Length of Stay**" and **Project ESCALATE** (Eleven Strategies to Combat Antimicrobial Resistance Rate)
- Apollo Hospitals bagged the **'Asia Responsible Entrepreneurship Awards' (AREA) South Asia 2012** organized by **Enterprise Asia**, under two categories
- **Chairman, Dr Prathap C Reddy** won the prestigious '**Responsible Business Leader**' award given by **Enterprise Asia**
- **Apollo Hospitals, Chennai** has been conferred the award of "**BEST MULTI-SPECIALTY HOSPITAL - METRO**" at the very prestigious **ICICI Lombard & CNBC TV18 India Healthcare Awards 2012**
- Indraprastha Apollo Hospitals won the "**Times Research Media Healthcare Excellence Awards 2012**", in three categories - **India's most innovative hospital; best diagnostic and imaging centre in North India; and best heart care centre in North India**
- **Billion Hearts Beating Foundation** won the praiseworthy **Health Promotion Award**
- **Apollo Health City, Hyderabad** adjudged as the **Best Medical Tourism Hospital in India by the Government of India**! The award has been handed over by **His Excellency The President of India on 18th March, 2013,** in Delhi

in csr

True to its founding principles, the Apollo group has gone about its mission of providing quality healthcare accessible to the people of India through numerous well thought out programs and initiatives. Apollo strongly espouses the concept of Preventive Health. Periodic screening of the body system to determine one's health status is an important aspect of Staying Healthy. As the human body is constantly changing in response to internal and external stimuli, health screening allows early diagnosis of conditions and diseases that may be previously unknown—conditions like heart disease, high blood pressure, diabetes, and cancer, which are the leading causes of death in the world today and often show no symptoms until advanced stages. Apollo believes that a comprehensive health screening program that helps in early detection of a disease is more effective than treating the disease itself. Combined with good diet and exercise, health screenings provide people with an understanding of their health, and promote awareness about making necessary lifestyle changes to prevent illnesses.

Advocacy and Awareness Programmes

Apollo has therefore arranged awareness talks and screening camps around the country on various aspects of one's health to better educate India's vast population on Preventive Health measures.

Focusing on Women's Health, TeachPink, a Breast Cancer awareness programme of the Breast Care Foundation, was put together by specialist doctors of Apollo CBCC, and launched in 2012 in cities like Hyderabad and Bangalore. As a first step towards breast cancer prevention, the programme sought to educate the educators—NGOs, media and teachers—as we believe that these people are the best vehicles to disseminate this important information rapidly in the community; we believe they are best placed to help women understand facts about breast cancer. In the two cities, more than a thousand women were sensitized and provided with relevant information aids. Around 1,000 women were also screened for cancer detection.

Touching on other aspects of preventive health, nearly 500 awareness programmes, by specialist doctors in Oncology, Paediatric Cardiology, Gynaecology, and Cardiology, were conducted around the country. Several thousand people participated in these programmes as well as in the free clinics that were organized. In Hyderabad and Bangalore alone, nearly 20,000 patients were screened for hypertension and diabetes.

To better drive home important messages about Staying Healthy, Apollo initiated creative ways of spreading awareness amongst target audiences. Fashion Shows choreographed on important themes like 'No Smoking or Chewing of Tobacco', 'Moderation in Alcohol Consumption', 'Enhancing the Vegetable and Fruit Component in the Diet', 'Avoiding Fried and Non-vegetarian Foods' and 'Making Adequate Exercise a Lifetime Affair', effectively drove home the importance of adopting a balanced lifestyle. It highlighted unhealthy practices one should avoid for cancer prevention. Pledge cards were collected on 'World No Tobacco day', and 'World Organ Donation Day'. Free clinics on Paediatric Pulmonology were held on 'Children's Day'. On 'World Stroke Day', a free Stroke Screening Camp was held in Hyderabad where 1000 walk-ins were screened for brain stroke risk.

In a move to touch the country's billion plus people, The Billion Hearts Beating (BHB) Foundation, envisaged by the Apollo group as a not for profit organization, conducts ongoing awareness campaigns about heart disease, contributing risks, and prevention around the country. BHB marked 29th September 2012 as World Heart Day. Thanks to a partnership between Apollo Hospitals, BHB Foundation and the National Cadet Corps (NCC), over 3,000 cadets took pledges to espouse the cause of a heart healthy nation, in 5 Apollo cities—New Delhi, Chennai, Hyderabad, Kolkata and Bangalore.

The Cardiac Outreach Program, initiative about cardiac diseases and preventive measures, was rolled out in 2012. 127 programs were conducted in association with Corporates, Lions Clubs & Rotary Clubs where 26,325 people participated. A total of 108 surgeries were performed.

Apollo Cancer Institutes, an integral part of the Apollo Hospitals Group, joined hands with YOUWECAN, a 'fight cancer' initiative of Yuvraj Singh Foundation. Mass Cancer Screening programs across various locations in Eastern India were set up. Awareness about the benefits of cancer screening was created through talks and distribution of pamphlets. The Apollo - YOUWECAN cancer screening initiative hopes to touch 100,000 lives in a span of one year and aims to spearhead a nationwide change in the battle against cancer.

With mounting traffic on city roads, a Road Safety Awareness Programme was organised for 437 Auto, Van & School bus drivers in Chennai, Tamil Nadu. Participants were taught First Aid & Basic Life Support techniques to prepare them adequately to respond within the golden hour in case of an emergency. In a unique gesture, a Personal Accident Policy for ₹ 100,000 each was distributed to all drivers. First Aid and CPR training was also given to 1,825 TN Traffic Police (through 60 Programmes); 800 TN Armed Police (6 Programmes); 1,000 Police boys & girls club members (20 Programmes); 640 Employees from different corporate (16 Programmes); 1000 Students (5 Programmes); and 300 diverse participants from various local Associations.

Apollo Gleneagles Hospitals in Kolkata launched a mobile medical unit to conduct free camps in rural areas through which it has touched nearly 8 lakh people below the poverty line. 21 health camps were organized for Senior Citizens across various specialties. In a far reaching gesture, the Housekeeping department at Gleneagles has taken the initiative to clean public places like Temples, Churches, Old Age Homes and Cultural Grounds.

Telemedicine and Health Camps

Harnessing healthcare and technology in a first-of-its-kind health camp, the telemedicine health camp envisaged by Apollo enabled renowned doctors to consult remotely with thousands of patients in Ajmer, Rajasthan; Surat; Bodinayakanur, and Srirangam, Tamil Nadu, using state of the art Information and Communications Technology (ICT) tools. The Telemedicine division of Apollo Hospitals facilitated virtual consultations using a well-equipped hospital on wheels (HoW). Each of the five cubicles in the HoW were connected to Apollo Hospitals in Chennai, Hyderabad, Delhi, Bhubaneswar and Ahmedabad simultaneously.

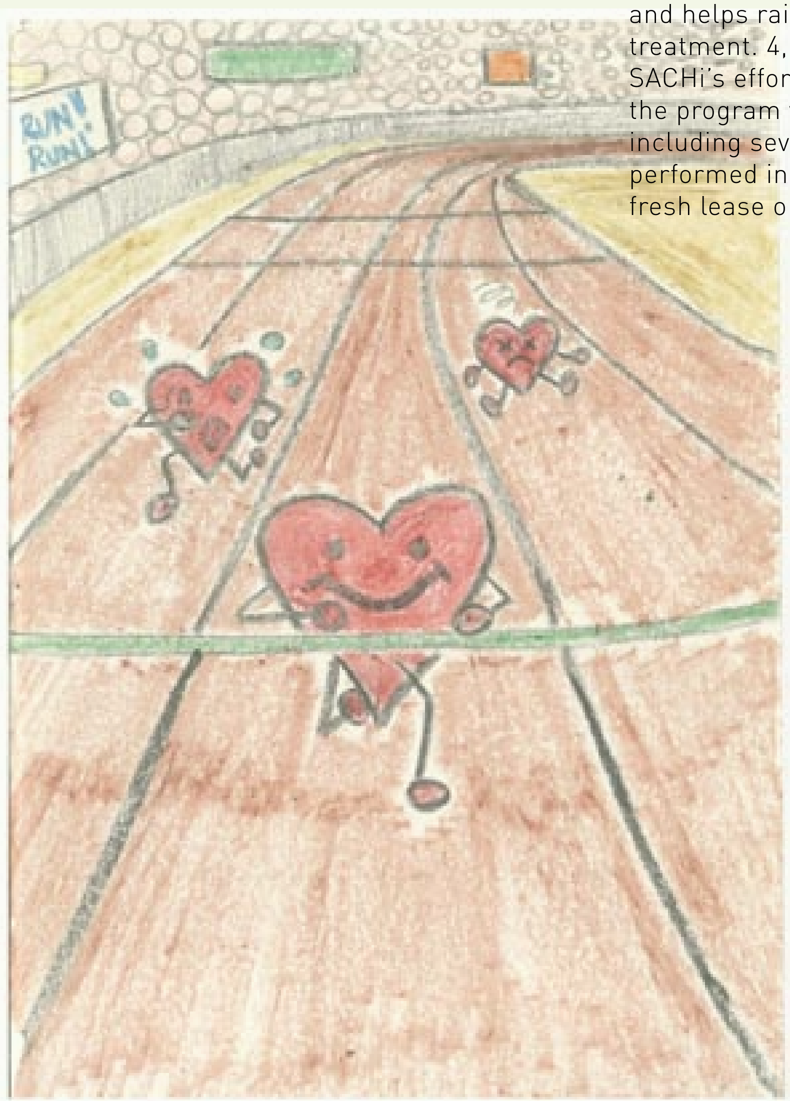
Some of the cubicles fitted with telemedicine, enabled peripheral medical devices for transmitting ECGs, heart sounds, blood pressure and pulse rate oxygen saturation, and allowed doctors to treat patients on a real-time basis. In Ajmer and the surrounding areas alone, over 70,000 people were offered medical consultancy and treatment in just two days. 5,000 reading glasses and spectacles, 800 hearing aids, 300 tricycles and wheel-chairs, and 200 crutches were also distributed to those in need. Nearly 30,000 varied medical tests were conducted and 20,000 medical kits comprising of antiseptic cream, oral rehydration solutions, de-worming tablets, vitamins, and over-the-counter medicines were distributed at the camp.

In South India, Isha Foundation in collaboration with Apollo Hospitals inaugurated its first telemedicine centre in Isha Rural Health Clinic at Alandurai Village in Coimbatore to facilitate urgent medical solutions through improved telemedicine reach. A 3 day multi specialty screening camp was jointly organized at Velliangiri, Coimbatore, where more than 10,000 people benefited from a wide range of diagnostics in Cardiology, Neurology, Gynaecology, Orthopedics, and other specialties. More than 50 doctors and 70 paramedics participated in the programme.

Similar multi specialty mega camps were also held in Kalahasti, Stella Maris College in Chennai, the Tamil Nadu Secretariat and the Tamil Nadu Armed Police quarters, where a total of 12,700 people participated.

Education

Aragonda Apollo Medical and Educational Research Foundation, a philanthropic organization established by Dr. Prathap C Reddy, Chairman Apollo Hospitals Group and Isha Foundation, signed a Memorandum of Understanding to spearhead initiatives in education and healthcare. As a result, a primary school was started at Aragonda and Chittoor with the long term view of scaling the facility up to the junior college level for about 1,200 students. Currently there are 120 children in various classes from kindergarten to the 2nd standard.



Interventions

SACHi [Save a Child's Heart initiative] is a community service initiative which aims to provide quality paediatric cardiac care and financial support to underprivileged children suffering from heart disease. Under the aegis of SACHi, several distinguished cardiologists and cardiothoracic surgeons from Apollo Hospitals work tirelessly to transform the lives of the affected children. They undertake even complex surgeries when needed. Apollo Hospitals and a few philanthropic organizations bear the treatment related expenses.

SACHi conducts periodic awareness programs for the general public, school children and teachers. It organizes health checks for children from low socio economic backgrounds and helps raise funds if necessary for their treatment. 4,975 children have benefited from SACHi's efforts since November 2006 when the program was inaugurated. 422 surgeries including several complex ones have been performed in 2012-13 giving those treated a fresh lease on life.

SAHI (Society to Aid the Hearing Impaired) is a pledge to nurture the gift of hearing amongst the less fortunate and provides a world class platform for the treatment of hearing impaired underprivileged children. Through periodic health camps and awareness programs for the public, school teachers and students in the economically weaker areas, SAHI identifies children with hearing problems, and takes appropriate action by providing hearing aids free of cost or arranging micro ear surgeries and cochlear implants to alleviate the hearing disability. SAHI holds the world record for having conducted the largest number of Cochlear Implant surgeries in a single day.

CURE Foundation, a not for profit initiative of the Apollo group, aspires to spread awareness about cancer—prevention, early detection, cure and rehabilitation, amongst high risk groups, like tobacco chewers, illiterate people, and those with family history of the disease. It educates them about lifestyle, diet and the harmful effects of habits like smoking. It then goes a step further to provide practitioners and health professionals guidance about early detection. 500 people have benefitted from free detection and treatment.

Believing that research is integral to long term management of cancer, the CURE Foundation undertakes research in clinical fields, and promotes knowledge sharing about trends and techniques through conferences, seminars and periodicals for the medical community.

Apollo's prowess in emergency care has initiated the set up of Free Emergency Care Centres in public places like the Koyambedu Bus Terminus, (16,500 cases have been recorded here annually), Chennai Airport, Sabarimala, where a full ICU is functional and Tirupathi, where a free Emergency Cardiac Centre is operational for the pilgrims. All these areas are crowded and informed emergency health services are often needed.

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

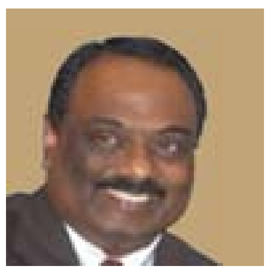

Smt. Shobana Kamineni
Executive Director - Special Initiatives


Shri. T.K. Balaji
Director


Shri. Deepak Vaidya
Director


Shri. Habibullah Badsha
Director


Shri. Khairil Anuar Abdullah
Director


Shri. Rafeeque Ahamed
Director


Shri. Raj Kumar Menon
Director


Shri. Shashank Singh
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
Citi Bank
HDFC Bank
HSBC
ICICI Bank
IDBI Bank
Indian Bank
Indian Overseas Bank
Oriental Bank of Commerce
State Bank of Travancore
Standard Chartered Bank
Yes Bank

REGISTERED OFFICE

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

CORPORATE OFFICE

Prestige Palladium, 12th Floor,
No. 129-140 Greams Road, Chennai – 600 006

ADMINISTRATIVE OFFICE

Ali Towers, # 55, Greams Road, Chennai – 600 006.
E-mail: apolloshares@vsnl.net
krishnan_sm@apollohospitals.com
Website: 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. Shashank Singh 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 Second Annual General Meeting** of the Company will be held on Wednesday, the 7th day of August 2013 at 11.00 a.m. at The Music Academy, New No. 168 (Old No.306), T.T.K. Road, Royapettah, Chennai - 600 014 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 2013 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 2013.
3. To appoint a Director in place of Shri. Habibullah Badsha, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri. Khairil Anuar Abdullah, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Smt. Suneeta Reddy, who retires by rotation and being eligible, offers herself for re-appointment.
6. To appoint a Director in place of Smt. Shobana Kamineni, who retires by rotation and being eligible, offers herself 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** pursuant to the approval of the Remuneration & Nomination Committee and the Board of Directors of the Company, provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof) read with the Director's Relatives (Office or Place of Profit) Rules, 2011, consent of the Company be and is hereby accorded to the re-appointment of Smt. Sindoori Reddy, relative of Executive Directors, to hold and continue to hold an Office or Place of Profit designated as Vice President – Operations for a period of five years with effect from 21st October 2013 (or any other designation and roles which the 'Board' - the term which shall include any committee thereof, may decide from time to time) on such remuneration as may be decided by the Board not exceeding the ceiling prescribed by the Central Government from time to time.

"**RESOLVED FURTHER THAT** Smt. Sindoori Reddy will also be eligible for all other perquisites and benefits including medical benefits, group medical insurance, gratuity, leave encashment and other benefits as per the policy of the Company, applicable to other employees of the Company under similar cadre/grade."

"RESOLVED FURTHER THAT subject to the approval by the Board of Directors, Smt. Sindoori Reddy shall also be entitled to merit based annual increment, promotion, incentive/performance linked bonus from time to time as per the policy of the Company; provided that such enhanced remuneration in excess of the ceiling limit prescribed shall be paid with the prior approval of the Central Government."

Item No. 9

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

"RESOLVED THAT pursuant to the provisions of Section 31 of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered as given below:"

1. The existing Article 2 be deleted and be substituted by the following as Article 2 in the Articles of Association.

INTERPRETATION CLAUSE

Interpretation	2	The marginal notes hereto shall not affect the construction hereof. In these presents, the following words and expressions shall have the following meanings unless excluded by the subject or context.
"Affiliate"	a)	"Affiliate" shall mean with respect to any person, any company, corporation, association or other entity, which, directly or indirectly, Controls, is Controlled by or is under common Control with, such person.
"Business Day"	b)	"Business Day" shall mean a day on which scheduled commercial banks are open for business in Chennai
"Business"	c)	"Business" shall mean the business of owning and operating hospitals, pharmacies (in the format as currently conducted), diagnostic clinics, third party hospital administration, healthcare insurance, research & education, tele-medicine and healthcare IT enabled services, in India & Abroad.
"Company Associates"	d)	"Company Associates" shall mean any existing or future joint ventures that may be entered into by the Company and the investments made by the Company including the Subsidiaries and Affiliates of the Company.
"Control"	e)	"Control" (including with correlative meaning, the terms "Controlled by" and "under common Control" with) shall mean the power and ability to direct the management and policies of the controlled enterprise through ownership of voting shares of the controlled enterprise or by contract or otherwise.
"Directors"	f)	"Directors" means the Directors for the time being of the Company.
"Enterprise Value"	g)	"Enterprise Value" shall mean the fully diluted post money equity value of a Company plus any outstanding debt of such Company minus cash balances as on the date of acquisition of such Company.
"Financial Investor"	h)	"Financial Investor" shall mean:

	(i)	a banking company within the meaning of the Banking Regulation Act, 1949; foreign banks regulated by a banking supervisory authority in the country of their incorporation;
	(ii)	financial institutions including non-banking financial companies, incorporated in India, which are in the business of lending as their primary business;
	(iii)	foreign institutional investors/their sub-accounts registered with the Securities and Exchange Board of India;
	(iv)	pension funds or corporate funds or any other funds (including equity, mutual fund, venture capital, bond, balanced, private equity, buy-out or any other investment style) set up to explicitly make financial investments or any entity whose primary purpose is to invest capital; or
	(v)	any subsidiary or any entity controlled, directly or indirectly, by such entities referred to in (i), (ii), (iii) and (iv) above.
"Gender"	i)	Words importing the masculine gender shall include the feminine gender.
"Market Cap"	j)	"Market Cap" shall mean the outstanding number of Shares multiplied by the then prevailing market price of the Share on a Stock Exchange;
"Members"	k)	"Members" means members of the Company holding a share or shares of any class.
"Month"	l)	"Month" shall mean a calendar month
"Number"	m)	Except where the context otherwise requires, words importing the singular, shall include the plural and the words importing the plural shall include the singular.
"Office"	n)	"The Office" means the Registered Office for the time being of the company.
"Paid up"	o)	"Paid up" shall include "credited as fully paid-up".
"Person"	p)	"Person" shall mean any natural person, limited or unlimited liability company, corporation, partnership (whether limited or unlimited), proprietorship, Hindu undivided family, trust, union, association, government or any agency or political subdivision thereof or any other entity that may be treated as a person under applicable law
"Proxy"	q)	"Proxy" includes Attorney duly constituted under a Power of Attorney.
"Relative"	r)	"Relative" shall mean (a) a relative as defined under the provisions of the Act (b) any other person defined as such as per the Accounting Standard 18 issued by the Institute of Chartered Accountants of India, or (c) ascendants or descendants by marriage or kindred.
"Section"	s)	"Section" or "Sec" means Section of the Act.
"Shares"	t)	"Shares" shall mean the equity shares of the Company, with one vote per equity share and a par value of ₹ 5 per equity share.
"Share Capital"	u)	"Share Capital" shall mean the total issued and paid up shares of the Company, determined on a fully diluted basis.
"Share Equivalent"	v)	"Share Equivalent" shall mean any instrument convertible into shares including without limitation global depositary receipts, american depositary receipts, convertible debentures, warrants and convertible preference shares of the Company.
"Shareholding"	w)	"Shareholding" shall mean, in respect of any Person, the sum of the number of Shares held legally or beneficially by such Person on a fully diluted basis, such sum expressed as a percentage of the Share Capital;
"Special Resolution"	x)	"Special Resolution" means special resolution as defined by Section 189.
"Stock Exchange"	y)	"Stock Exchange" shall mean all those Securities and Exchange Board of India recognized stock exchanges on which the Shares of the Company are listed as also stock exchanges on which the Share Equivalents of the Company are listed;
"The Act"	z)	"The Act" or "The Companies Act" shall mean "The Companies Act, 1956".
"The Board" or "The Board of Directors"	aa)	"The Board" or "The Board of Directors" means a meeting of the Directors duly called and constituted or as the case may be the Directors assembled at a Board, or the requisite number of directors entitled to pass a circular resolution in accordance with these Articles.
"The Company" or "This Company"	bb)	"The Company" or "this Company" means Apollo Hospitals Enterprise Limited.
"The Register"	cc)	"The Register" means the Register of members to be kept pursuant to section 150 of the Companies Act 1956.
"These presents" or "Regulations"	dd)	"These presents" or "Regulations" shall mean these Articles of Association as now framed or altered from time-to-time and shall include the Memorandum where the context so requires.
"Transfer"	ee)	"Transfer" (including with correlative meaning, the term "Transferred By") shall mean to transfer, sell, pledge, assign, hypothecate, create a security interest in or Lien on, place in trust (voting or otherwise), exchange, gift or transfer by operation of law or in any other way subject to any encumbrance or disposal thereof.
"Writing"	ff)	"Writing" includes printing, lithography, type-writing and any other usual substitute for writing.
	gg)	The words and expressions used and not defined in these Articles but defined in the Companies Act, 1956 shall have the same meaning respectively assigned to them in the said Act.

2. The existing Article 6(a) be read as Article 6 and Article 6(b) be deleted

3. To delete the Articles 9(4), 9(5), 9(6), 10(3), 47A, 47B, 47C, 47D, 47E, 47F

4. The existing Article 79 be deleted and be substituted by the following as Article 79:

79 Five members personally present shall be a quorum for a General Meeting and no business shall be transacted at any General Meeting unless the requisite quorum is present when the meeting proceeds to business.

5. The existing Article 80 be deleted and be substituted by the following as Article 80:

80 If within half an hour from the time appointed for the meeting a quorum is not present the meeting if called upon the requisition of members shall be dissolved in any other case it shall stand adjourned to the same day in the next week and at the same time and place or to such other day at such other time and place as the Board may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be quorum.

6. To delete the Article 114(b)

7. The existing Article 118(a) and 118(b) be deleted and be substituted by the following as Article 118

118 A director may at any time summon a meeting of the Board of Directors. All meetings of the Board or any Committee of the Board shall be called by giving atleast seven (7) days prior notice to the other directors, which notice shall be in writing and accompanied by the Agenda setting out in detail the business proposed to be transacted at such meeting and all relevant documents thereto. All notices shall be sent to each of the directors at their usual address whether in India or abroad by an effective means of communication and through email. No meeting of the Board shall be convened at a shorter notice period without the prior written consent of all the Directors. The meeting of the Directors shall be held at least once in every three months and at least four such meetings shall be held in every year.

8. The existing Article 121(a) and 121(b) be deleted and be substituted by the following as Article 121

121 The quorum for a meeting of the Board shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher; provided that where at any time the number of interested Directors is equal to or exceeds two-thirds of the total strength the number of the remaining Directors that is to say the number of Directors who are not interested present at the meeting being not less than two shall be the quorum during such time. The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting that is to say, the total strength of the Board after deducting therefrom the number of Directors, if any whose places are vacant at the time.

9 To delete Article 123 (5)

10. The existing Article 128 be deleted and be substituted by the following as Article 128.

128 A written resolution circulated to all the Directors or members of committees of the Board of Directors whether in India or overseas and signed by a majority of them as approved, shall (subject to compliance with the relevant requirements of the Act or the relevant applicable law) be as valid and effective as a resolution duly passed at a meeting of the Board of Directors or committee of the Board of Directors, as the case may be, called and held in accordance with these Articles of Association (provided that it has been circulated in draft form, together with the relevant papers, if any to all the Directors).

11. The existing Article 129(2) be deleted and the article 129(1) be read as Article 129

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

Place : Chennai
Date : 20th May 2013

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, 27th July 2013 to Wednesday, 7th August 2013 (both days inclusive).**

4. Dividend upon its declaration at the meeting will be paid on or before 17th August 2013 to those members whose names appear:

   (i) As members on the Register of Members of the Company as on 7th August 2013 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 26th July 2013.

   (ii) As beneficial owners as per the list to be furnished by NSDL/CDSL as at the closing hours of business on 26th July 2013.

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 has 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 2005 to the Investor Education and Protection Fund (IEP Fund) established by 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 2006 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 2006 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 /03/2006	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
31/03/2012	09/08/2012	04/09/2019

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 their 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 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

Smt. Sindoori Reddy is currently serving as Vice President – Operations. She has a B.S degree in International Business and Finance from Pepperdine University, California. She played a key role in setting up and successfully running the Apollo Children's Hospital, Chennai . In her earlier assignment as Executive Director in Faber Sindoori Management Services Pvt Limited, she developed sound expertise in various facets of operations including people management skills.

It is considered that with her qualification, expertise, experience and knowledge, Smt.Sindoori Reddy can continue to effectively contribute to the Company's growth. Accordingly it would be prudent to re-appoint Smt. Sindoori Reddy as Vice President – Operations on such remuneration as may be decided by the Board not exceeding the ceiling prescribed by the Central Government from time to time, (the present ceiling limit being ₹ 250,000/- p.m. or ₹ 3,000,000/- p.a.).

The remuneration which would be offered to Smt. Sindoori Reddy is commensurate with the terms and conditions of appointment of employees in similar categories.

Smt. Sindoori Reddy is a relative (within the meaning of Section 6 of the Act) of Smt. Suneeta Reddy, Joint Managing Director, and is also a relative of Dr.Prathap C Reddy, Executive Chairman, Smt. Preetha Reddy, Managing Director, Smt. Shobana Kamineni, Executive Director–Special Initiatives and Smt. Sangita Reddy, Executive Director–Operations. Since Smt. Sindoori Reddy's remuneration exceeds the ceiling prescribed under Section 314(1)(b), of the Companies Act, 1956, approval of the shareholders is sought in this regard under the aforesaid Section. Accordingly, the Board recommends the resolution set out in Item No.8 of the Notice for approval of the members.

Memorandum of Interest of Directors

None of the Directors of the Company is in any way concerned or interested in the above appointment except Dr.Prathap C Reddy, Smt. Preetha Reddy, Smt. Suneeta Reddy, Smt. Shobana Kamineni and Smt. Sangita Reddy who are relatives of Smt. Sindoori Reddy.

Item No. 9

The Members at the Extraordinary General Meeting held on 27th December 2007 approved the proposal for amendment of certain articles pursuant to the Shareholders Agreement (Agreement) dated 24th September 2007 entered into between the Company and the Apax Group. As per the terms of the agreement, upon the Apax Group's equity holding falling below a minimum threshold limit of 5.65% of the total capital of the company, the special rights accorded to the Apax Group ceases. Since the Apax Group's shareholding is below the minimum threshold limit of 5.65%, the agreement ceases to be effective. Therefore it is proposed to amend the articles by way of substitution/ deletion of the existing articles according special rights to the Apax Group as detailed under Item No. 9 of the Notice. As amendments to the Articles of Association require the special consent of the members in a General Meeting, the necessary special resolution is placed before the members under Item No. 9 of the Notice for consideration and approval.

A copy of the existing Articles of Association of the Company and the amended Articles of Association of the Company, if approved, are available for inspection at the Registered Office during business hours till the conclusion of the meeting.

Memorandum of Interest of Directors

None of the Directors of the Company are concerned or interested in this resolution.

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

Place : Chennai
Date : 20th May 2013

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 Habibullah Badsha	Shri. Khairil Anuar Abdullah	Smt. Suneeta Reddy	Smt. Shobana Kamineni
Date of Birth	8th March 1933	29th January 1951	3rd April 1959	27th November 1960
Date of Appointment on the Board	30th January 2009	25th November 2005	1st May 2000	28th January 2010
Relationship with other Directors	None	None	Daughter of Dr.Prathap C Reddy, Chairman, Sister of Smt.Preetha Reddy, Managing Director, Smt. Shobana Kamineni, Executive Director - Special Initiatives and Smt. Sangita Reddy, Executive Director - Operations	Daughter of Dr.Prathap C Reddy, Chairman, Sister of Smt.Preetha Reddy, Managing Director, Smt. Suneeta Reddy, Joint Managing Director and Smt. Sangita Reddy, Executive Director - Operations
Expertise in Specific Functional area	Law Senior Counsel Former Advocate General, Former Public Prosecutor, Former Central Govt. Standing Counsel Former Central Govt. Public Prosecutor	Governance, Strategic Planning, Finance, Information Technology	Specialization in Finance Knowledge of Healthcare Industry, Telecom & Infrastructure	Leading Startups, Strategy, Comprehensive knowledge of the healthcare universe
Qualification	Masters degree in Islamic History Graduated in Law from Madras University	Masters degree in Business Administration from Harvard Business School, USA	B.A in Public Relations and Economics from Madras University with a university rank. Diploma in Financial Management Owner/President Management Program at Harvard Business School, Boston, USA	B.A Economics, Accelerated Hospital Management, Columbia University
Board Membership of other Indian companies as on March 31, 2013	**Public Limited Companies**	**Public Limited Companies**	**Public Limited Companies**	**Public Limited Companies**
	Chairman		**Chairperson**	**Executive Director**
	Maschmeijer Aromatics India Limited	Nil	1) Aircel Limited	1) Apollo Munich Health Insurance Company Limited
			2) Aircel Cellular Limited	**Director** 2) PCR Investments Limited
			3) Dishnet Wireless Limited	3) Apollo Sindoori Hotels Limited
			Director 4) Apollo Sindoori Hotels Limited	4) Apollo Mumbai Hospitals Limited
			5) Apollo Gleneagles Hospitals Limited	5) Apollo Health Resources Limited
			6) Apollo Munich Health Insurance Company Limited	6) Lifetime Wellness Rx International Limited
			7) Imperial Hospital & Research Centre Limited	7) Apollo Energy Company Limited
			8) Indraprastha Medical Corporation Limited	8) Indian Hospitals Corporation Limited,
			9) Vasumathi Spinning Mills Limited	9) Indraprastha Medical Corporation Limited
			10) Aircel Smart Money Limited	10) Apollo Lavasa Health Corporation Limited
			Private Limited Companies	**Private Limited Companies**
			Director	**Director**
			11) Western Hospitals Corporation Pvt Limited	11) Kei Energy Pvt Limited
			12) Deccan Digital Networks Private Limited	12) Kamineni Builders Pvt Limited
			13) Kalpatharu Infrastructure Development Co Pvt Limited	13) Trac India Private Limited
			14) Sindya Infrastructure Development Company Private Limited	14) Kei Vita Private Limited
			15) Sindya Power Generating Company Private Limited	15) Kei Rajamahendri Resorts Pvt Limited,
			16) Sindya Builders Private Limited	16) KEI-RSOS Petroleum and Energy Private Limited
			17) Tharani Energy India Private Limited	17) KEI-RSOS Shipping Pvt Limited
			18) Faber Sindoori Management Services Pvt Limited	18) Peninsular Tankers Pvt Limited
			19) Health Superhiway Private Limited	19) Keimed Private Limited

Name of the Director	Shri Habibullah Badsha	Shri. Khairil Anuar Abdullah	Smt. Suneeta Reddy	Smt. Shobana Kamineni
			20) Quintiles Phase One Clinical Trials India Pvt Limited	20) Trac Eco & Safari Park Pvt Limited
			21) Helios Holdings Private Limited	21) Ashok Birla Apollo Hospitals Pvt Limited
			22) Garuda Energy Private Limited	22) Matrix Agro Private Limited
			23) Sirkazhi Port Private Limited	23) LNG Bharat Private Limited
			24) Apollo Cosmetic Surgical Centre Pvt Limited	
			25) Apollo Infrastructure Project Finance Co Pvt Limited	
			26) Kalpatharu Enterprises Pvt. Ltd,	
Chairman/Member of the Committee of the Board of Directors of the Company as on March 31, 2013				
	Nil	Nil	**Member** 1. Investors Grievance Committee 2. Investment Committee	Nil
Chairman/Member of the Committee of Directors of other Companies in which he/she is a director as on March 31, 2013				
Audit Committee	Nil	Nil	**Chairperson** 1. Apollo Munich Health Insurance Co Limited **Member** 2. Indraprastha Medical Corporation Limited	**Member** 1. Apollo Munich Health Insurance Co Limited
Shareholders' Grievance Committee	Nil	Nil	Nil	Nil
Remuneration Committee	Nil	Nil	**Member** 1. Apollo Munich Health Insurance Company Limited 2. Indraprastha Medical Corporation Limited	**Chairperson** 1. Apollo Munich Health Insurance Company Limited
Shareholding in the Company (as on 31/03/2013)	10,806	Nil	3,001,590	2,189,952
Other Information			The remuneration of all Executive Directors including Smt. Suneeta Reddy and Smt. Shobana Kamineni has been re-aligned in the current fiscal as Fixed pay plus performance linked variable pay. For details of the remuneration of the Executive Directors, please refer page no. 61 under the heading "Remuneration Policy to Directors".	

directors' report to the shareholders

Your Directors are pleased to present the **THIRTY SECOND ANNUAL REPORT** and the audited statements of accounts for the year ended 31st March 2013.

FINANCIAL RESULTS (STANDALONE)

(₹ in million)

For the year ended	March 31, 2013	March 31, 2012
Income from operations	33,178	28,001
Profit before Extraordinary Items and Taxation	4,034	3,375
Provision for Taxation	988	1,066
Net Profit before Extraordinary Items after Taxation	3,046	2,309
Extraordinary Item	45	-
Net Profit after Extraordinary Item	3,091	2,309
Balance of Profit brought forward	1,763	1,649
Dividend paid on equity shares (arising on conversion of FCCB loan & share warrants)	22	-
Profit Available for appropriations	4,832	3,958
Appropriations		
Dividend (inclusive of dividend tax)	895	625
Transfer to General Reserve	1,000	1,500
Transfer to Debenture Redemption Reserve	630	70
Balance carried forward to Balance sheet	2,307	1,763

RESULTS OF OPERATIONS

During the year under review, the income from operations of the Company increased to ₹ 33,178 million compared to ₹ 28,001 million in the previous year, registering an impressive growth of 18%. The profit after tax for the year increased by 34% to ₹ 3,091 million compared to ₹ 2,309 million in the previous year.

During the year under review, the consolidated gross revenue of the Company increased to ₹ 37,687 million compared to ₹ 31,475 million in the previous year, registering an impressive growth of 20%. Net profit after minority interest for the group increased to ₹ 3,045 million from ₹ 2,194 million representing a growth of 39%.

CONSOLIDATED FINANCIAL STATEMENTS

The Ministry of Corporate Affairs (MCA) vide its circular No. 5/12/2007-CL-Ill dated 8th February 2011 has 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 20th May 2013, noted the provisions of the MCA circular cited and passed the necessary resolution granting 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 Statement presented by your Company includes the financial information of all its subsidiaries.

DIVIDEND

The Board of Directors recommend a dividend of ₹ 5.50 per Equity Share (110% on face value of ₹ 5/ - per share) (as against ₹ 4/- per Equity share on face value of ₹ 5/- each, 80% in the previous year) on the paid up equity share capital of the company for the financial year ended 31st March 2013, which if approved at the forthcoming Annual General Meeting on 7th August 2013 will be paid to those shareholders whose names appear in the Register of Members as at the closing hours of business on 26th July 2013. In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership furnished by the depositories viz., NSDL and CDSL for this purpose.

The Register of Members and Share Transfer Books will remain closed from Saturday, 27th July 2013 to Wednesday, 7th August 2013 (both days inclusive).

TRANSFER OF RESERVES

Your Company proposes to transfer ₹ 1,000 million to the general reserve out of the amount available for appropriations. An amount of ₹ 2,307 million is proposed to be retained in the Profit & Loss Account.

CREDIT RATING

The Company continues to have the credit rating of AA from CRISIL for its debt instruments which indicates a high degree of safety.

CRISIL Equities has upgraded the 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 sixteen subsidiary companies (including fellow subsidiaries) as on March 31, 2013. 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), Apollo Nellore Hospital Limited (ANHL) (formerly known as Pinakini Hospitals Limited), Imperial Hospital and Research Centre Limited (IHRCL), Alliance Medicorp (India) Limited (Alliance), Alliance Dental Care Limited (Alliance Dental), Sapien Bio Sciences Pvt Limited (SBPL), ISIS Healthcare India Private Limited (ISIS), Mera Healthcare India Private Limited (MERA), Apollo Koramangala Cradle Limited (AKCL) and Apollo Clinics (Gujarat) Limited (ACGL) 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 31st March 2013 UHHCL, recorded a revenue of ₹ 40.05 million and net profit of ₹ 17.88 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 31st March 2013, ABMCL recorded an income of ₹ 6.40 million and a net profit of ₹ 4.11 million.

Samudra Healthcare Enterprises Limited (SHEL)

SHEL, a wholly owned subsidiary of the company, runs a 120 bed multi speciality hospital at Kakinada. For the year ended 31st March 2013, SHEL recorded revenue of ₹ 282.89 million and a net profit of ₹ 5.88 million.

Apollo Hospital (UK) Limited (AHUKL)

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

Apollo Health and Lifestyle Limited (AHLL)

AHLL, a wholly owned subsidiary of the Company is engaged in the business of providing primary healthcare facilities through a network of owned/franchised clinics across India offering specialist consultation, diagnostics, preventive health checks, telemedicine facilities and a 24-hour pharmacy all under one roof. For the year ended 31st March 2013, AHLL recorded a consolidated revenue of ₹ 566.94 million and a net loss of ₹ 167.03 million.

Western Hospitals Corporation Private Limited (WHCPL)

For the year ended 31st March 2013, WHCPL, a wholly owned subsidiary of the company, recorded revenue of ₹ 10.80 million and a net profit of ₹ 7.81 million.

Apollo Nellore Hospital Limited (ANHL)

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, Apollo Nellore Hospital Limited (formerly known as Pinakini Hospitals Limited). ANHL recorded revenue of ₹ 7.42 million and a net profit of ₹ 5.60 million.

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 31st March 2013, ACSPL recorded a revenue of ₹ 28.09 million and a net profit of ₹ 0.93 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 31st March 2013, IHRCL recorded a revenue of ₹ 1,241.72 million and a net profit of ₹ 2.30 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 31st March 2013, Alliance recorded consolidated revenue of ₹ 184.87 million and a net loss of ₹ 31.84 million.

Sapien Biosciences Pvt Ltd (SBPL)

SBPL, a 70% subsidiary of the company which is engaged in the business of bio-banking of tissues is currently in the startup stage . For the year ended 31st March 2013, SBPL recorded pre-operative expenses of ₹ 0.91 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 31st March 2013, ISIS recorded a revenue of ₹ 18 million and a net profit of ₹ 0.21 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 31st March 2013, MERA recorded a revenue of ₹ 11 million.

Apollo Koramangala Cradle Limited (AKCL)

AKCL, a subsidiary of Apollo Health and Lifestyle Limited is engaged in the business of healthcare services. For the year ended 31st March 2013, AKCL recorded a revenue of ₹ 25 million and a net loss of ₹ 34 million.

Apollo Clinics (Gujarat) Limited (ACGL)

ACGL, a subsidiary of Apollo Health and Lifestyle Limited is engaged in the business of healthcare services.

Alliance Dental Care 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 31st March 2013, Alliance Dental recorded a revenue of ₹ 156.59 million and a net loss of ₹ 24.33 million.

INCREASE IN THE PAID-UP SHARE CAPITAL

The paid-up share capital of the Company increased from ₹ 672.33 million (consisting of 134,466,618 equity shares of ₹ 5/- each) to ₹ 695.63 million (consisting of 139,125,159 equity shares of ₹ 5/- each) consequent to the allotment of:-

(i) 1,381,619 equity shares to International Finance Corporation, Washington upon conversion of 750 Foreign Currency Convertible Bonds of USD 10,000/- each aggregating to USD 7.5 million at a price of ₹ 302.50 per share of ₹ 5/- each, including a premium of ₹ 297.50 per share on 7th June 2012.

(ii) 3,276,922 equity shares to Dr. Prathap C Reddy, one of the promoters of the Company on 25th July 2012 upon conversion of warrants issued to him on 5th February 2011 at a price of ₹ 472.46 per share including a premium of ₹ 467.46 per share.

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

ISSUE OF NON CONVERTIBLE DEBENTURES

During the year under review, your Company privately placed 2,250 Secured Redeemable Non Convertible Debentures of ₹ 1 million each aggregating to ₹ 2,250 million to Banks and Financial Institutions.

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

Millions of patients from all across the world come to Apollo Hospitals with great hope in their hearts, looking for a cure and it is the dedication and commitment of every member of the Apollo family that makes this possible.

For us at Apollo Hospitals, patient–centricity is not a mere goal, but the very core of our existence. Several employees work closely with the patient and many more work indirectly to support the delivery of superior healthcare. Therefore, all employees, both individually and collectively are key to Apollo Hospitals being renowned as a trusted healthcare provider. The mantra of 'Tender Loving Care' has a profound impact on everything we do and is the bedrock of the Apollo culture. With immense compassion and commitment, the doctors, nurses and every employee of the organization come together and transform Apollo into a warm, helpful and friendly environment for patients and their families.

Apollo Hospitals recognises that its greatest differentiator is its human resources capital. Therefore, the human resources systems, procedures and the organizational environment are all designed to nurture creativity, innovation and greater efficiencies in its human capital. Training is an integral element of the HR system and empowers employees to work towards shared goals and the common purpose of providing superior patient care.

Apollo Hospitals firmly believes in maintaining and encouraging an organizational climate conducive to developing satisfied and productive employees. In keeping with this, the Organizational Climate Survey (OCS) is conducted on a regular basis to assess and ascertain employee feedback. The Organizational Climate Survey 2012 elicited responses from employees on diverse themes such as sense of belonging, role of HOD and superior communication, decision making processes, training, team building, compensation & patient satisfaction. Based on the feedback received from the OCS, robust action plans were mapped out for continuous improvements.

Apollo values every individual's performance and thus the Apollo Performance Management System encompassing the management cadre employees across the Group was instituted focusing on alignment, measurement, reward and recognition including Personal Development Plan (PDP). As a part of Rewards and Recognition scheme, the following awards were introduced to promote greater employee performance and engagement:

1. Award for Best Ideas & Suggestion
2. Award for Best Talent

performance highlights
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3. Award for Service Excellence & Wellness.

Leadership development through programs such as FLDP & CCP was also initiated this year. Future Leaders Development program (FLDP) at Apollo Hospital was organized primarily with the aim to prepare 2nd and 3rd level Executives for Senior Leadership roles. Competency Coaching Program (CCP) for nursing leaders is a structured approach to enhance skill and competencies required in different application areas in business to achieve desired outcomes.

The total number of employees increased from 32,991 as on March 31, 2012 to 35,348 as on March 31, 2013.

HR INITIATIVES AT APOLLO

Apollo Acculturation Program for imbibing excellence is a detailed 3-day Induction program which is followed by an on-line test.

Wellness at Apollo is an imperative and to encourage focus on preventive healthcare, the Annual Master Health Check-up for consultants and their spouses was initiated and made mandatory. An Incentive for employees on referring their friends and family for Health check-ups was also introduced this year.

In our continuous quest towards improving healthcare and in achieving superior standards of excellence, we launched the Employee Suggestion Program 'Apollo Big Minds'. A new Intranet initiative christened 'Apollo Space' was launched. The online environment encourages open communication and Apolloites can now Connect, Communicate & Collaborate with greater ease and make collective discoveries.

An exciting corporate tie-up was introduced as a welfare measure for all employees and their family members enabling them to avail discounts and other benefits in amusement parks, apparel stores, restaurants, beauty salons, optical stores and travel agencies.

Apollo Hospitals was a recipient of several awards at prestigious forums this year. Significant awards and accolades received during the year are detailed below:

- Asian Learning & Development Leadership Awards for "Best Induction Program".
- 21st Global HR Excellence Awards 2013 for" Institution Building".
- 7th Employer Branding Awards 2013 for "Talent Management" and "Best HR Strategy in line with Business".
- AIMA Award for "Best Innovation in Service Delivery".

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 31st March 2013 was ₹ 364.94 million (₹ 490.47 million as on 31st March 2012) which include deposits for an aggregate of value of ₹ 23.09 million (₹ 16.67 million as on 31st March 2012) not claimed by the depositors. Out of these deposits, an aggregate value of ₹ 15.78 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. Habibullah Badsha, Shri. Khairil Anuar Abdullah, Smt. Suneeta Reddy and Smt. Shobana Kamineni retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

Shri. Sandeep Naik and Shri. Michael Fernandes both resigned from the position of Director of the Company w.e.f 9th November 2012 due to their inability to continue in view of increased professional commitments.

Pursuant to the Shareholders Agreement (Agreement) entered into between the Company and the Apax Group, HSTN Acquisition (FII) Limited (HSTN), an Apax group Company, had nominated Shri.Shashank Singh and he was appointed by the Company as an additional director on 9th November 2012. As per the terms of the agreement, upon the Apax Group's equity holding falling below a minimum threshold limit of 5.65% of the total capital of the company, their entitlement to nominate a director on the board of the Company ceases. Since the Apax Group's equity holding is currently below 5.65%, Shri. Shashank Singh will only hold the office till the date of the Annual General Meeting.

The Board wishes to place on record its appreciation of the contributions made by Shri.Sandeep Naik, Shri. Michael Fernandes and Shri. Shashank Singh during their tenure as Directors of the Company.

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 herewith as Annexure - A.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation of the contributions 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 : 20th May 2013

Dr. Prathap C Reddy
Executive Chairman

ANNEXURE - A 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 2012-2013.

- Introduction of hot water generation for patient rooms with heat pump instead of hot water (diesel) boiler.
- Direct purchase of Electricity units from wind mill units.
- Phasing out of mercury lamps with CFL Lamps.
- Introduction of Micro processing energy saver for AHU Motors.

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

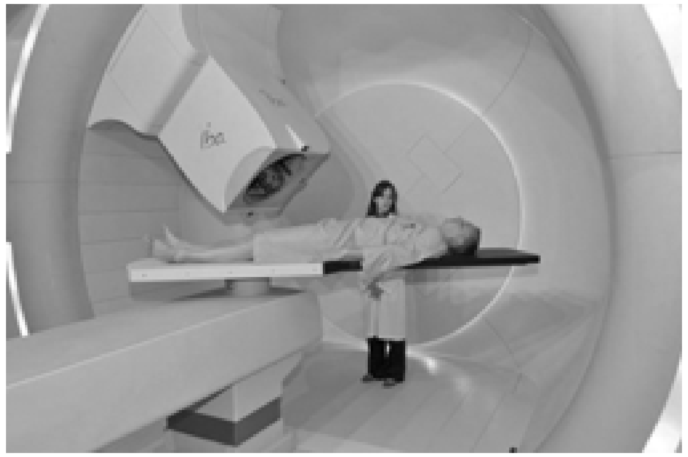
Over the years, your Company has brought into the country the best that the world has to offer in terms of technology. In its continuous endeavour to serve the patients better and to bring healthcare of international standards within the reach of every individual, your company has introduced the latest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

Proton Therapy System

In keeping with the trend of introducing the latest cutting edge technology into the country for the benefit of patients in India and the neighbouring countries, your Company has entered into an Agreement with Ion Beam Applications, Belgium to procure and operate a Proton Therapy System for treatment of various types of cancers at a cost of about ₹ 4,000 million at Chennai. The 22,000 sq.ft. facility will have a cyclotron which weighs about 200 tons to produce the beam. From the cyclotron, the beam passes along a beam line, which will be about 200 feet long. This beam line reaches all the gantries, where patients are treated. The gantry itself is 3 storeyed tall, with the patient entering the treatment room on the second floor. To date there are less than 25 operational proton therapy centers worldwide.

Conventionally, radiation therapy given by a linear accelerator, including 3D conformal radiation and IMRT (Intensity Modulated Radiation Therapy), uses x-rays as the form of radiation. X-rays are a form of photon radiation and use high-energy rays composed of photons (or "packets of energy") to disrupt the cancer cells. Particle radiation is another type of radiation, which uses subatomic particles, including electrons, neutrons and protons to generate a "particle beam" that kills the cancer cells. Proton therapy is one type of particle therapy.

The main difference between protons and X-rays is the physical properties of the proton beam itself. Protons are large particles with a positive charge that penetrate matter (in this case, tissue) to a limited depth, based on the energy of the beam, and deposit most of their energy at the end of the beam. X-rays are electromagnetic waves that have no mass or charge and are able to penetrate completely through tissue while losing some energy along the way. In turn, x-rays enter the patient on one side of the body and travel straight through, exiting out the other side, with the radiation dose gradually decreasing as it travels through the tissues. In order to decrease the amount of radiation healthy tissues receive, the beam is given from several different angles, allowing the dose to accumulate in the intended target, without damaging the surrounding healthy tissues.



The proton beam is able to enter the body at a fairly low dose of radiation and increase in the last 3mm of the beam to the dose required for treatment. In addition, the beam then stops, resulting in virtually no radiation to the tissue beyond the target- or no "exit dose" as it is called. The ability of the proton dose to increase at a specified area is called the Bragg Peak. The depth of the Bragg Peak in tissue is dependent on the energy of the beam; the higher the energy, the deeper the Bragg Peak and therefore, the deeper the dose. This allows the radiation team to calculate the energy required to position the dose at the depth of the cancer and spare the healthy tissues surrounding it.

In summary, Proton therapy

- Precisely delivers an optimal radiation dose to the tumor.
- Safely escalates the dose within a confined treatment volume, with minimal exit dose.
- Reduces the probability and/or severity of side effects on healthy surrounding tissues.
- Can increase the long-term, progression-free survival rates for certain types of tumors.

PET- MRI SYSTEM

An integrated whole-body molecular MR system with simultaneous acquisition of PET data has been launched for the first time in South Asia at Indraprastha Apollo Hospital, New Delhi. This revolutionary system combines a Magnetic Resonance Imaging (MRI) and a Positron Emission Tomography (PET) scanner in one single device which allows doctors, to simultaneously see the morphology of internal organs, how these are working, as well as their metabolism, all in a single image. This helps doctors to make more accurate diagnosis by not only seeing where a tumor is in the body, but also identify its behaviour. Moreover, it can also display the body reactions to medication administered to the patient.

MRI and PET are already well-established imaging techniques in medicine and have been used for a long time to answer important clinical questions. Now, the combination of both technologies in one system has revolutionized the understanding of many diseases including cancer, epilepsy, dementia and cardiac conditions. With the simultaneous acquisition of MR and PET data, this system is designed to provide new opportunities for imaging. While MR provides exquisite morphological and functional details in human tissue, PET goes further to investigate the human body at the level of cellular activity and metabolism. This innovative system also has the potential to be a particularly valuable tool for identifying neurological, oncological and cardiac conditions of diseases and in supporting the planning of appropriate treatment.

In addition, the combination of the two systems will significantly reduce the time needed for an examination as well as occupy lesser space compared to when two separate systems are used.

FOREIGN EXCHANGE EARNINGS & OUTGO

Foreign Exchange Earnings: ₹ 312.05 million (This is exclusive of Rupee payment made by Non-Resident Indians and Foreign National(s))

Foreign Exchange Outgo : ₹ 995.48 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 pursuing excellence in all its activities and in maximisation of its shareholders' wealth.

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

1. To recognize the respective roles and responsibilities of the Board and management.
2. To achieve the highest degree of transparency by maintaining a high degree of disclosure levels.
3. To ensure and maintain high ethical standards in its functioning.
4. To 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	7,045,464	13(11)	-	-
Smt. Preetha Reddy	Promoter	Managing Director	2,193,915	12	1	Member
Smt. Suneeta Reddy	Promoter	Joint Managing Director	3,001,590	10(3)	1 1	Chairman Member
Smt. Sangita Reddy	Promoter	Executive Director – Operations	3,382,508	12	-	-
Smt. Shobana Kamineni	Promoter	Executive Director – Special Initiatives	2,189,952	10	1	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 2	Chairman Member
Shri. N. Vaghul	Independent	Director	-	4(1)	2	Chairman
Shri. T.K. Balaji	Independent	Director	-	10(2)	1 2	Chairman Member
Shri.Khairil Anuar Abdullah	Independent	Director	-	-	-	-
Shri.G.Venkatraman	Independent	Director	-	5	5	Chairman
Shri. Shashank Singh	Non Executive	Nominee – HSTN Acquisition (FII) Ltd	-	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 to Directors

a) Executive Directors

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

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

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

During the year, the Remuneration and Nomination Committee decided to re-align and restructure the Executive Directors compensation. Accordingly, the main components of the remuneration package for executive directors now comprises of base salary and performance related variable annual incentive linked to company performance.

Base Compensation (Fixed pay)

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

Performance based incentive (Variable pay)

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

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

The Executive Directors Compensation as detailed above is within the overall framework of the approvals given by shareholders and in line with the managerial remuneration limits as specified under the Companies Act, 1956. The job related goals for each working director will be set out by the Remuneration Committee every year.

b) Non Executive Directors

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

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

The Shareholders and the Ministry of Corporate Affairs have approved the payment of commission to Non Executive and Independent Directors within the overall maximum ceiling limit of 1% of the net profits of the Company for a period of five years with effect from 1st April 2009 in addition to the sitting fee being paid by the Company for attending the Board/Committee Meetings.

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

The Board approved the payment of ₹ 1.0 million as commission to each Non Executive and Independent Director for the year ended 31st March 2013.

The aggregate commission payable to all non-executive directors is well within the limits approved by the shareholders and in line with the provisions of the Companies Act, 1956.

(c) Details of remuneration paid to the Directors

The details of the remuneration paid/accrued to the Directors for the year ended 31st March 2013 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 2013				
		Remuneration				
		Sitting Fee	Fixed pay	Variable Pay	Commission	Total
Dr. Prathap C Reddy	Father of Smt.Preetha Reddy, Smt.Suneeta Reddy, Smt. Sangita Reddy & Smt. Shobana Kamineni	-	55.00	60.50	40.80	156.30
Smt. Preetha Reddy	Daughter of Dr. Prathap C Reddy, Sister of Smt. Suneeta Reddy, Smt. Sangita Reddy & Smt. Shobana Kamineni	-	25.00	27.50	-	52.50
Smt. Suneeta Reddy	Daughter of Dr. Prathap C Reddy, Sister of Smt.Preetha Reddy, Smt.Sangita Reddy & Smt. Shobana Kamineni	-	25.00	27.50	-	52.50
Smt. Sangita Reddy	Daughter of Dr. Prathap C Reddy, Sister of Smt. Preetha Reddy, Smt. Suneeta Reddy & Smt. Shobana Kamineni	-	25.00	27.50	-	52.50
Smt. Shobana Kamineni	Daughter of Dr. Prathap C Reddy, Sister of Smt. Preetha Reddy, Smt. Suneeta Reddy & Smt. Sangita Reddy	-	25.00	27.50	-	52.50
Shri. Rajkumar Menon	-	0.28	-	-	1.00	1.28
Shri. Rafeeque Ahamed	-	0.06	-	-	1.00	1.06
Shri. Habibullah Badsha	-	0.12	-	-	1.00	1.12
Shri. Deepak Vaidya	-	0.18	-	-	1.00	1.18
Shri. N. Vaghul	-	0.20	-	-	1.00	1.20
Shri. T.K. Balaji	-	0.08	-	-	1.00	1.08
Shri.Khairil Anuar Abdullah	-	0.10	-	-	1.00	1.10
Shri.G.Venkatraman	-	0.28	-	-	1.00	1.28
Shri. Sandeep Naik (resigned w.e.f 9th November 2012)	-	0.10	-	-	-	0.10
Shri. Shashank Singh appointed w.e.f 9th November 2012	-	0.02	-	-	1.00	1.02

Notes:

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

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

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

(iv) Commission to the Non-Executive Directors for the year ended 31st March 2013 @ ₹ 1.0 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 7th August 2013. Sitting fee also includes payment of fees for attending Board-level Committee Meetings.

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

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

(C) Board Procedures

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

Five board meetings were held during the financial year from 1st April 2012 to 31st March 2013. The dates on which the meetings were held are as follows:-

20th April 2012, 29th May 2012, 10th August 2012, 9th November 2012 and 7th February 2013.

(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	4	Yes
Shri. Rafeeque Ahamed	5	1	No
Shri. Habibullah Badsha	5	3	Yes
Shri. Deepak Vaidya	5	3	Yes
Shri. N. Vaghul	5	5	Yes
Shri. T.K. Balaji	5	3	No
Shri. Khairil Anuar Abdullah	5	5	Yes
Shri. G. Venkatraman	5	5	Yes
Shri. Sandeep Naik (resigned w.e.f 9th November 2012)	5	3	Yes
Shri. Shashank Singh (appointed w.e.f 9th November 2012)	5	1	--

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

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

(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, Senior General Manager - Finance and Company Secretary is the Compliance Officer. All the Directors and Senior Management Personnel and such other designated employees of the Company who are expected to have access to unpublished price sensitive information relating to the Company are covered under the said code. The Directors, their relatives, senior management personnel, designated employees etc., are restricted from purchasing, selling and dealing in the shares while being in possession of unpublished price sensitive information about the Company during certain prohibited periods.

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[1]	Shri. Deepak Vaidya, Member	
		Shri. Shashank Singh, Member[2]	Shri. T.K. Balaji, Member	
		Shri. Rafeeque Ahamed, Member		

1. Ceased to be a member w.e.f 9th November 2012
2. Appointed as a member w.e.f 9th November 2012

1. Audit Committee

(a) Composition of the Audit Committee

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

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

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

(b) Meetings of Audit Committee

The Audit Committee met five times during the year on 19" April 2012, 28th May 2012, 9th August 2012, 8th November 2012 and 6th February 2013.

Sl. No	Name of the Member	Designation	Number of Meetings Held	Number of Meetings attended
1.	Shri. Deepak Vaidya	Chairman	5	3
2.	Shri. G. Venkatraman	Member	5	5
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 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 reviews controls and security relating to the Company's critical IT applications, the internal and control assurance audit reports of all major divisions and profit centers and deviations from the code of business principle, if any.

2. Remuneration & Nomination Committee

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

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

1. Shri. N. Vaghul
2. Shri. Deepak Vaidya
3. Shri. G. Venkatraman
4. Shri. Shashank Singh and
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 20th April 2012, 29th May 2012 and 9th November 2012.

Sl. No	Name of the Member	Designation	Number of Meetings Held	Number of Meetings attended
1.	Shri. N. Vaghul	Chairman	3	3
2.	Shri. Deepak Vaidya	Member	3	1
3.	Shri. G. Venkatraman	Member	3	3
4.	Shri. Sandeep Naik (ceased to be a member w.e.f 9th November 2012)	Member	2	2
5.	Shri. Shashank Singh (appointed as a member w.e.f 9th November 2012)	Member	1	-
6.	Shri. Rafeeque Ahamed	Member	3	-

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 28th May 2012 and 7th February 2013. The attendance details of the members are set out as follows :

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

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 of 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 5th April 2012, 7th July 2012, 5th October 2012 and 7th January 2013.

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

Name and designation of the Compliance Officer:-

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

(5) Share Transfer Committee

Composition and Scope of the Share Transfer Committee

The Share transfer committee comprises of the following directors:

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

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

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

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

III. SUBSIDIARIES

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

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 except the details of transactions disclosed in Notes forming part of the Accounts as required under Accounting Standard 18 of the Institute of Chartered Accountants of India, and all related party transactions are negotiated on an arms length basis.

During the year, the Company has allotted 3,276,922 equity shares to Dr. Prathap C Reddy one of the promoters of the company as disclosed in Clause IV (D) 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 on 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 suggest 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

The Company has allotted:

- 1,381,619 million equity shares to International Finance Corporation, Washington on 7th June 2012 upon conversion of 750 Foreign Currency Convertible Bonds (FCCBs) of USD 10,000 each aggregating to USD 7.50 million at a price of ₹ 302.50 per share of ₹ 5/- each including premium of ₹ 297.50 per share which is an increase of 14% over the floor price determined as per the FEMA guidelines and Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993) and in accordance with the terms of the FCCB loan agreement dated 18th June 2009. Post this conversion, there are no outstanding FCCBs with the Company.
- 3,276,922 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 ₹ 472.46 per share of ₹ 5/- each including premium of ₹ 467.46 per share on 25th July 2012.

  The Audit Committee reviews the utilization of proceeds on a quarterly basis.

(E) Management

The Management's 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. Habibullah Badsha, Shri. Khairil Anuar Abdullah, Smt. Suneeta Reddy and Smt. Shobana Kamineni 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) Means of Communication

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

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 2013, the audited annual results were announced on 20th May 2013. 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 uploaded on the Company's website www.apollohospitals.com.

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

NSE Electronic Application Processing System (NEAPS) : The NEAPS is a web based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report are filed electronically on NEAPS.

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

(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 imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

(5) General Body Meetings

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

Year	Date	Venue	Time	Special Resolutions Passed
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 3,276,922 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.
2011-2012	9th August 2012	Kamaraj Arangam, Chennai	11.00 A.M.	Payment of remuneration equivalent to 5% of the net profits of the company to Dr. Prathap C Reddy, Permanent Chairman for a period of five years with effect from 25th June 2012

(6) Postal Ballots

During the year there were no ordinary or special resolutions 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 their meeting held on 20th May 2013.

VI. Compliance with Corporate Governance Norms

(i) Mandatory Requirements

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

(ii) Non-Mandatory Requirements

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

1. The Board

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

(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 requirements.

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	7th August 2013 at 11.00 a.m. The Music Academy, New No. 168, (Old No.306), T.T.K. Road, Royapettah, Chennai 600 014.
(ii) Financial Calendar	
1st Quarter	1st April to 30th June
2nd Quarter	1st July to 30th September
3rd Quarter	1st October to 31st December
4th & last Quarter	1st January to 31st March
(iii) Date of Book Closure	27th July 2013 to 7th August 2013 (both days inclusive)
(iv) Dividend Payment	On or before 17th August 2013
(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 Limited (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 Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051 Tel : 91-22-2659 8100 - 8114 Fax : 91-22-26598237/38 Website : www.nseindia.com
(4) Listing Fees	Paid for all the above stock exchanges for 2012-2013 and 2013-2014
(vi) Address of Registered Office	No. 19 Bishop Gardens, Raja Annamalaipuram, Chennai – 600 028.
(vii) a) Stock Exchange Security Code for	
(1) Equity Shares	
(i) The Bombay Stock Exchange Limited, Mumbai	(i) 508869
(ii) National Stock Exchange of India Limited, Mumbai	(ii) APOLLOHOSP
(2) GDRs	
(i) Luxembourg Stock Exchange	US0376082055
(ii) Nasdaq – Portal Market	AHELYP05

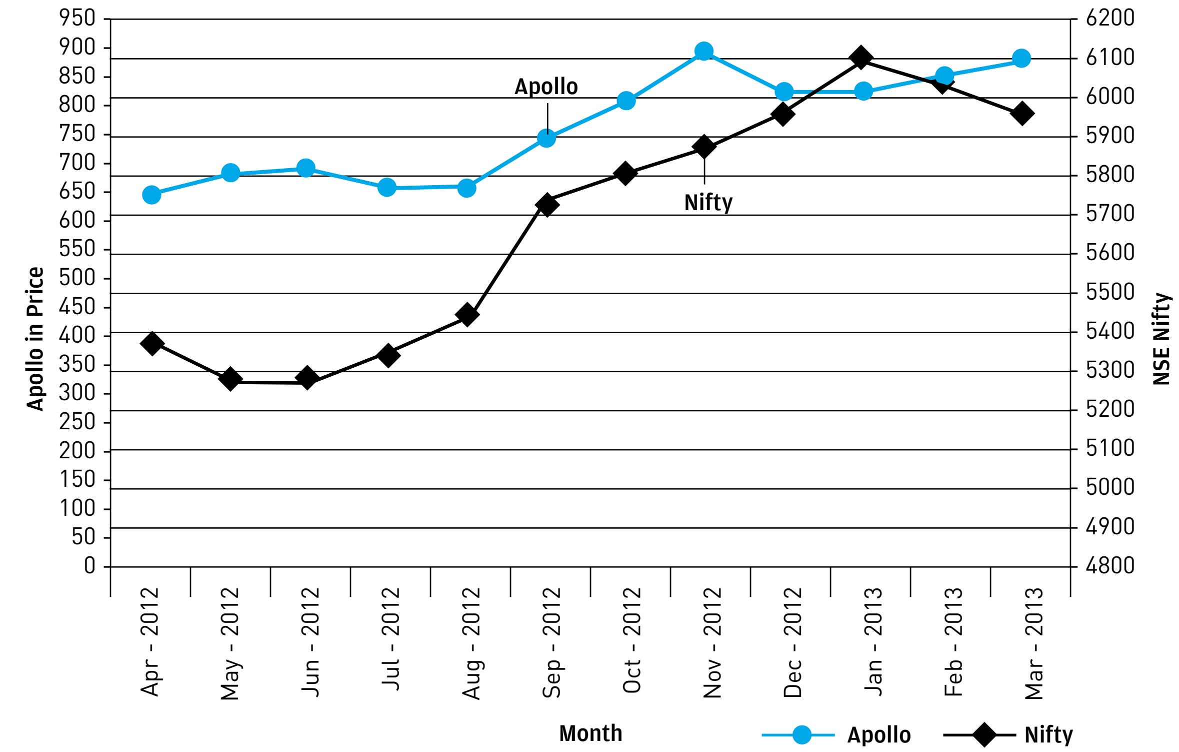
(3) Non Convertible Debentures

a) 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 & INE437A07096
e) Overseas Depositary for GDRs	The Bank of New York Mellon 101 Barclay Street, 22W, New York, NY 10286
f) Domestic Custodian for GDRs	ICICI Bank Limited Securities Markets Services 1st Floor, Empire Complex, 414 Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 Tel. +91-22-6667 2026 Fax +91-22-6667 2779/2740
g) Trustee for Debenture Holders	Axis Trustee Services Limited 2nd floor, Axis Bank Building, Bombay Dyeing, Pandurang Bhudkar Marg, Worli, Mumbai - 400025 Tel. +91-22- 24255212 Fax +91-22-6667 2779/2740

viii. Monthly High and Low quotations along with the volume of shares traded in NSE & BSE during the year 2012-2013

Month	National Stock Exchange (NSE)			The Bombay Stock Exchange, (BSE)		
	High	Low	Volume	High	Low	Volume
	(₹)		Numbers	(₹)		Numbers
Apr-2012	644.65	598.25	1,713,278	640.95	595.00	116,260
May-2012	687.00	603.20	3,367,548	687.65	603.00	284,952
Jun-2012	697.40	605.00	1,682,416	697.75	605.25	295,504
Jul-2012	661.95	607.70	3,474,089	659.40	606.00	217,023
Aug-2012	661.95	607.05	2,132,925	645.00	609.00	803,764
Sep-2012	751.00	618.00	3,811,893	750.00	618.15	367,840
Oct-2012	814.00	725.00	4,851,501	811.95	720.85	441,362
Nov-2012	902.05	758.10	16,478,237	902.85	759.00	6,310,588
Dec-2012	828.00	781.00	3,594,124	836.55	784.25	447,632
Jan-2013	827.95	766.60	4,317,224	819.90	767.10	325,791
Feb-2013	857.95	784.15	3,123,542	857.55	786.10	12,073,608
Mar-2013	882.00	781.25	1,953,498	875.00	782.95	871,235

ix. Apollo Share 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 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.

	2012-2013	2011-2012
	(face value of ₹ 5/-)	(face value of ₹ 5/-)
Shares Transferred	20,874	42,537
Total No. of Shares as on 31st March	139,125,159	134,466,618
% on Share Capital	0.02	0.03

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

2. Shareholders' Services

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

Sl. No.	Nature of Complaints/Requests	Received	Replied	Pending
1.	Change of Address	147	147	--
2.	Revalidation and issue of duplicate dividend warrants	153	153	--
3.	Share transfers	114	114	--
4.	Split of Shares	4	4	--
5.	Change of Bank Mandate	111	111	--
6.	Correction of Name	5	5	--
7.	Dematerialisation Confirmation	428	428	--
8.	Rematerialisation of shares	9	9	--
9.	Issue of duplicate share certificates	12	12	
10.	Transmission of shares	47	47	--
11.	General enquiry	201	201	--

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

3) Legal Proceedings

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

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

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

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

During the year, the Company has transferred a sum of ₹ 1.60 million in aggregate which comprises ₹ 1.59 million as unclaimed dividend and ₹ 0.01 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) Categories of shareholders as on March 31, 2013

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	23,070,530	16.58
(b)	Bodies Corporate	24,717,924	17.77
	Sub Total (A) (1)	**47,788,454**	**34.35**
	Total Shareholding of Promoter and Promoter Group	**47,788,454**	**34.35**
(B)	**Public shareholding**		
1	Institutions		
(a)	Mutual Funds/ UTI	2,314,854	1.66
(b)	Financial Institutions / Banks	8,204	0.01
(c)	Central Government/ State Government(s)	323,708	0.23
(d)	Insurance Companies	1,369,440	0.98
(e)	Foreign Institutional Investors	58,153,637	41.80
	Sub-Total (B) (1)	**62,169,843**	**44.68**
B 2	**Non-institutions**		
(a)	Bodies Corporate	1,512,728	1.09
(b)	Individuals		
	i. Individual shareholders holding nominal share capital up to ₹ 1 lakh	6,946,832	4.99
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	292,918	0.21
(c)	**Any Other**		
	Trusts	117,970	0.08
	Directors and their relatives	91,606	0.07
	Non Resident Indians	1,846,966	1.33
	Overseas Corporate Bodies	16,199	0.01
	Clearing Member	68,613	0.06
	Hindu Undivided Families	127,122	0.09
	Foreign Corporate Bodies	17,377,359	12.49
	Sub-Total (B)(2)	**28,398,313**	**20.42**
(B)	**Total Public Shareholding (B) = (B)(1)+(B)(2)**	**90,568,156**	**65.10**
	TOTAL (A)+(B)	**138,356,610**	**99.45**
(C)	**Global Depository Receipts (GDRs)**		
	(1) Promoter and Promoter Group	-	
	(2) Public	768,549	0.55
(C)	**Total Public Shareholding (C)= (C)(1)+(C)(2)**	**768,549**	**0.55**
	GRAND TOTAL (A)+(B)+(C)	**139,125,159**	**100.00**

2) Distribution of Shareholdings as on 31st March 2013

No. of Equity Shares		Shares				Holders			
		Physical		Electronic		Physical		Electronic	
		Nos.	%	Nos.	%	Nos.	%	Nos.	%
1	500	1,205,124	0.87	1,827,392	1.31	8,036	24.06	21,868	65.48
501	1000	500,254	0.36	781,244	0.56	659	1.97	1,014	3.04
1001	2000	561,882	0.40	697,270	0.50	329	0.99	444	1.33
2001	3000	362,150	0.26	354,134	0.25	136	0.41	139	0.42
3001	4000	377,634	0.27	336,741	0.24	106	0.32	93	0.28
4001	5000	79,454	0.06	158,304	0.11	17	0.05	34	0.10
5001	10000	827,336	0.59	697,958	0.50	104	0.31	98	0.29
10001	above	585,310	0.42	129,772,972	93.28	23	0.07	295	0.88
Total		4,499,144	3.23	134,626,015	96.77	9,410	28.18	23,985	71.82
Grand Total		139,125,159				33,395			

GDRs :

The details of high / low market prices of the GDRs at the Luxembourg Stock Exchange and Rule 144 A GDRs at the Portal Market of NASDAQ during the financial year 2012-2013 are as under

Month	Reg. S			Rule 144 - A		
	High ($)	Low ($)	Closing ($)	High ($)	Low ($)	Closing ($)
Apr-2012	12.28	11.43	11.96	12.26	11.42	11.93
May-2012	12.06	11.19	11.93	12.17	11.22	11.89
Jun-2012	12.34	10.71	11.06	12.26	10.71	11.11
Jul-2012	11.79	10.97	11.33	11.81	10.93	11.32
Aug-2012	11.55	10.96	11.30	11.54	11.00	11.34
Sep-2012	13.86	11.30	13.86	13.78	11.28	13.78
Oct-2012	15.12	13.84	14.50	15.10	13.85	14.49
Nov-2012	16.24	14.22	15.06	16.25	14.23	15.05
Dec-2012	15.15	14.37	14.37	15.15	14.35	14.35
Jan-2013	15.20	14.35	15.20	15.11	14.38	15.11
Feb-2013	15.93	14.70	15.20	15.90	14.71	15.20
Mar-2013	15.62	14.51	15.44	15.78	14.56	15.36

Note : 1 GDR = 1 equity share.

xiii 1) Dematerialization of Shares

As on 31st March 2013, 96.77% 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

Pursuant to the resolution passed by the members in an Extraordinary General Meeting held on 24th May 2005, the Company had issued 9,000,000 Global Depositary Receipts (GDRs) and the details of GDRs issued and converted and outstanding (after adjusting the split of face value of ₹ 5/- per share) as on 31st March 2013 are given below:

Particulars		Nos.
Total GDRs issued		18,000,000
Add : Equity Shares converted into GDRs during the year 2011-2012		7,689,329
Equity Shares converted into GDRs during 2012-2013		10,949
Less : GDRs converted into underlying equity shares		
2005-2006	4,415,068	
2006-2007	2,346,712	
2007-2008	1,515,600	
2008-2009	347,020	
2009-2010	49,600	
2010-2011	6,263,200	
2011-2012	5,396,660	
2012-2013	4,597,869	24,931,729
Outstanding GDRs as on 31st March 2013		768,549

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

xv. Investors Correspondence

a. For queries relating to shares

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

Designated Exclusive email-id:

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

xvi Hospital Complexes

Apollo Hospitals Group

Chennai	No. 21 & 24 Greams Lane, Off. Greams Road, Chennai 600 006. Tel: 044 2829 3333/ 28290200
	No. 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
	No. 134, Mint Street, Sowcarpet, Chennai – 600 079. Tel : 044 2529 6080/84
	No.64, Vanagaram to Ambattur Main Road, Chennai 600 095. Tel :044-2653 7777
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 – 500 058 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
	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.G.P.No.4-72, Theegalgutta Pally, 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

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

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

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

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

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

DECLARATION UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT

I, 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 : 20th May 2013

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 on 31st March 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the 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

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

V.C. KRISHNAN
Partner

Place : Chennai
Date : 20th May 2013

management discussion and analysis

GENERAL OVERVIEW OF HEALTHCARE SERVICES IN INDIA

A combination of factors such as favourable fundamentals, population demographics and increasing consumer demand have helped the healthcare industry experience robust growth over the last decade. Apart from an expansion in the number of facilities and increased geographical reach, the industry has also made good progress in adopting new technologies, upgradation of skills, competence levels of Indian medical practitioners, setting up of world class hospitals and ability to attract medical value travellers.

This has also been aided by some important structural reforms introduced by the government in the last decade with a goal of creating access to a minimum standard of healthcare services for all.

Though there has been good progress in recent years, the healthcare sector in India continues to face several challenges. In terms of hospital infrastructure and manpower, India ranks below most other developing countries in terms of key healthcare adequacy metrics.

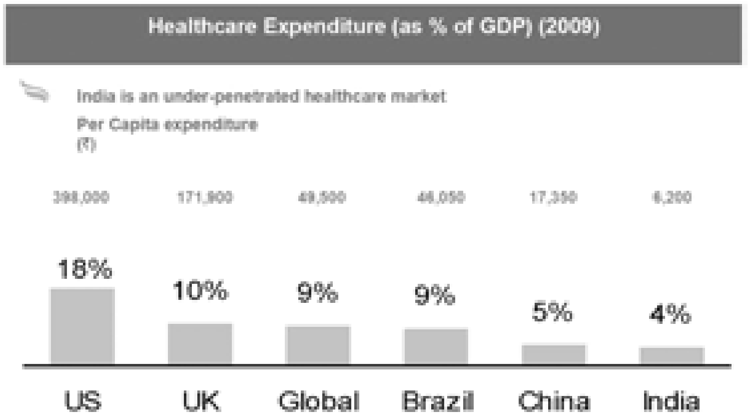
While the public sector dominated the industry for a majority of the post-Independence era, over the last two decades the private sector in India has been the key engine for capacity addition and improvements in quality. This has led to a transformation in the profile of the sector.

However, significant progress remains to be made in order for the country to match global benchmarks. Progress on this front will depend on the nature of reforms introduced by the Government as also its implementation. The Healthcare Industry will need to demonstrate resoluteness as well as continuous focus on innovation. India's health sector, though unique and complex, offers a remarkable opportunity.

THE HEALTHCARE SERVICES DELIVERY LANDSCAPE IN INDIA

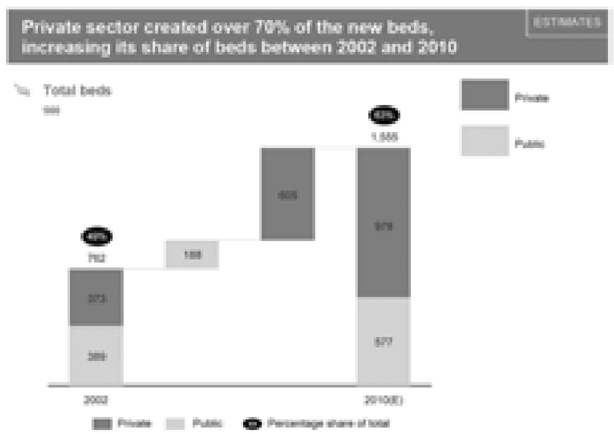
According to the World Health Organisation's (WHO) report on world health statistics 2012, India improved life expectancy for the average citizen from 58 years in 1990 to 65 years in 2009. The Infant Mortality Rate has reduced from 81 per 1,000 in 1990 to 48 per 1,000 in 2010. While there has been an improvement on several parameters over the last two decades, India continues to trail most of its regional peers.

Of significant concern is the fact that Healthcare spends are not growing at the same pace as the GDP. India's healthcare spending as a percentage of GDP reduced from 4.4% in 2000 to 4.0% in 2010. This implies that, in nominal terms, India's healthcare expenditure has been growing at a slower rate than the country's GDP.



Source: WHO – World Health Statistics 2012.

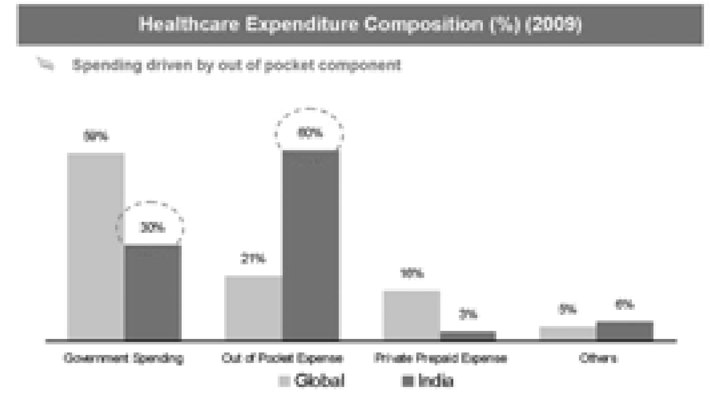
Due to low public expenditure and underutilization of allotted resources, the private sector accounts for around 68% of the total healthcare expenditure in India. This constitutes one of the highest proportions of private healthcare spending in the world. In fact, between 2002 and 2010, the private sector was responsible for over 70% of incremental capacity thereby increasing its share of beds from 49% in 2002 to 63% in 2010. (Source: McKinsey)



Source: Central Bureau of Health Intelligence, Health infrastructure, 2005 and 2010; World Bank database, World Development Indicators (WDI); World Health Organisation, Global Health Expenditure Database; ASSOCHAM; McKinsey analysis.

The size of the Indian healthcare delivery industry, in 2011-12, was estimated to be ₹ 2,600 billion in value terms. The dominance of the private sector has meant that there has been a rapid development of inpatient-based facilities which now constitute 72% of the healthcare delivery industry with outpatient-based facilities representing the balance. (Source: CRISIL)

Another feature of the healthcare landscape in India is that out-of-pocket spend as a proportion of total healthcare spending continues to remain high at about 60% of total healthcare expenditure. This is due to low public spends and moderate penetration of health insurance. This clearly indicates that government efforts have not kept pace with the rise in healthcare demand.

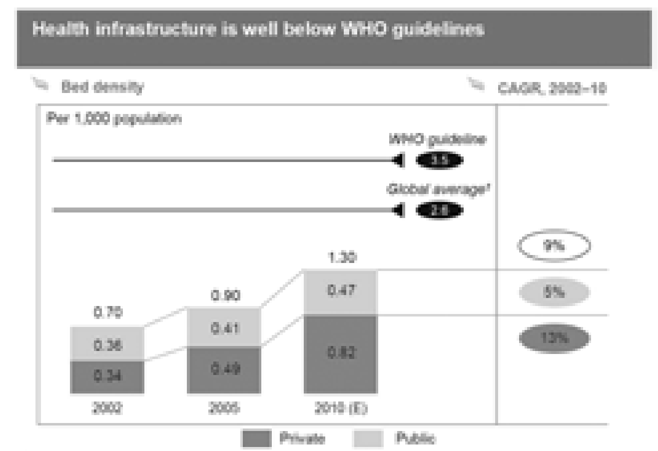


Source: WHO – World Health Statistics 2012.

However, Government efforts gained momentum with the adoption of millennium development goals.

The past decade also witnessed implementation of several pilots relating to public-private partnerships, particularly in hospitals and diagnostic services. It is now an accepted model for State governments to collaborate with the private sector through Public Private Partnerships (PPP) models to improve operational efficiencies. These partnership initiatives range from primary care hospitals to super-speciality care hospitals.

However, Infrastructure gaps continue to persist as the increase in total bed density of 1.3 per 1,000 is still significantly lower than the WHO guideline of 3.5 beds per 1,000. Under utilisation of existing resources further compounds the problem of meagre infrastructure. (Source: McKinsey)



1: For 2002
SOURCE: Central Bureau of Health Intelligence, Health infrastructure, 2005 and 2010; World Bank database, World Development Indicators (WDI); World Health Organisation, Global Health Expenditure Database; ASSOCHAM; McKinsey analysis

Further, the availability of trained doctors and related health human resource infrastructure is also well below globally mandated norms. As of 2010, India had approximately 300 medical colleges, 290 colleges for Bachelor of Dental Surgery and 140 colleges for Master of Dental Surgery. It is estimated that India needs to have 600 medical colleges (100 seats per college) and 1,500 nursing colleges (60 seats per college) in order to meet the global average of doctors and nurses.

The hospital sector is highly capital-intensive as setting up of new facilities entails investments into land and building apart from outlays on medical equipments. In addition to capital intensity the sector is also labour intensive and hence operating costs tend to be high.

performance highlights
corporate review
statutory section
business review
financial statements

It is expected that growth will accelerate with increasing private participation. The Government seems more determined to correct imbalances now than in the past but history suggests that it will be more effective if it drives much needed reform and acts as a facilitator to direct necessary resources into the sector. The rapidly evolving customer mindset backed up by an increasing ability to pay is expected to inspire service providers to evolve a variety of delivery models which will cater to all strata of society. Further, increasing global exposure of citizens and higher volumes of medical value travellers are likely to lead to global best practices being deeply ingrained into the ethos of healthcare service delivery providers in India.

KEY CHARACTERISTICS / TRENDS

The healthcare delivery industry has delivered good growth in recent years and is poised for sustainable growth going forward. This is due to the confluence of several factors that have made it conducive for investments and growth. A few of these are:

Inadequate Public Infrastructure

In most countries around the world the bulk of Health Infrastructure is provided by the Government. However, in India it is the private sector which plays a more significant role in augmenting health infrastructure. The public health sector is faced with several challenges such as non-availability of doctors and medical staff, outdated medical equipment, inadequate maintenance etc. While severable admirable initiatives have been undertaken by both the Central and State Governments in India, the fact remains that the lack of overall quality in the public health infrastructure in India and inability to cater to the appetite for healthcare services has been a key enabler for the emergence of private healthcare service providers in India.

Growth in population and change in population mix

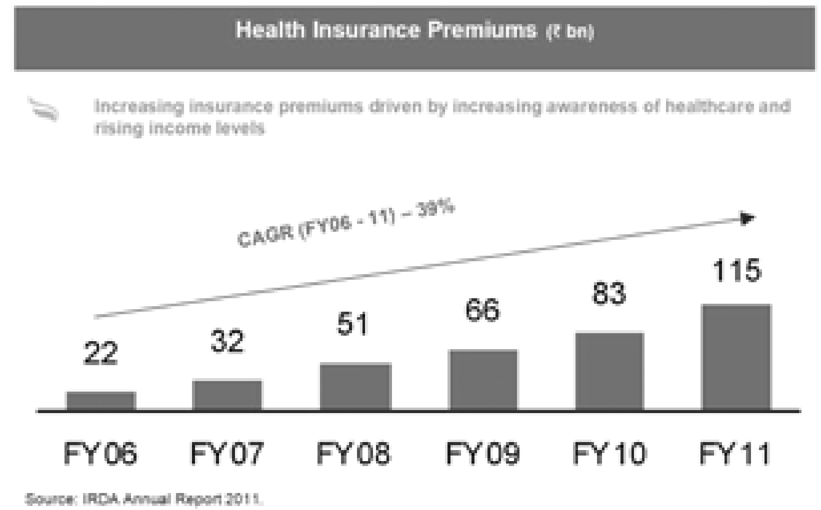
The continued population growth in India will lead to an increase in demand for additional beds. India's population is predicted to grow from approximately 1.2 billion in 2011-12 to over 1.5 billion by 2026. Apart from absolute population growth, the increased longevity of citizens is leading to a rapid increase in the total number of middle-aged and older adults, leading to a corresponding increase in demand for healthcare delivery systems and services.

Changing disease profile

An increasing proportion of deaths are now attributable to non-communicable diseases. Increasing per capita income has led to a shift in dietary patterns and changing lifestyle habits of a significant percentage of the populace. This is leading to a change in the disease profile within the country with increasing frequency of lifestyle-related diseases such as diabetes and hypertension. Accelerated occurrence of such lifestyle diseases over and above the standard disease profile of the populace is intensifying the demand for healthcare delivery and associated medical facilities.

Improving affordability

Although healthcare may be largely considered a non-discretionary expense, high-quality healthcare facilities are currently unaffordable for a large percentage of the population. However, a steady increase in disposable incomes in households in India will mean that a greater number of people will grow their purchasing power and be able to afford better quality healthcare. Increased penetration of health insurance combined with an enhanced variety of insurance products will mean that a larger number of people will be able to avail better quality healthcare. Patients with health insurance are more likely to visit private hospitals thereby driving growth in the private healthcare delivery sector.



Medical Value Travel

Medical value travel is used to define travellers for whom a medical procedure forms the primary reason for travel. These procedures are largely elective in nature as medical value travel requires careful consideration and planning while emergency or necessary procedures are required to be conducted urgently. However, emerging cost competitive markets are offering an attractive alternative to high cost developed markets where healthcare is now unaffordable for many. Further, given the high clinical standards in these new destinations even health insurance companies are encouraging patients to opt for such treatments by reimbursing travel and residency expenses in addition to medical costs.

Evolving Business Models

Competition and cost of resources have spurred greater innovation and specialization in the industry. While state sponsored or standalone hospitals were the places of choice earlier, the last two decades have seen the emergence of private hospital chains, single specialty chains and boutique healthcare centres. Today, there are institutes which focus on a single specialization such as maternity, cardiac care or orthopaedics which helps them to drive down costs. Touch points have also multiplied with all-encompassing hospitals at one single location being replaced by multiple interface points such as Stand-alone clinics, diagnostic centres and pharmacies. At the other end of the spectrum, integrated healthcare delivery centres like Medicities are also emerging as viable models in the Indian healthcare services industry.

Increased traction in non-metro cities for capacity addition

The last few years have witnessed rapid capacity addition by private players. However, this incremental capacity has been skewed towards urban clusters. This has led to a disparity in bed density in comparison to the rest of the country. As a result, there has been a rise in domestic medical travel driven by quality and capability rather than value. However, increasing competition and resource scarcity in metro cities combined with economic growth and development in non-metro cities have led to a rebalancing. The willingness of medical practitioners to relocate, improved purchasing power and better resource availability in non-metros is leading to a heightened focus on non-metro cities for capacity expansion.

Progress in state sponsored healthcare schemes in India

The Union Ministry of Health and Family Welfare is responsible for the implementation of various programmes such as family welfare, prevention and control of major diseases. Apart from these, the Government has undertaken concerted efforts to address the decline in Public Expenditure on Healthcare. Initiatives such as the National Rural Health Mission, National Urban Health Mission and the Clinical Establishments Act, 2010 indicate the desire of the government to initiate a course correction. These will help to strengthen the regulatory framework of the healthcare sector and are aimed at improving national health indicators in a bid to achieve the Government's ambitious target of universal health coverage. Several states have also introduced welfare and medical health insurance schemes for the economically weaker sections of society to enable them avail of better quality healthcare.

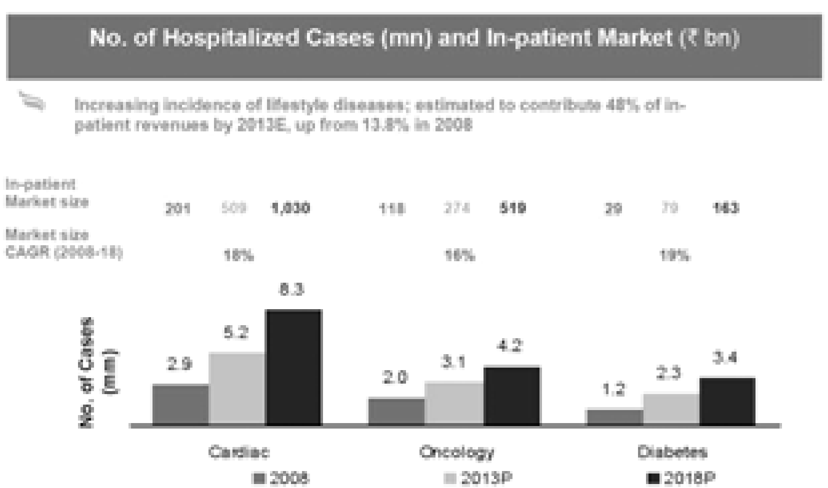
Increased Investor Interest and Investment

The non-discretionary nature of healthcare expenditure and the attractive growth rates delivered by leading players have resulted in increased focus on the healthcare industry as an investment opportunity. While the healthcare industry is inherently capital intensive in nature with a long-gestation period; steps to moderate capital intensity such as leasing of premises, franchising, operating and maintenance contracts, etc. have helped to somewhat mitigate such concerns. Further, high-volume specialisation and value added services have led to increased capital efficiency and improved asset utilizations. As a result, there has been a notable increase in venture capital and private equity investment into the industry.

GROWTH PROJECTIONS

The healthcare services market is expected to grow at a compounded annual growth rate (CAGR) of 12% and expand from its current size of ₹ 2,600 billion in 2011-12 to ₹ 4,500 billion in 2016-17. (Source: CRISIL research) Growth is expected to be driven by rising per capita income, varying demographic mix, altered disease profile, demand for better quality healthcare, improving health insurance coverage, increase in medical value travellers and greater availability of facilities in Tier 2 and 3 cities in India.

The recent dominance of private investment in healthcare delivery and the focus on inpatient (IP) led facilities by private players has led to IP led facilities representing 72% of the healthcare services market by value in 2011-12. This share is expected to expand to 75% in 2016-17 on the back of accelerated investments by private players which are skewed towards IP led treatment.



Source: CRISIL Research hospitals Annual Review – August 2009.

India continues to lag most other developing nations on the parameters of key benchmarks for healthcare delivery. In order to meet the global median on parameters of healthcare delivery, it is estimated that India will be required to make investments of over ₹ 7,000 billion over the next 5 years.

Hence intensified efforts over a sustained period of time will be required to catch up to global benchmarks. Introduction of required reforms, increasing investor interest and strong fundamentals are expected to lead to acceleration in capacity creation and growth that would be materially different compared to historical levels.

RETAIL PHARMACIES

The retail pharmacy segment in India is a well-developed industry and enjoys a comprehensive presence across the country. While it is already a considerably large market it still has tremendous scope to grow further. It is well known that this industry is highly fragmented in nature and is dominated by stand-alone units or 'mom-and-pop' stores. It is only in recent years that organized participation has gained traction and today there are several corporates which have set up pharmacy chains in different parts of the country.

In India, pharmacies are the dominant distribution channel for pharmaceuticals and generate a majority of overall pharmaceutical sales. Over 90% of drug sales are through the retail markets, while institutional sales account for the balance. The traditional / local chemists dominate the retail pharmaceutical market. However, organized players are now making their presence felt in the retail pharmacy sector and are responsible for the introduction of trends like loyalty schemes, assuring genuineness of drugs, tele-consultation services, private labels and value added services such as basic diagnostics and offering of health insurance plans.

The market is highly competitive due to low entry barriers and is believed to be poised for attractive growth driven by rapid urbanization, growth of the healthcare industry, introduction of premium & high-end medicines, introduction of hospital chains which have a cascading effect on healthcare delivery, increase in healthcare spending, changing disease profiles, growth in pharmaceuticals sector and the OTC segment, changing consumer attitudes and attractive returns. However, the industry needs to address challenges such as its fragmented nature, inefficient distribution and supply chains, incidences of counterfeit drugs, shortage of trained manpower, low retail management skills and the prohibitive cost of real estate .

The recent government reforms permitting 51% foreign direct investment in multi-brand retail at the discretion of State governments is expected to bring a new impetus to the retail sector in India.

HEALTH INSURANCE

According to the Insurance Regulatory and Development Authority (IRDA), gross premiums underwritten by non-life insurers in the health segment grew 19% to ₹ 13,345 crore in FY12 compared to ₹ 11,245 crore in FY11, with most non-life insurance companies recording double-digit growth rates in the health segment.

Health insurance is well established in many countries, but in India it remains an untapped market. Less than 15% of India's population is covered through health insurance. Over 80% of health financing is through private financing, much of which is out of pocket payments and employer funding. Given the demand scenario and need for health financing, health insurance has a wider scope in the present day situation in India. There are over 30 health insurance products in the category offered by both life and non-life insurers. While health insurance is primarily offered as an additional segment by life and general insurers, there are also a handful of standalone health insurance players.

The penetration level of insurance is very low in India when compared with the global average. This has brought about a plethora of distribution channels such as agents, brokers, bancassurance (bank insurance model) avenues, soliciting insurance through Internet or direct mailing.

At the same time, the overall service levels and customer management standards are improving. The introduction of health insurance portability has offered more convenience to customers and has enhanced competition in the industry. It is likely that consumers can now expect a slew of innovative health insurance plans as insurers compete to attract and retain customers.

SWOT ANALYSIS

Strengths

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

- Cost efficiencies through sharing of managerial and clinical resources;
- Economies of scale and competitive prices from our suppliers and service providers through centralized purchasing;
- Ability to withstand gestation periods with regard to newly commissioned hospitals
- Access to qualified and trained medical resources through our educational initiatives; and
- Access to a larger patient base through our pan-India presence in primary clinics, telemedicine and other healthcare programs.
- Captive market for allied businesses of pharmacies, health insurance, self branded products, training and education
- Ability to cross sell and develop synergistic revenue streams

Arrangements with Doctors / Medical personnel: Our 'fee for service' model with our consultant doctors provides them the professional comfort and freedom to deliver optimal performance. Many of the doctors associated with us are prominent within the medical field having received accolades and awards or are heading national medical associations – which furthers the attractiveness of our network. We are also among the leading private healthcare services employers in India. The medical colleges and training establishments within our group provide us with an abundant supply of medical personnel, the lack of which can be a serious constraint to growth and efficiency.

Professional management team with rich industry experience: Our management team comprises senior professionals with abundant expertise and knowhow. They possess a proven track record in the healthcare services industry and have been instrumental in driving strategy and growth. A good mix of doctors with both clinical and administrative experience and functional professionals has enabled the company to repeatedly balance the multiple objectives of delivering best-in-class patient care, technology adoption, adherence to high standards of clinical excellence, value optimization and focus on key specialties while growing in a steady and calibrated manner.

Rapid adoption of Technology: We have been at the forefront of technology adoption in the Indian Healthcare industry. Starting from introducing the first MRI machine in the country to a focus on robotics and to our pioneering effort to introduce the Proton cancer therapy in India, Apollo has consistently believed in leveraging technology to raise the bar on clinical standards and treatment quality. Apart from delivering meaningful efficiency gains, these initiatives contribute to our success rates and enable us to attract renowned doctors from India and abroad. This enhances the attractiveness of our hospitals for patients from all corners of the globe.

First Mover Advantage / Brand Value: Our position as the first corporate hospital in the country, impeccable track record and diversified presence of the Hospital Network has helped to establish the "Apollo" brand as a premier brand in the healthcare sector in India. The first mover advantage has enabled the company to establish hospitals at prime locations in several cities in India at costs which cannot be replicated. Further, brand value provides several tangible and intangible benefits to the Company such as the ability to attract doctors and other healthcare professionals ahead of competition, increased pricing power, sustained marketing benefits and a headstart in footfalls at new facilities.

Focus on Quality: Apollo has imbibed a strong focus on clinical excellence in its operations. Not only do we conduct a number of complex and high-end medical procedures everyday but we do so with success rates and clinical outcomes that are in line with the best institutions around the globe. We have designed several internal systems to monitor and ensure that all facilities match up to and, in some cases, surpass the best global healthcare standards. We have the largest number of JCI accredited facilities by any single healthcare group in India / Asia and also have 11 facilities which are accredited by NABH. Apart from that, 68% or 3,896 of our 5,749 operating beds are over 5 years old which indicates the strength and maturity of the business.

Integrated Operations: We have 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. In addition patients can access our pharmacies for basic services and our health insurance business now covers several individuals. This gives us several touch points across the healthcare delivery chain which translates into a greater number of patient referrals thereby driving higher volumes. Further, the multiple revenue streams are synergistic in nature and complement each other in terms of seasonality and capital efficiency which results in a combined business model which is better balanced.

Weaknesses

Capital Intensive: The hospitals sector is highly capital-intensive due to the high per bed costs. This includes costs of licenses & approvals, construction costs, interiors and costs of machines and equipment. Apart from maintenance costs for high end equipment, hospitals also need to bear replacement costs as these become obsolete. Hospitals are also highly labour-intensive. Skilled manpower includes doctors, nurses and para-medical staff comprising lab-technicians, radiographers and therapists. All of this ensures that the basic cost of setting up and running a hospital is high which escalates break even levels and stretches viability.

Limited availability of doctors and medical personnel: As the hospitals business is labour intensive there is significant human intervention at multiple points within healthcare delivery. As a result, we are dependent on our doctors, nurses and other healthcare professionals for continued efficiency and stability in our business. Top quality doctors and medical personnel are a finite resource and these professionals enjoy abundant opportunities in the form of entrepreneurial ventures, independent practice as well as competing offers from other service providers in India and abroad. Our continued performance and growth substantially depends on our ability to attract and retain the best medical talent.

Complex business model: The hospital business is not a 'plug and play' business by any standard. Merely having all of the necessary resources is not a guarantee of success. Due to the many moving parts, there is significant management overview required in ensuring footfalls and volumes, balancing case mix, upgrading technology and meeting clinical standards. In addition, there is a high level of doctor interaction combined with multiple operating metrics to monitor and analyse. The high level of complexity makes it imperative for growth to be calibrated and well planned in order to be sustainable.

Long gestation period: There is significant capital outlay on land, building and medical equipment at the time of setting up a hospital. Subsequently, operating costs can also be significant. Although some facilities may develop rapidly, there is an average maturity time frame of approximately 4-5 years for a facility to turn net income positive. An inability to scale up occupancy in new facilities could adversely affect our operating efficiencies and our profitability. This also explains why the Company has historically preferred equity funding. Now that there are a number of facilities which are mature and generating positive cash flows there is an increased appetite to service debt capital.

Obsolescence of medical equipment and techniques: We use sophisticated and expensive medical equipment in our hospitals to provide our services. The healthcare services industry is characterized by frequent product improvements and evolving technology, which could, at times, lead to sudden redundancy of medical equipment and result in asset impairment charges. Further, the introduction of new treatment technologies may render existing medical equipments obsolete. Rapid obsolescence also has the effect of diluting capital efficiency.

Lack of Standardisation: Healthcare is an extremely dynamic industry and there are different requirements even in markets which are reasonably proximate. Every market has a unique set of circumstances with variance in demographics, disease profiles, customer attitudes, seasonal variations, price sensitivity and so on. Even hospitals in two different cities in the same state will not be subject to identical operating circumstances. This requires us to customize our strategy for each center.

Opportunities

Lack of choice in marketplace: Due to the deficiency in healthcare infrastructure in India there are several regions within the country where patients have to make do with the facilities offered to them for lack of meaningful choices. Despite the ability and the willingness to pay for good quality healthcare services these patients opt for moderate or sub-standard facilities as these are within reach. These catchment areas can present good opportunities for reputed healthcare service providers who are able to establish their facilities in such regions.

Domestic medical travellers: While progress has been made in recent years in rolling out healthcare infrastructure of global standards, the quality of healthcare infrastructure in several non-metros and smaller towns of the country remains sub-standard. As a result, patients residing in such non-metro cities and smaller towns end up travelling to urban centers for both moderate and complex treatments. Due to the extra effort and cost involved, not all who desire better healthcare are able to do so resulting in unfulfilled demand. We plan to serve the demand in these centres for quality healthcare services through our "REACH" initiative.

Increase in population and changing demographics: India is the second largest populated country in the world and is expected to see its population expand from 1.2 billion people currently to 1.5 billion people in 2015. Further, with increasing longevity the number of middle-aged and elderly people is expected to multiply. This will result in an increase in the absolute numbers of persons requiring medical care and is expected to grow demand for all kinds of healthcare services, manifold.

Changing disease patterns: The WHO World Health Statistics, 2012 notes that non-communicable or lifestyle diseases accounted for 63% of deaths across the world in 2008. It is estimated that, globally, deaths from NCDs will increase from 36 mn p.a in 2008 to 55 mn p.a in 2030. This is due to changing dietary patterns and alterations in lifestyle caused by increasing incomes and improved affordability. These trends are leading to higher incidences of heart disease, diabetes and cancer. These developments are magnified in India due to its burgeoning middle class and economic growth.

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. Patients are now willing to spend money to get ailments treated which are not life threatening but are constraints to optimal health. Hence, such procedures are discretionary rather than necessary. We intend to concentrate on this market and build a strong presence in this segment.

Growing medical value travel: It is well known that healthcare in developed countries is extremely expensive and out of reach for many. This has led to the advent of medical value travel. While regional peers like Singapore and Thailand have been at the forefront of medical value travel, India is fast emerging as a preferred destination. This is because these peers are preferred more for cosmetic treatment and surgeries of moderate complexity. However, Indian doctors are now globally highly regarded for their competency and expertise. As a result, India is now very seriously considered by global medical value travellers for whom factors like quality, medical skills and clinical outcomes also matter apart from cost arbitrage. According to the Associated Chambers of Commerce and Industry of India (ASSOCHAM), India's medical travel industry is also expected to grow from approximately US$ 333.0 million in 2008 to US$ 2.1 billion by 2015 at a CAGR of over 30.0%. (Source: Frost & Sullivan)

Fragmentation in the domestic pharmacy retail market: The Indian pharmacy distribution market is dominated by standalone / local players due to the absence of organized distribution. Further, there are several layers in the chain with the presence of multiple distributors and sub-distributors leading to compressed margins. Technology adoption and supply chain management techniques have been inadequate. There is abundant opportunity for a large player to extract economies of scale and redefine market trends. We have leveraged on our scale, brand, negotiating power with suppliers and deep domain expertise to establish the largest organized chain of retail pharmacies in India. However, organized pharmacies represent less than 10% of the market in India and there remains abundant headroom for growth.

Threats

High competition to impact sustainability: As the healthcare industry has been performing well and delivering healthy growth and returns there has been an increase in its attractiveness on a relative basis. There has been a rise in the number of corporate groups foraying into healthcare through green field facilities, JVs and acquisitions. There are pockets of over-capacity in some metros. Having invested significant funds into these ventures, there is a chance that some of these players may resort to unsustainable pricing in order to capture market share.

Increasing cost of resources: The emergence of several domestic hospital chains combined with the entry of international players will lead to an increasing number of competitors chasing finite resources such as land, quality medical professionals and potential acquisition targets. While supply of resources may improve gradually, demand growth is likely to be rapid resulting in increased costs of these resources. In order to continue to grow our operations we need to identify and acquire resources at reasonable rates. Any failure to do so may result in inability to suitably grow and expand our operations. Further, increases in operating costs can result in a negative impact on the Company's results of operations and financial condition.

Discontinuation of leases: Certain lands on which our hospital buildings and our stand-alone pharmacies are operating on are not owned by us. In case these leased properties are not renewed in our favour or on terms that are not favourable to us our business operations may suffer disruptions.

Sluggish Regulatory framework: The Government has indicated its intent to correct the imbalance in the healthcare industry through initiatives such as the National Rural Health Mission, National Urban Health Mission, etc. However, these are few and far between and an overhaul of the regulatory framework is required rather than a few sporadic initiatives. Further, neighbouring countries are moving faster towards exploiting the medical tourism opportunity due to regulatory support such as ease in granting of medical visas, conducive infrastructure, lower cost of capital and ease in resource creation. The domestic regulatory framework needs to become more of an enabler and rapidly respond to the needs of the sector for it to realize its true potential.

High inflation: Inflation rates in India have been high in recent years and high inflation is expected to continue for some time. Increasing inflation in India is depleting the purchasing power of patients and is intensifying the cost of living for our employees. There is also upward pressure on other costs such as transportation, supplies, equipment and other expenses, and an inability to manage costs or pass increased costs onto patients will lead to compressed returns.

Probable withdrawal of tax incentives: From fiscal 2011, we have benefited from the tax deduction given in respect of capital expenditure incurred on setting up new hospital projects. The resultant deferment of tax has helped to improve our immediate cash flows allowing us more resources to fund growth. Any withdrawal of tax incentives or increase in corporate tax rates will result in increased liabilities and reduced returns on the business operations.

INDUSTRY OUTLOOK / PROSPECTS

During the period from 2007-08 to 2011-12, the total number of beds increased at a CAGR of 2% to reach 1.1 million. Over the next 5 years, CRISIL Research estimates the number of beds to increase at a CAGR of 3% to reach 1.3 million by 2016-17. However, this is unlikely to meaningfully address the shortfall in meeting demand in the sector.

Prospects are expected to remain attractive for almost all players in the sector. As long as various healthcare service providers spread their focus across the various underserved regions and avoid the trap of excessive competition in select upmarket areas there is likely to be sustainable growth for all.

Massive efforts will also be required from the Government to upgrade the Public Health capacity to desired levels. The Government will also have to balance its role between attempting to provide facilities and acting as an enabler to direct the flow of resources into the sector.

The private sector is expected to continue to drive the majority of bed additions in the coming years. This will be led by incremental healthcare infrastructure. Private hospitals are likely to upgrade their services for medical treatment and diagnostic services in order to provide one stop healthcare services to domestic and international patients.

It is likely that private players will continue to upgrade their skills and the overall healthcare market will be divided more categorically into sub-markets based on geographic location, complexity of care and economic strata of population being serviced.

There is expected to be an increase in the number of quaternary and tertiary care hospitals which focuses on lifestyle diseases and speciality treatment like neurology, cardiology, orthopaedics and oncology as well as cater to the growing number of medical travellers.

Furthermore, an increasing trend of horizontal integration is expected wherein existing players will expand by either acquiring competitors or by adding more hospital beds.

An overhaul of the regulatory framework governing the sector is expected which would enable the needs of service providers is to be accommodated through measures such as continued tax incentives, access to cheaper financing and implementation of laws which improve operational flexibility. There has been good Private Equity (PE) investments interest in the healthcare sector in India in recent years and the trend is expected to continue.

The Indian healthcare sector can be viewed as a glass half empty or a glass half full. The challenges the sector faces are substantial, from the need to improve physical infrastructure to the necessity of providing health insurance and ensuring the availability of trained medical personnel. But the opportunities are equally compelling, from developing new infrastructure and providing medical equipment to delivering telemedicine solutions and conducting cost-effective clinical trials. For companies that view the Indian healthcare sector as a glass half full, the potential is enormous.

COMPANY OVERVIEW

Apollo Hospitals was founded by Dr. Prathap C. Reddy in 1979 and became a public listed company on the BSE in 1983 and was listed on the NSE in 1996. We are headquartered in Chennai and also manage operations through several subsidiaries, joint ventures and associates.

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 health insurance services, telemedicine and research services and conduct education and training programs.

We have continuously invested in bed capacity creation and have increased the bed capacity under our management from approximately 150 operational beds at the commencement of our hospital services business in 1983 to 8,420 beds in 51 hospitals located in India and overseas as of March 31, 2013.

We have large hospital clusters in Chennai and Hyderabad and have established landmark hospitals in Delhi, Bangalore, Kolkata, Ahmedabad, Pune, Bhubaneshwar, Madurai and Mysore.

Our healthcare facilities comprise a mix of primary, secondary, and tertiary care facilities. Our tertiary care hospitals provide advanced levels of care in over 50 specialties, including cardiac sciences, oncology, neurosciences, critical care, orthopedics, radiology, gastroenterology, and transplants. In addition, we have an increasing focus on technology based treatment areas such as minimally invasive surgery, robotics and high-end solutions for cancer.

We constantly seek to be in the forefront of the healthcare services industry by providing new services and introducing specialized healthcare models.

HEALTHCARE SERVICES

Our Healthcare services segment consists of hospitals, hospital-based pharmacies and projects and consultancy services. We have discussed about the projects and consultancy services in a separate section in this Management Discussion and Analysis.

HOSPITALS

As of March 31, 2013 we had a capacity of 8,420 beds in 51 hospitals located in India and overseas. Of the 8,420 beds, 6,382 beds are in 38 hospitals owned by us and 2,038 beds are in 13 hospitals under our management through operations and management contracts.

	31.03.2013	31.03.2012
Number of owned hospitals at end of the period	38	36
Number of owned beds at end of the period	6,382	5,888
Number of operating beds at end of the period	5,549	5,153
In-patient discharges	313,348	281,020
Adjusted discharges	430,959	396,733
Average length of stay (days)	4.65	4.78
Average daily census	3,993	3,667
Bed occupancy rate (%)	72%	71%
Average revenue per occupied bed per day	21,702	20,455

Clinical Excellence

Apollo Hospitals has always accorded high priority to clinical excellence. It has identified the highest standards of clinical outcomes in various specialties across the globe and set itself targets to meet or surpass these standards. In the process it has developed an enviable track record of clinical excellence.

In order to ensure sustainable clinical outcomes the Company follows an internal quality management process known as the "Apollo Clinical Excellence" program which is referred to as "ACE @ 25". This has been implemented across the entire network of hospitals. ACE @ 25 assesses performance based on 25 clinical parameters which are critical to delivering the very best clinical outcomes. In order to enhance its standards even further, the Company has introduced the Rocket ACE program which covers an additional 25 parameters leading to an advanced clinical performance assessment model for key focus areas.

During the year, on the occasion of World Heart Day, the Group announced that it has completed 130,000 Heart Surgeries, since inception, which is by far the largest cardiac program across the globe. Further, the Group reported a success rate of 99.6% for these surgeries which places it among the leading healthcare entities across the globe on the basis of clinical standards.

The focus on clinical excellences enables Apollo Hospitals to continuously assess the quality of care provided to patients and allows it to objectively measure the consistency and success of its healthcare delivery services.

Accreditations

As the world grows smaller and progresses towards a vision of becoming one large global marketplace, patients will increasingly be able to pick and choose a hospital facility in any part of the globe. In order to ensure standardization of healthcare delivery services across the globe, facilities are opting to be accredited by a credible agency or third party organisation which can evaluate and grade healthcare services according to a set of standards which are revised on a periodic basis.

Eight of our hospitals have received accreditations from the Joint Commission International, USA ("JCI") for meeting international healthcare quality standards for patient care and organization management. JCI is the world's premier accreditation body for evaluation of healthcare facilities. Our Hospitals at Bangalore, Chennai, Delhi, Dhaka, Hyderabad, Kolkata, Ludhiana and Mauritius have already received the accreditation and we are in the process for preparing other facilities for evaluation.

In developing countries like India, where health services are delivered mainly through private health providers, regulation is a vital instrument and function of government policy. To that end, the government has set up the National Accreditation Board for Hospitals & Healthcare Providers ("NABH") to establish and operate accreditation programmes for healthcare organisations in India. It is a constituent board of the Quality Council of India.

Apollo Specialty Hospitals in Madurai and Chennai and our hospitals at Ahmedabad, Noida and Secunderabad have received accreditations from NABH.

Strategy

We remain focused on capacity creation while simultaneously improving operating efficiencies. We aim to achieve this through the following initiatives:

Focus on Healthcare Delivery in India: Our primary focus will be delivery of healthcare services in India. We have exited the Medical BPO business during the year and the sale proceeds will be deployed towards expansion of our hospitals network. Further, we believe the pharmacy business holds high strategic relevance to our business and in the long term we plan to induct a strategic partner with global expertise in pharmacy retail to elevate the scale of this business. The pharmacy business is self-sufficient in terms of capital requirements. Our initiatives in areas such as health insurance, research, medical education, telemedicine, projects and consultancy are critical to our integrated delivery model. As these initiatives are not resource intensive they complement our plans for the core segment of healthcare services delivery.

Focus on a portfolio of high value clinical specialties: The healthcare services market is large and diverse with multiple challenges which need to be addressed. However, since our resources are finite we need to focus on specific areas where we can optimize efforts and value. We have therefore identified cardiology, oncology, neurology, critical care, orthopedics and transplants as key focus areas for our tertiary care hospitals. We internally designate these focus areas as "Centers of Excellence". We believe that it is essential to focus on volumes of high end treatment at our facilities to maximize our productivity in the healthcare services market.

Strengthen our presence in key markets: We have a strong presence in major urban centres such as Chennai, Hyderabad and New Delhi. Further, we have landmark hospitals in Kolkata, Bangalore and Ahmedabad and are in the process of setting up hospitals in Mumbai. By setting up multiple facilities in each of these cities we plan to develop 'clusters' of hospitals in all major urban centres in India which will help us to diversify and strengthen our network in these key markets. In addition to a wider presence we will deepen our offerings by including primary care clinics, pharmacies, secondary and tertiary care facilities in all of these centres.

Leverage on Technology to attain key objectives: The Apollo Hospitals Group has always been at the forefront of technology excellence and has been the first to leverage several innovative technologies for the benefit of patients. By employing the latest offerings, we have been able to enhance our clinical outcomes, reduce ALOS and optimize value while improving the patient care experience. We plan to continue in the same vein with increased thrust on Minimally Invasive Surgery and Robotics and the introduction of the Proton Therapy Centre in Chennai which will be the first of its kind in the region covering Asia, Africa and Australia.

Optimize Contribution of each facility: The strong demand for services has led to rapid growth at our facilities. Several facilities enjoy occupancy rates at the upper end of 75-80%. We have also deployed several strategies to optimize the contribution of each facility. For example we shifted 60 beds from the paediatric wing in the main hospital in Chennai to a separate building. The space created in the main hospital was used to add more high-end tertiary care beds resulting in improved contribution and increased ARPOB. Similarly, we are executing plans to enhance Outpatient Departments, add day care facilities and improve bed occupancy and utilization of major medical equipments across our network.

Introduction of New formats: In keeping with changing customer attitudes and demands, we are actively working on introducing new formats. These include an increase in primary care clinics, a variety of dental clinics, larger sized pharmacy stores and specialized facilities.

Increase in Capital Efficiency: Several years of economic growth and inflation have escalated costs of resources in India. There has been a manifold increase in all costs, whether capital or revenue in nature. In order to remain competitive and to increase the capital efficiency the Company has now chalked out strategies to manage leaner operations. We are now more amenable to using long-term leases instead of outright purchase of land & building. A comprehensive strategy to enhance assets turnover is being considered.

Expansion Plans

As part of our ambitious growth plans, we are working on several projects across various locations in India. We have a three-pronged expansion plan. This will consist of expansion of beds and facilities in existing clusters with a view to become the dominant healthcare provider in key locations. We plan to set up new hospitals in metros and large cities with no existing presence in order to reach out to a wider urban population. Lastly, we will simultaneously expand in tier II and tier III cities in India through our "REACH" hospitals initiative so as to garner first mover advantage and leverage on our strong brand

The ongoing expansion projects include its entry into cities like Mumbai, Patna, Vizag and Indore as well as strengthening of clusters in Chennai and Bangalore. Expanding the capacity of existing hospitals in Chennai, Bangalore and Bilaspur. Lastly, three "REACH" hospitals are being set up in Nasik, Nellore and Trichy.

These projects are at various stages of implementation and are scheduled for completion over the next three years. Additionally, we will be setting up a Proton Therapy Centre in Chennai which will be the first of its kind centre for cancer treatment in the Asia Pacific Region. This center would cater to the needs of patients in Asia, Africa and Australia which is home to a combined population of over 3.5 billion people.

Capital Expenditure

Apart from the expansion plans outlined above we have made investments to increase bed capacity in existing centres and have invested in new technologies, modernization of facilities and expansion of services. We believe that these investments will help us to attract and retain doctors and make our hospitals a preferred choice for patients.

Our Board has approved a capital expenditure of approximately ₹ 22,500 million, which is expected to be incurred over the next three years. We expect to finance this primarily from existing funds, incremental debt and internal accruals. Our capital expenditure will primarily relate to our expansion activities. The amount and purpose of these expenditures may change in accordance with our business requirements.

PROJECTS & CONSULTANCY

Our projects and consultancy services business is among the leading healthcare consulting organizations of its kind in the world. We provide comprehensive support and services to the healthcare delivery industry including pre-commissioning consultancy services comprising feasibility studies, infrastructure planning as well as design & advisory services (functional design and architecture review), human resource planning, recruitment and training and medical equipment planning, sourcing and installation services.

We also provide post-commissioning consultancy services, which include management contracts (providing day-to-day operational support), franchising and technical consultation including human resource planning and training and the establishment of medical and administrative protocols. We provide these services to third party organizations globally for a fee.

APOLLO REACH HOSPITALS

As part of our expansion strategy we have focused on growing our presence in metros and non-metros simultaneously. While we have historically been focused in major urban cluster we believe that our geographic reach should extend to non-metros and smaller towns where there exists significant latent demand for high quality healthcare services. Through the Apollo "REACH" initiative we intend to establish a network of secondary care facilities with around 100 to 200 beds each 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 have recently commissioned one in Ayanambakkam, Chennai. We have plans to set up three more "REACH" facilities in Nashik, Nellore and Trichy.

Such facilities provide patients in these locations enhanced access to high quality healthcare services and advanced medical technology without the constraint of having to travel to the nearest Tier 1 location.

We believe the alternative provided by these facilities will be readily accepted by the population living in these locations. At the same time, it will help extend the Apollo Brand to all corners of the country. We have identified a number of Tier II and Tier III cities across the country that are currently under-served in terms of healthcare services but have a sizable population and 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, which further enhances the attractiveness of this strategy.

MEDICAL VALUE TRAVEL

While medical value travel has been taking place for several years its utility has been accentuated in recent times. Apollo enjoys a special standing with its presence through multiple overseas touch points and an enviable track record. In order to attract larger numbers of medical value travellers, we have increased marketing efforts in markets such as Africa, the Middle East and South East Asia.

We are creating separate blocks for International patients in several of our facilities which will have suites of international standards. Our efforts to gradually add global accreditations have positioned us as the Healthcare Group with the maximum number of JCI accredited facilities in India.

We have also been in dialogue with the Government to examine the possibility of introducing a separate visa category for medical purposes. The legal ramification of permitting Doctors with overseas qualifications to work on Indian shores is under active consideration. While we enjoy healthy footfalls of medical value travellers to our facilities, we are confident that addressing some of these challenges will lead to exponential growth in the segment.

STAND ALONE PHARMACIES

We had a network of 1,503 retail pharmacies as of March 31, 2013 across the length and breadth of the country. Our stand-alone pharmacies offer a wide range of medicines, consumables, 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.

Revenues from our stand-alone pharmacies segment increased by 28% from ₹ 8,606 million in FY12 to ₹ 11,017 million in FY13.

We have significantly improved the operating profile of our network of retail pharmacies by:

- Increasing the mix of high-margin self-branded products in total revenues
- increasing sales through bulk distribution of medical supplies and consumables to hospitals and other healthcare providers.
- Improving operating efficiencies by implementing a centralized database and inventory management system to track inventory and revenue collections across our stand-alone pharmacy network.
- Improving our supply chain management by standardizing prices across our network and consolidating our suppliers.
- Monitoring the performance of our stand-alone pharmacies on an on-going basis and closing loss-making and low-growth pharmacies.

PRIMARY CARE CLINICS

We generate revenues from the provision of clinical and diagnostics services through our wholly-owned subsidiary Apollo Health and Lifestyle Limited. Upto FY 2010, we provided such services through franchised clinics. From FY2011 onwards we modified our business model and have focused on owned clinics.

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 of our clinics are equipped with a pharmacy and some of our clinics also offer telemedicine facilities to provide access to specialist doctors in multiple locations.

These clinics also serve as a means to expand our brand presence in new markets, and in the case of established markets, these clinics serve three main purposes:

- Ease the pressure on the OPD ward of the main hospital.
- Treat a larger number of patients.
- Enhance touch points thereby strengthening the brand.

MEDICAL INSURANCE – APOLLO MUNICH HEALTH INSURANCE

We entered the health insurance market through a joint venture with Munich Re – one of the leading insurance companies in the world. We believe there are significant synergies between our core healthcare services business, retail pharmacies and the health insurance business.

The health insurance industry continues to report healthy growth rates and is expected to grow with gross premiums scaling up at a CAGR of around 30% during 2010-11 to 2013-14.

Apollo Munich was able to expand its gross written premium income from ₹ 4,759 million in fiscal 2012 to ₹ 6,200 million in fiscal 2013. We have been able to grow ahead of industry growth rates and our insurance products are rated very highly by market participants. Further, we enjoy one of the best claims ratios in the industry and customer loyalty and retention is high as the introduction of health insurance portability has not resulted in net migration of customers. We had 50 branches across the country and assets under management stood at ₹ 5,466 million as on March 31, 2013.

DISCUSSION ON CONSOLIDATED FINANCIAL PERFORMANCE

DISCUSSION ON CONSOLIDATED FINANCIAL PERFORMANCE AND RESULTS OF OPERATIONS

The following table present summaries of results of operations for the years ended March 31, 2012 and 2013:

(₹ in million)

	31.03.2013		31.03.2012	
	Amount (₹)	% of Income	Amount (₹)	% of Income
Operating Revenues	37,687		31,475	
Add: Other Income	302		259	
Add: Profit on sale of equity	63		-	
Total Income	38,052	100.00	31,734	100.00
Operative expenses	18,558	48.77	15,623	49.23
Salaries and benefits	6,231	16.37	5,029	15.85
Administration & other expenses	6,815	17.91	5,692	17.94
Financial expenses	1,033	2.71	891	2.81
Depreciation and amortization	1,424	3.74	1,239	3.90
Profit before Income Tax	3,991	10.49	3,260	10.27
Provision for taxation	1,051	2.76	1,150	3.62
Profit after Tax	2,940	7.73	2,110	6.65
Less: Minority interest	(17)	(0.04)	(13)	(0.04)
Profit after minority interest	2,957	7.77	2,123	6.69
Add: Share in associates	87	0.23	71	0.22
Profit after share in associates	3,044	8.00	2,194	6.91

REVENUES

The 19.7% change in our operating revenues for 2013 compared to 2012 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 15.3 % from ₹ 22,222 million to ₹ 25,617 million. Revenue per Bed Day increased from ₹ 20,455 to ₹ 21,702. 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 under the SAP business segment was 1,503 as at March 31, 2013 as compared to 1,364 stores as at March 31, 2012. The new store rollouts together with maturity of existing stores led to a 28% yoy revenue growth in the pharmacy segment.

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

Year Ended March 31, 2013

	31.03.2013	31.03.2012	Increase (Decrease)	% Increase (Decrease)
Discharges	313,348	281,020	32,328	12
Revenues per Inpatient (₹)	81,669	77,884	3,785	5
Average length of stay (days)	4.65	4.78	(0.13)	3
Out-patients	2,763,589	2,501,973	261,616	10
Revenue per bed day (₹)	21,702	20,455	1,247	6

EXPENSES

SALARIES AND BENEFITS

Our salaries and benefits expense of ₹ 4,704 million during 2012 increased by ₹ 1,161 million to ₹ 5,865 million in 2013. This was as a result of the annual compensation increase 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, 2013

	31.03.2013	% of Revenue	31.03.2012	% of Revenue	₹Increase (Decrease)	% Increase (Decrease)
Salaries, wages and benefits (excluding managerial remuneration) (₹ in Million)	5,865	15.4	4,704	14.9	1,161	24.7
No. of employees	35,348		32,991		2,357	7.1

OPERATIVE EXPENSES

During 2013, our material cost of ₹ 18,558 million increased 18.8%, as compared to ₹ 15,623 million in 2012. 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, 2013

(₹ in million)

	31.03.2013 ₹	% of Revenue	31.03.2012 ₹	% of Revenue	₹Increase (Decrease)	% Increase (Decrease)
Repairs and maintenance	952	2.50	826	2.60	126	15.3
Rents and leases	1,139	2.99	988	3.11	151	15.3
Outsourcing expenses	633	1.66	545	1.72	78	14.3
Marketing and advertising	889	2.34	668	2.10	221	33.1
Legal and professional fees	429	1.13	354	1.12	75	21.1
Rates & taxes	104	0.27	76	0.24	28	36.8
Provision for doubtful debts & bad debts written off	174	0.46	192	0.61	(18)	(9.4)
Other operating expenses	2,495	6.56	2,043	6.44	452	22.1
Total	**6,815**	**17.91**	**5,692**	**17.94**	**1,123**	**19.7**

DEPRECIATION AND AMORTIZATION

Our depreciation and amortization expense increased to ₹ 1,423 million during 2013, as compared to ₹ 1,239 million during 2012. The increase is largely due to capital improvement projects completed during 2013 and normal replacement costs of facilities and equipment.

FINANCIAL EXPENSES

Our financial expenses increased to ₹ 1,033 million during 2013, compared to ₹ 891 million during 2012. The increase is largely due to higher interest charge arising on commissioning of new hospital projects at Aynambakkam and Bangalore.

PROVISION FOR INCOME TAXES

The provision for taxes during the year ended March 31, 2013 has reduced to ₹ 1,052 million compared to ₹1,150 million in the previous year ended March 31, 2012 due to the availing of benefit under Section 35AD of the Income Tax Act, 1961 that allows for a weighted deduction of 150% of the project cost of new hospitals commissioned during the year.

LIQUIDITY

Our primary sources of liquidity during the year were cash flows generated from our operations borrowings and equity raised through conversion of 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 EXPENDITURE

As we continue to increase bed capacity and roll-out new hospitals, capital expenditure 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)

	2012 - 2013	2011 - 2012
Cash and cash equivalents at beginning of the year	2,368.38	1,823.47
Net cash from operating activities	4,427.52	3,870.54
Net cash used in Investing activities	(7,325.19)	(14,679.65)
Net cash from financing activities	3,729.93	1,354.02
Net increase in cash and cash equivalents	832.26	544.92
Cash and cash equivalents at the end of the year	3,200.64	2,368.38

CASH FLOW FROM OPERATING ACTIVITIES

Net cash of ₹ 4,428 million was generated from operating activities by the Company in FY13 compared to ₹ 3,870.54 million in FY12.

(₹ in million)

	2012 - 2013	2011 - 2012
Operating profit before working capital changes	6,254.72	5,362.95
Effect of working capital changes	(898.88)	(872.89)
Foreign Exchange loss	(0.90)	7.71
Cash generation from operations	5,417.88	4,497.77
Taxes paid	(927.42)	(627.22)
Net cash provided by operating activities	4,427.52	3,870.54

CASH FLOW FROM INVESTING ACTIVITIES

(₹ in million)

	2012 - 2013	2011 - 2012
Purchase of fixed assets	(6,600.04)	(3,866.59)
Sale / (Purchase) of investments	(1,071.14)	(1,071.39)
Interest and Dividend received	283.08	271.91
Others	(0.04)	(13.59)
Sale of AHSL equity (Extraordinary Item)	62.95	-
Net cash used in investing activities	(7,325.19)	(4,679.66)

Net Cash used in investing activities includes capital expenditure incurred on new hospital projects to the extent of ₹ 4,237 million and the balance represents capital expenditure incurred on upgradation of existing facilities. Our investments comprised mainly of investments in short term financial instruments in FY13.

CASH FLOW FROM FINANCING ACTIVITIES

(₹ in million)

	2012 - 2013	2011 - 2012
Issues from share capital	1,631.40	4,159.01
Proceeds from Borrowings	5,934.74	1,519.89
Repayment of finance/lease liabilities	(2,247.20)	(2,965.80)
Interest and Dividend paid	(1,589.00)	(1,359.08)
Net cash from financing activities	3,729.93	1,354.02

Cash provided by financing activities totalled ₹ 3, 729.93 million in FY13 as compared to ₹ 1,354.02 million in FY12. Cash provided by financing activities in FY13 resulted primarily from conversion of warrants by promoters of ₹ 1,631.40 million and debentures placed with Bankers and Institutions of ₹ 5,934.74 million. We used part of the proceeds from financing activities to repay loans of ₹ 2,247.20 million in FY13. We paid interest and dividend of ₹ 1,589.00 million in FY13.

RISK MANAGEMENT & INTERNAL CONTROLS

Risk Management

Your Company recognizes that it is exposed to an increasing degree of risks as it expands. It has set up 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, which reviews, identifies and advises suitable measures to manage such risks. The executive management team reports to the Board of Directors periodically on the assessment and minimization of such risks.

These risks can adversely impact the functioning of the Company through their effect on operating performance, cash flows, financial performance, management performance and overall sustainability of the Company.

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

- Inflationary pressures and other factors affecting demand for our products
- Increasing costs of raw material, transport and storage, particularly due to adverse forex fluctuation
- Competitive market conditions
- 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 a view to improve existing processes and procedures. This assessment is based on risk perception survey, business environment scanning and inputs from shareholders.

Risk measurement and treatment: After risks have been identified, risk mitigation and solutions are defined, so as 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 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

Your Company has established a wide-ranging system of Internal Controls to ensure that all assets are safeguarded and protected against losses that may arise from unauthorized use or disposition, incorrect use and inappropriate storage. Further, it strives to ensure that all transactions are evaluated, authorized, recorded and reported accurately.

Your Company has also put in place an extensive budgetary control review mechanism whereby the management regularly reviews actual performance in comparison to plans and estimates drawn by budgets and forecasts.

The system is designed to adequately ensure that financial and other records maintained are accurate and are reliable for preparing financial information and other data. The internal control procedures are augmented by an extensive programme of internal, external audits and periodic review by the management.

HUMAN RESOURCES

The Apollo family has a total employee strength of 35,348 (including employees of our subsidiaries, joint ventures and associates) including 5,291 doctors 8,707 nurses and 3,981 paramedical personnel.

The Healthcare Services business is a labour intensive business. There are multiple touch points for patients in the entire process from preventive to diagnostic to curative services. At all these touch points human interaction is a critical ingredient. Thus, it goes without saying that the quality, sincerity and dedication of our personnel would have the greatest bearing on the quality of our services.

Your Company proactively works to inculcate its vision and mission as well as a high standard of values in each of its employees. There is a long-standing commitment to create a culture that embraces diversity and fosters inclusion. Apart from stringent selection processes, there are several initiatives in the domain of Health Education and Skill Development. 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.

A structured and transparent compensation programme is followed across the organization. Comprehensive evaluations are conducted and employees are made aware of their performance ratings on Key Result Areas and Competencies. The company follows a holistic approach to development of people with a focus on grooming the next generation of leadership. These robust process ensures a continuous supply of manpower to support the organization's patient care delivery process and fuel its growth objectives.

CAUTIONARY STATEMENT

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

clinical governance

An effective system of clinical governance at all levels of the health care system is essential to ensure continuous improvement in the safety and quality of care. Good clinical governance ensures accountability for providing good safe patient care. Our priorities are aimed at ensuring that our patient focus permeates the entire organization, in every department at every location. Apollo Hospitals focuses on standardising its processes and systems across multiple locations to ensure that patients get the same experience and quality of care .

ACE @ 25, our clinical excellence scorecard completed four years of reporting in December 2012. Performance in individual parameters for many hospitals improved over 2012. The fourth Apollo clinical audit was conducted across all hospitals and its scope was widened to cover all components of the Apollo Standards of Clinical Care (TASCC).

Apollo Hospitals Hyderabad maintained its position as the ACE @ 25 champion amongst Group A hospitals for the third consecutive year. Apollo Hospitals Secunderabad won the trophy amongst Group B hospitals and Apollo Hospitals Bhilai among Group C hospitals.

The third Apollo Innovation and Quality awards received a record 120 nominations in the six categories from 17 locations. Apollo Hospitals Delhi won the award in four categories: Excellence in clinical services for its project "Conversion of bolus feeding to continuous feeding in patients on enteral nutrition"; Excellence in operations for "You talk they listen"; Excellence in financial practices for the project "Check What You Use: Reducing Costs through Rationalizing the Consumption of OT Consumables for CABG-BH surgeries"; Excellence in environmental conservation for "Managing More with Less: Resource Optimization & Environment Management". The award for Excellence in HR practices went to Apollo Hospitals, Chennai for their project "Nursing Induction Programme" and for Excellence in community services to Ludhiana for their "Healthy Kids Campaign". The awards were given away at the Founder's day celebrations in Chennai.

The Apollo Quality Program (AQP) was strengthened in 2012 with a template that guided the observation methodology for each parameter. An analysis of the parameters showed an increase in scores for various parameters. Reporting of AQP has now become online on the lighthouse platform. The results of AQP were published in the June 2012 issue of the official journal of the International Hospitals Federation.

Apollo Mortality Review, a standardized process for review of mortality across all Group hospitals was institutionalized. Apollo Critical Policies, Plans and Procedures were implemented across group hospitals to standardize processes. All hospitals strived to achieve the perfect hexagon for the TASCC scores.

The "Share your story" initiative was started in October 2012 with a view to sharing best practices amongst Apollo Group hospitals on one chosen topic every quarter. Best practices on prevention of CR - BSI were also shared.

Two hospitals of the Group were reaccredited by the JCI in 2012 – Hyderabad and Kolkata. Apollo Hospitals Mauritius got JCI accredited in September 2012. Apollo Hospitals, Madurai was reaccredited by the NABH in 2012 while several others progressed on their journey. Apollo Accreditation Program (AAP), a web based tool to review compliance with JCI standards across all the JCI accredited Hospitals within the Apollo group was implemented with quarterly reporting.

The 2nd International Congress on Patient Safety was held on 1st and 2nd September, 2012 at Hyderabad. The conference was hosted by the Apollo Hospitals Group and supported by ISQua, Joint Commission International, Quality Council of India, National Patient Safety Foundation, FICCI, Astron, Medvarsity, CAP and other reputed organizations. It was attended by an overwhelming 850 delegates from across the globe. Eminent personalities in the patient safety space from across the globe spoke at the conference. Over 25 best practices and 20 posters covering all the aspects of patient care were also presented at this platform. It was followed by a Group Quality Workshop attended by quality representatives of all Apollo Group hospitals.

Apollo Medicine Journal, the official journal of the Apollo Group published in collaboration with Elsevier is now indexed on Science Direct, the world's largest and leading medical sciences portal for educational institutions, libraries and hospitals. Thirty four issues have been published so far. Each issue is dedicated to a specialty/theme.

Apollo Hospitals won recognition for its pursuit of excellence and constant innovation in various fora. Apollo Hospitals received four awards at the Hospital Management Asia Awards 2012. Two projects from Apollo Hospitals Kolkata - "Project ESCALATE - eleven strategies to combat antimicrobial resistance rate" and "Increase productivity through reduction of Average Length of Stay" and two projects from Indraprastha Apollo Hospitals "Apollo Community Outreach Programme" and "Improving Patient Satisfaction Levels" were awarded.

Apollo Hospitals emerged as the leading hospital in most cities and major specialities in the report published by the WEEK in December 2012 with Apollo Hospitals, Chennai being rated as the second best multi specialty hospital in the private sector and Indraprastha Apollo Hospitals, Delhi the 4th best multi-specialty hospital in the private sector.

Apollo Hospitals has become the first largest solid organ transplant program in the world by performing 1,200 solid organ transplants (360 liver and 840 kidney) in the year 2012.

Apollo Gleneagles Hospitals, Kolkata won the Institute for Competiveness (IFC) - Mint Strategy Award during the inaugural Porter Prize edition in India on 29th September, 2012.

Our consultants continued their pursuit of excellence treating rare cases and performing rare procedures, while also writing books and contributing book chapters, publishing their clinical research and cases in medical journals worldwide, lecturing nationally and internationally and receiving numerous awards from various governmental and non governmental organizations.

independent auditors' report

to the Members of Apollo Hospitals Enterprise Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Apollo Hospitals Enterprise Limited, which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information

We have also considered the independent audit observations of the divisional auditors for the Pharmacy Division, Project Division, Hyderbad 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

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

c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

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

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

   c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

   e) on the basis of written representations received from the Directors as on March 31, 2013, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2013, from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

   f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

For **M/s S Viswanathan**
Chartered Accountants
FRN : 004770S

V C Krishnan
Partner
Membership No: 022167

Place: Chennai
Date :20th May 2013

annexure to the auditors' report

The Annexure referred to in paragraph 1 of Our Report of even date to the members of Apollo Hospitals Enterprise Limited. On the accounts of the company for the year ended 31st March, 2013.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company is maintaining proper records showing full particulars including quantitative details and situation of its fixed assets.

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

   (c) In our opinion and according to the information and explanations 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.

2. (a) Stock of medicines, stores, spares, consumable, 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, consumable, chemicals lab materials and surgical instruments followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

   (c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.

3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses 3 (b), 3(c) and 3 (d) of the order are not applicable to the Company.

   (b) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f) & (g) are not applicable to the company.

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

5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.

   b) In our opinion and according to the information and explanations 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.

6. 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.

7. The Company has appointed 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.

8. 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.

9. (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 2013 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) 31.03.2013	Period to which the amount relates	Forum where dispute is pending
Andhra Pradesh General Sales Tax	Sales tax	1.04	Assessment Years 2002-03, 2003-04, 2004-05, 2010-11	@ Appellate Tribunal Hyderabad
Customs Act, 1962	Customs duty	25.99	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	40.86	Assessment Year 2008-2009, 2001-02	Department has gone on appeal to ITAT
		38.95	Assessment Year 1996-1997, 1997-1998 1999-2000, 2000-2001	Department has filed appeal before Madras High Court
		77.24	Assessment Year 2009-2010 & 2010-2011	CIT (Appeals)
		136.76	Assessment Year 2000-2001	@@ Honourable Supreme Court
		0.11	Assessment Year 2010-2011 & 2011-2012	CIT (Appeals)
TOTAL		**323.22**		

@ Refer Clause (i) (c) Note 29 - Notes forming part of Accounts
@@ Refer Clause (i) (c) Note 29 - Notes forming part of Accounts
# Refer Clause (i) (c) Note 29 - Notes forming part of Accounts
Refer Clause (i) (c) Note 29 - Notes forming part of Accounts

10. In our opinion and according to the information and explanations given to us, the Company has no accumulated losses as at 31st March 2013. The Company has also not incurred cash losses in the financial year and in the immediately preceding financial year.

11. 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.

12. 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.

13. 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.

14. 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.

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

16. In our opinion and according to the information and explanations given to us, the Company has availed term loans and the said term loans have been used for the purpose for which the term loans have been obtained

17. 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.

18. 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 a promoter covered in the register maintained under section 301 of the Companies Act 1956. The issue price is at a minimum price of ₹ 472.46 fixed in accordance with the guidelines for preferential issues of the Securities and 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. On receipt of the balance 75% of the consideration from the promoter, the Company alloted 3,276,922 equity shares of nominal values of ₹ 5/- each at a premium of ₹ 467.46 per share on 25th July 2012 which is within 18 months from the date of allotment of warrants.

19. The Company had issued 10.30% Secured Redeemable Non-convertible debentures in the year 2010-11 and also issued 10.15% Secured Redeemable Non-convertible debentures in the year 2011-12 for which a pari-passu first charge on all fixed assets of the Company has been created. During the year 2012-13 the Company has issued 9.80% Secured Redeemable Non-Convertible debentures for which a pari-passu first charge on all fixed assets of the Company has been created.

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

21. 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),
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Chennai – 600 004

For **M/s S Viswanathan**
Chartered Accountants
FRN : 004770S

V C Krishnan
Partner
Membership No: 022167

Place: Chennai
Date :20th May 2013

standalone financial statements

balance sheet

as at 31st March 2013

(₹ in million)

	Particulars	Note	31.03.2013	31.03.2012
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
(a)	Share Capital	2	695.63	672.33
(b)	Reserves and Surplus	3	26,580.34	22,463.28
(c)	Money received against share warrants	4	-	387.05
2	Non-current liabilities			
(a)	Long-term borrowings	5	8,787.77	4,216.69
(b)	Deferred tax liabilities (Net)	6	2,394.11	1,700.85
(c)	Other Long term liabilities	7	37.65	47.77
3	Current liabilities			
(a)	Short-term borrowings	8	189.28	1,382.97
(b)	Trade payables		1,763.42	1,709.36
(c)	Other current liabilities	10	2,037.58	1,572.68
(d)	Short-term provisions	11	1,060.03	773.23
	TOTAL		**43,545.81**	**34,926.21**
II.	ASSETS			
1	Non-Current Assets			
(a)	Fixed assets			
(i)	Tangible assets	12	16,774.72	14,238.84
(ii)	Intangible assets	13	140.41	121.21
(iii)	Capital work-in-progress	14	3,579.23	1,893.15
(iv)	Intangible assets under development		148.07	116.23
(b)	Non-current investments	15	5,254.50	6,470.10
(c)	Long-term loans and advances	16	3,015.98	2,446.32
2	Current Assets			
(a)	Current investments	17	3,705.85	1,171.08
(b)	Inventories	18	2,053.88	1,827.09
(c)	Trade receivables	19	4,266.09	3,537.70
(d)	Cash and cash equivalents	20	2,554.66	1,869.55
(e)	Short-term loans and advances	21	1,899.33	976.65
(f)	Other current assets	22	153.09	258.29
	TOTAL		**43,545.81**	**34,926.21**
III.	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 : 20th May 2013

For and on behalf of the Board of Directors

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
Sr. General Manager - Finance & Company Secretary

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Managing Director

Suneeta Reddy
Joint Managing Director

statement of profit & loss

for the year ended 31st March 2013

(₹ in million)

	Particulars	Note	31.03.2013	31.03.2012
I.	REVENUE FROM OPERATIONS	23	33,177.91	28,000.72
II.	OTHER INCOME	24	310.27	278.48
	TOTAL REVENUE		**33,488.18**	**28,279.20**
III.	EXPENSES			
(a)	Cost of materials consumed during the year	25	8,642.58	7,846.63
(b)	Puchase of Stock-in-Trade		8,639.91	6,898.82
(c)	Changes in inventories of stock-in-trade		(84.26)	(190.69)
(d)	Employee benefits expense	26	5,243.99	4,285.07
(e)	Finance costs	27	726.25	636.03
(f)	Depreciation and amortization expense		1,085.20	911.28
(g)	Other expenses	28	5,200.16	4,516.91
	TOTAL EXPENSES		**29,453.84**	**24,904.05**
IV.	PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX		4,034.34	3,375.15
V.	EXTRAORDINARY ITEMS *		45.45	-
VI.	PROFIT BEFORE TAX		**4,079.79**	**3,375.15**
VII.	TAX EXPENSE			
	(a) Current tax (MAT)		798.37	648.98
	(b) Less: MAT Credit Entitlement		(502.92)	(213.52)
	(c) Net Current Tax		295.45	435.46
	(d) Deferred tax	6	693.26	629.79
VIII.	PROFIT / (LOSS) FOR THE PERIOD		**3,091.08**	**2,309.90**
IX.	EARNINGS PER EQUITY SHARE OF FACE VALUE OF ₹ 5 EACH	31		
	Before Extraordinary Item			
	Basic (in ₹)		22.10	17.72
	Diluted (in ₹)		21.89	17.16
	After Extraordinary Item			
	Basic (in ₹)		22.43	17.72
	Diluted (in ₹)		22.22	17.16
X.	NOTES FORMING PART OF ACCOUNTS	1-44		

* Represents profit on sale of the Company's equity investment in Apollo Health Street Limited

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

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For and on behalf of the Board of Directors

Krishnan Akhileswaran
Chief Financial Officer

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Sr. General Manager - Finance & Company Secretary

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 the FIFO method.
3. Surgical instruments, linen, crockery and cutlery are valued at cost and are subject to 1/3rd write off wherever applicable applying the 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 the transaction. (Also refer Note 28 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 is 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 2013.

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(O) in the Notes forming part of Accounts). Additional costs 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 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 is included under long term loans and advances 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 the Balance Sheet. The difference in translation of monetary items and the realised gains and losses on foreign exchange transactions are recognised in the Statement of Profit and Loss in accordance with Accounting Standard 11 – 'The Effects of Changes in Foreign Exchange Rates (Revised 2003)', as notified under the Companies (Accounting Standards) Rules, 2006 (Also refer Note 28 (d) in the Notes forming part of Accounts).

b. Exchange differences arising on settlement or restatement of foreign currency denominated liabilities borrowed for the acquisition of Fixed Assets are 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/swap contracts is governed by the Company's policies approved by the Board of Directors. These hedging contracts are not meant for speculation.

H. Investments

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

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

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

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

d. In case of foreign investments,

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

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

I. Employee Benefits

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

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

Defined Contribution Plan

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

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

Defined Benefit Plans

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

a. Gratuity

The Company makes an 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 which is 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 an 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 a 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 items and after extraordinary items and includes the post - tax effect of any extraordinary items. The number of shares used in computing the basic earnings per share is the weighted average number of shares outstanding during the period. For computing diluted earnings per share, potential equity shares are added to the above weighted average number of shares.

M. Lease

Operating Lease

Leases where the lessor effectively retains substantially all the risks and the benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight – line basis over the lease term.

N. Taxation

i. Income Tax

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

ii. Deferred Tax

The differences that result between the profit calculated for income tax purposes and the profit as per the financial statements are identified and thereafter deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and get reversed in another, based on the tax effect of the aggregate amount being considered. Deferred tax 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 the accounting year based on the prevailing enacted or substantively enacted regulations.

O. Impairment

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

P. Bad Debts Policy

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

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

Q. Miscellaneous Expenditure

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

R. Intangible Assets

Intangible assets are initially recognised at cost and amortised over the best estimates of their useful lives. 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.

S. 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.

T Derivative Financial Instruments

The company is exposed to foreign currency fluctuations on foreign currency loans and payables. The company limits the effect of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. The company enters into derivative financial instruments where the counterparty is a bank.

All derivatives are effective hedges against an underlying liability and any cash flows are recognised as and when they occur. Attributable transaction costs are recognised in statement of income as cost.

Gain/losses on settlement of foreign currency derivative instruments relating to borrowings which have not been designated as hedges are recorded in finance expense.

2. SHARE CAPITAL

(₹ in million)

Particulars	Amount	Amount
Authorised		
200,000,000(2011-12 : 200,000,000) Equity Shares of ₹ 5/- each	1,000.00	1,000.00
1,000,000(2011-12 : 1,000,000) Preference Shares of ₹ 100/- each	100.00	100.00
	1,100.00	**1,100.00**
Issued		
139,658,177 (2011-12 : 134,999,636) Equity Shares of ₹ 5/- each	698.29	675.00
Subscribed and Paid up		
139,125,159 (2011-12 :134,466,618)Equity Shares of ₹ 5/- each fully paid up	695.63	672.33

Particulars	31.03.2013		31.03.2012	
	Equity Shares		Equity Shares	
	Number	Amount ₹ in million	Number	Amount ₹ in million
Shares outstanding at the beginning of the year	134,466,618	672.33	124,710,710	623.55
Shares Issued to IFC on conversion of FCCB Bonds *	1,381,619	6.91	-	-
Shares Issued on Qualified Institutional Placement Scheme	-	-	6,666,666	33.33
Shares Issued on Conversion of Share warrants#	3,276,922	16.38	3,089,242	15.45
Shares outstanding at the end of the year	**139,125,159**	**695.63**	**134,466,618**	**672.33**

* Refer Note 5(j)

\# Refer Note 4

SHAREHOLDERS HOLDING MORE THAN 5% OF TOTAL PAID UP CAPITAL

Name of the Shareholder	31.03.2013		31.03.2012	
	Equity Shares		Equity Shares	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
PCR Investments Ltd	21,313,124	15.32	21,313,124	15.85
Integrated (Mauritius) Healthcare Holdings Ltd	11,000,000	7.90	11,000,000	8.18
Oppenheimer Developing Markets Fund	10,507,859	7.55	-	-
HSTN Acquisition (FII) Limited	4,417,069	3.17	13,446,657	10.00
CLSA (Mauritius) Ltd	-	-	8,550,000	6.36

a. The Company had issued 9,000,000 Global Depository Receipts of ₹ 10/- (now 18,000,000 Global Depository Receipts of ₹ 5/-) each with two way fungibility during the year 2005-06. Total GDR's converted into underlying Equity Shares for the year ended on 31st March 2013 is 4,597,869(2011-12: 5,396,660) of ₹ 5/- each and total equity shares converted back to GDR for the year ended 31st March 2013 is 10,949 (2011-12: 7,689,329) of ₹ 5/- each. Total GDR's converted into equity shares upto 31st March 2013 is 24,931,729 (2011-12: 20,333,860) of ₹ 5/- each.

3. RESERVES AND SURPLUS

(₹ in million)

	Particulars	31.03.2013	31.03.2012
a.	Capital Reserves		
	Opening Balance	18.26	18.26
	Closing Balance	**18.26**	**18.26**
b.	Capital Redemption Reserve		
	Opening Balance	60.02	60.02
	Closing Balance	**60.02**	**60.02**
c.	Securities Premium Account		
	Opening Balance	15,195.66	10,830.18
	Add : Securities premium credited on Share issue	1,942.86	4,365.48
	Closing Balance	**17,138.52**	**15,195.66**
d.	Debenture Redemption Reserve		
	Opening Balance	170.00	100.00
	(+) Current Year Transfer	630.00	70.00
	Closing Balance	**800.00**	**170.00**
e.	General Reserve		
	Opening Balance	5,249.03	3,749.03
	(+) Current Year Transfer	1,000.00	1,500.00
	Closing Balance	**6,249.03**	**5,249.03**
f.	Investment Allowance Reserve		
	Opening Balance	7.63	7.63
	Closing Balance	**7.63**	**7.63**
g.	Foreign Exchange Fluctuation Reserve		
	Opening Balance	0.19	0.19
	Closing Balance	**0.19**	**0.19**
h.	Surplus		
	Opening balance	1,762.50	1,647.72
	(-) Dividend paid on FCCB loan and Share Warrants*	21.66	-
	(+) Net Profit/(Net Loss) for the current year	3,091.08	2,309.90
	(-) Proposed Dividend on Equity Shares for the year	765.19	537.87
	(-) Dividend Distribution Tax on proposed dividend on Equity Shares	130.04	87.26
	(-) Transfer to Reserves	1,000.00	1,500.00
	(-) Transfer to Debenture Redemption Reserve	630.00	70.00
	Closing Balance	**2,306.69**	**1,762.50**
	Total	**26,580.34**	**22,463.28**

* Represents dividend paid on shares resulting from conversion of FCCB loan granted by IFC and preferential equity warrants issued to Dr. Prathap C Reddy, subsequent to the board meeting date, but prior to the date of closure of the share transfer register viz 28th July 2012.

4. The Company issued and allotted 3,276,922 equity warrants convertible into equity shares of nominal value of ₹ 5/- each at a 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 of ₹ 472.46 was determined in accordance with the guidelines for preferential issues of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009. On receipt of the full consideration from the promoter, the Company alloted 3,276,922 equity shares of nominal value of ₹ 5/- each at a premium of ₹ 467.46 per share on 25th July 2012 which is within 18 months from the date of allotment of the warrants.

5. LONG TERM BORROWINGS

(₹ in million)

Particulars	31.03.2013	31.03.2012
Secured		
(a) Non-convertible Debentures		
1000 (2011-12: 1000) 10.30% Debentures of ₹ 1,000,000/- each	1,000.00	1,000.00
940 (2011-12: 1000) 10.15% Debentures of ₹ 1,000,000/- each	940.00	1,000.00
1250 (2011-12: Nil) 9.80% Debentures of ₹ 1,000,000/- each	1,250.00	-
(b) Term loans		
From Banks		
(i) Canara Bank	-	290.80
(ii) HDFC Bank Limited	1,105.00	-
From Other parties		
IFC Loan (External Commercial Borrowings)	1,179.77	1,394.28
IFC Loan (External Commercial Borrowings)	1,636.80	-
HSBC (External Commercial Borrowings)	1,355.00	-
HSBC (Bills Payable)	141.87	-
Total	**8,608.44**	**3,685.08**
Unsecured		
(i) Deposits		
Fixed Deposits	179.33	147.94
(ii) Other loans and advances		
Foreign Currency Convertible Bonds	-	383.67
Total	179.33	531.61
Total	**8,787.77**	**4,216.69**

a. 10.30% Non Convertible Debentures

The Company issued 500 Nos. 10.30% Non Convertible Redeemable Debentures of ₹ 1 million each on 28th December 2010 with an option to re-purchase/re-issue some or all of its debentures in the secondary market or otherwise, at any time prior to the specified date of redemption of 28th December 2020 and 500 Nos. 10.30% Non-Convertible Redeemable Debentures of ₹ 1 million each on 22nd March 2011 which will be redeemed on 22nd March 2021 to the Life Insurance Corporation of India.

b. 10.15% Non Convertible Debentures

The Company issued 1,000 Nos. 10.15% Non Convertible Redeemable Debentures of ₹ 1 million each on 22nd March 2012 with an option to re-purchase/re-issue some or all of its debentures in the secondary market or otherwise, at any time prior to the specified date of redemption of 22nd March 2017. During the year debentures amounting to ₹ 60/- million were redeemed as per the terms and conditions of the issue and the residual debenture of ₹ 940 million is outstanding as of 31st March 2013.

c. 9.80% Non Convertible Debentures

The Company issued 1250 Nos. 9.80% Non Convertible Redeemable Debentures of ₹ 1 million each on 11th July 2012 with an option to re-purchase/re-issue some or all of its debentures in the secondary market or otherwise at any time prior to the specified date of redemption of 11th July 2017 to First Rand Bank Limited.

The Debentures stated (a),(b) &(c) are secured by way of Pari passu first charge on the Fixed Assets of the Company, existing and future along with Bank and Institutions; such Pari passu first charge ensuring at least a cover of 1.25 times the value of outstanding principal amount of the loan.

d. Canara Bank

The loan is secured by way of pari passu charge on the Fixed Assets of the Company existing and future along with Debenture Trustees and Institutions.

e. HDFC Bank Limited

The Company has availed Rupee Term Loan of ₹ 1,300 million from HDFC Bank Limited, which is repayable in twenty quarterly installments commencing from September 2013. The loan is secured by first pari passu charge on all existing and future movable & immovable fixed assets of the Company with minimum cover of 1.25 times the value of outstanding principle amount of the loan.

f. International Finance Corporation (External Commercial Borrowings)

The Company was 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 fixed assets owned by the Company such pari passu charge ensuring atleast a cover of 1.25 times the value of the outstanding principal amount of the loan. The Loan is repayable in 15 equal semi-annual Installments starting from 15th September, 2012. During the year two installments of US$ 2,333,333 each were repaid on 15th September 2012 and 15th March 2013.

The Company entered into a Currency Cum Interest Rate Swap (CCIRS) with HDFC Bank in Indian Rupee hedging 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 2013.

g. International Finance Corporation granted a further loan of US$ 30 million during the year 2012-13. The Company has drawn the full US$ 30 million of the sanctioned amount and entered into a Currency Cum Interest Rate Swap (CCIRS) with HDFC Bank in Indian Rupee and hedged the loan for Interest and Foreign Currency Fluctuation risk. The ECB loan is secured by way of pari passu first ranking charge on the fixed assets of the Company.

h. HSBC granted a loan of US$ 25 million during the year 2012-13. The Company has drawn the full US$ 25 million of the sanctioned amount and entered into a currency Cum Interest Rate Swap (CCIRS) with HSBC Bank in Indian Rupee and hedged the loan for Interest and Foreign Currency Fluctuation risk. The ECB loan is secured by way of pari passu first ranking charge on the fixed assets of the Company.

i. HSBC has also sanctioned a Buyer's line of credit of ₹ 141.87 million for imported equipments. The loan is secured by first pari passu charge on entire existing and future movable fixed assets of the Company with minimum cover of 1.25 times the value of the outstanding principle amount of the loan.

j. Foreign Currency Convertible Bonds

The Company had 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 were convertible into Equity Shares based on the rupee dollar parity exchange rate at any time before the end of the final repayment date. On 9th December 2010, the Company converted FCCBs equivalent to US$ 7.5 million into 1,140,992 equity shares of ₹ 5/- each. The company converted the balance FCCBs equivalent to US$ 7.5 million into 1,381,619 shares of ₹ 5/- each on 7th June 2012. With this the entire FCCBs equivalent to US$ 15 million has been fully converted into equity shares.

6. DEFERRED TAX LIABILITIES

Additional net deferred tax liability of ₹ 693.26 million (₹ 629.26 million) for the period has been recognized in the Statement of Profit and Loss.

(₹ in million)

Particulars	Deferred Tax Liability as at 31.03.2012	Current year charge /(credit)	Deferred Tax Liability as at 31.03.2013
Deferred Tax Liability on account of Depreciation*	926.40	61.33	987.73
Deferred Tax Liability on account of Deferred Revenue Expenditure (Also refer Note 41 of notes forming part of accounts)	52.27	(1.02)	51.25
Deferred Tax Liability on account of 35 AD	722.18	632.95	1355.13
Total	**1,700.85**	**693.26**	**2394.11**

*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	31.03.2013	31.03.2012
Rent Deposits	36.72	46.75
Other Deposits	0.93	1.02
Total	**37.65**	**47.77**

8. SHORT TERM BORROWINGS

(₹ in million)

	Particulars	31.03.2013	31.03.2012
	Secured		
(i)	**Loans repayable on demand from banks**		
	Indian Overseas bank	-	42.79
	Andhra Bank	-	0.67
	State Bank of Travancore	26.31	6.65
	Karur Vysya Bank	-	7.00
	Unsecured		
(i)	**Loans repayable on demand from banks**		
	HDFC Ltd	-	1,000.00
(ii)	**Deposits**		
	Fixed Deposits	162.97	325.86
	Total	**189.28**	**1,382.97**

9. 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 2013 is ₹ 230.60 million (₹ 113.31 million). No interest in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006 or otherwise has either been paid or is payable or accrued or remaining unpaid as at 31st March 2013.

10. OTHER CURRENT LIABILITIES

(₹ in million)

	Particulars	31.03.2013	31.03.2012
(a)	Current maturities of long-term debt	701.47	570.90
(b)	Interest accrued but not due on borrowings	181.00	64.82
(c)	Unpaid dividends	22.27	19.87
(d)	Unpaid matured deposits and interest accrued thereon	25.31	17.99
(e)	Other Payables		
	Sundry Creditors Others	256.86	220.85
	Retention Money on Capital Contracts	1.44	0.66
	Inpatient Deposits	185.26	159.22
	Rent Deposits	12.03	1.68
	Other Deposits	2.31	2.19
	Tax Deducted at Source	106.01	158.38
	Outstanding Expenses	541.70	353.91
	Wealth tax payable	1.92	2.21
	Total	**2,037.58**	**1,572.68**

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 ₹ 1.60 million (₹ 1.68 million) in aggregate which comprises of ₹ 1.59 million (₹ 1.54 million) as unpaid dividend and ₹ 0.01 million (₹ 0.13 million) as unpaid deposit.

11. SHORT TERM PROVISIONS

(₹ in million)

	Particulars	31.03.2013	31.03.2012
(a)	**Provision for employee benefits**		
	Bonus	164.80	148.10
	Total	164.80	148.10
(b)	**Others**		
	For Dividend - Equity Shares	765.19	537.80
	For Dividend Distribution Tax - Equity Shares	130.04	87.20
	Total	895.23	625.13
	Total	**1,060.03**	**773.23**

12. TANGIBLE ASSETS

(₹ in million)

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at April 1, 2012	Additions	Deletions	Balance as at March 31, 2013	Balance as at April 1, 2012	Depreciation charge for the year	Deletions	Balance as at March 31, 2013	Balance as at March 31, 2013	Balance as at March 31, 2012
Land	1,593.19	0.02	-	1,593.21	-	-	-	-	1,593.21	1,593.19
Buildings	4,440.30	630.17	1.71	5,068.76	397.19	85.27	0.78	481.68	4,587.08	4,043.11
Lasehold Improvements	606.92	1,304.34	112.05	1,799.21	138.13	71.87	9.39	200.61	1,598.60	468.79
Plant and Equipment										
Medical Equipment & Surgical Instruments	7,280.35	1,069.36	116.46	8,233.25	2,578.33	404.28	66.78	2,915.83	5,317.42	4,702.02
Air Conditioning Plant & Air Conditioners	805.54	233.89	21.18	1,018.25	160.92	187.77	3.91	344.78	673.47	644.62
Furniture and Fixtures	1,808.64	274.96	14.23	2,069.37	550.16	119.96	18.53	651.59	1,417.78	1,258.48
Vehicles	337.40	39.16	12.80	363.76	116.58	29.71	5.82	140.47	223.29	220.82
Office equipment	819.22	121.72	10.62	930.32	445.25	88.62	9.73	524.14	406.18	373.97
Others										
Electrical Installations & Generators	1,147.03	92.80	47.24	1,192.59	334.12	40.38	9.13	365.37	827.22	812.91
Fire fighting Equipment	69.46	7.12	–	76.58	7.47	0.82	–	8.29	68.29	61.99
Boilers	2.90	-	–	2.90	1.05	–	–	1.05	1.85	1.85
Kitchen Equipment	39.85	1.12	–	40.97	10.07	0.44	–	10.51	30.46	29.78
Refrigerators	35.58	3.57	–	39.15	8.27	1.20	0.19	9.28	29.87	27.31
Wind Electric Generator	26.85	–	–	26.85	26.85	–	–	26.85	-	-
Total	**19,013.23**	**3,778.23**	**336.29**	**22,455.17**	**4,774.39**	**1,030.32**	**124.26**	**5,680.45**	**16,774.72**	**14,238.84**
Previous Year	14,331.97	4,861.00	179.74	19,013.23	3,968.34	874.11	68.06	4,774.39	14,238.84	-

a) During the year Nil (2011-12: ₹ 48.80 million) has been capitalised based on Para 46A of Accounting Standards 11' The Effects of Changes in Foreign Exchange Rates (revised 2003)

13. INTANGIBLE ASSETS

(₹ in million)

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at April 1, 2012	Additions	Deletions	Balance as at March 31, 2013	Balance as at April 1, 2012	Amortization for the year	Deletions	Balance as at March 31, 2013	Balance as at March 31, 2013	Balance as at March 31, 2012
Computer Software	174.34	70.93	.	245.27	53.13	51.73	.	104.86	140.41	121.21
Total	**174.34**	**70.93**	**.**	**245.27**	**53.13**	**51.73**	**.**	**104.86**	**140.41**	**121.21**
Previous Year	112.97	61.37	.	174.34	19.11	34.02	.	53.13	121.21	

14. Capital Work –in-Progress ₹ 3, 727.29 million (₹ 1,893.15 million) comprises of amounts spent on assets under construction and directly related pre-operative expenses. The amount of interest included in capital work in progress is ₹ 377.39 million (₹ 250.41million)*.

* Includes Interest on Borrowings Capitalised for the year ended 31st March 2013 of ₹ 252 million (₹183 million).

15. NON CURRENT INVESTMENTS

(₹ in million)

	Particulars	31.03.2013	31.03.2012
	Trade Investments (Refer A below)		
(a)	Investment in Equity Instruments	3,605.37	3,391.74
(b)	Investments in Preference Shares	115.40	110.40
	Total (A)	**3,720.77**	**3,502.14**
	Other Investments (Refer B below)		
(a)	Investment in Equity Instruments	1,119.16	2,126.02
(b)	Investment in Preference Shares	22.00	22.00
(c)	Investments in Debentures or Bonds	-	589.23
(d)	Investments in Government or Trust securities	0.20	0.25
	Total (B)	**1,141.36**	**2,737.50**
	Grand Total (A + B)	**4,862.13**	**6,239.64**
	Advance for Investments	392.37	230.46
	Total	**5,254.50**	**6,470.10**

(₹ in million)

Particulars	31.03.2013	31.03.2012
Aggregate amount of quoted investments	393.72	393.72
(Market Value ₹ 660.24 million (2011-12: ₹ 713.74 million)		
Aggregate amount of unquoted investments	4,860.78	6,076.37
Total	5,254.50	6,470.10

A) Details of Trade Investments

Name of the Body Corporate	Subsidiary / Associate / JV/Controlled Entity / Others	Face value ₹	No. of Shares / Units 31.03.2013	No. of Shares / Units 31.03.2012	Quoted / Unquoted	Partly Paid / Fully paid	Amount (₹ in million) 31.03.2013	Amount (₹ in million) 31.03.2012	Whether stated at Cost Yes/No
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	25,681,000	Unquoted	Fully Paid	1,155.38	1,155.38	Yes
Apollo Hospitals (UK) Limited	Subsidiary	1£	5,000	5,000	Unquoted	Fully Paid	0.39	0.39	Yes
Apollo Nellore Hospital 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	2,844,262	Unquoted	Fully Paid	28.44	28.44	Yes
Alliance Medicorp (India) Limited	Subsidiary	10	6,252,600	5,661,000	Unquoted	Fully Paid	62.52	56.61	Yes
Alliance Dental Care Limited	Subsidiary	100	540,600	163,200	Unquoted	Fully Paid	54.06	16.32	Yes
Sapien Biosciences Pvt Limited	Subsidiary	10	10,000	-	Unquoted	Fully Paid	0.40	-	Yes
Apollo Hospitals International Limited	Joint Venture	10	17,590,266	3,752,050	Unquoted	Fully Paid	352.92	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 Hospitals PET CT Private Limited	Joint Venture	10	8,500,000	8,500,000	Unquoted	Fully Paid	85.00	85.00	Yes
Western Hospital Corporation Pvt. Limited	Subsidiary	10	18,000,000	18,000,000	Unquoted	Fully Paid	153.66	153.66	Yes
Quintiles Phase One Clinical Trials India Private Limited	Joint Venture	1,000	146,285	115,085	Unquoted	Fully Paid	152.00	120.80	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 28.03.2013 ₹ 32.70 per share)	Associate	10	20,190,740	20,190,740	Quoted	Fully Paid	393.72	393.72	Yes
Stemcyte India Therapautics Private Limited	Associate	1	240,196	240,196	Unquoted	Fully Paid	80.00	80.00	Yes
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
Sapien Biosciences Pvt Limited	Subsidiary	100	500,000	-	Unquoted	Fully Paid	5.00	-	
Total							**3,720.77**	**3,502.14**	

B) Details of Other Investments

Name of the Body Corporate	Subsidiary / Associate / JV/Controlled Entity / Others	Face value ₹	No. of Shares / Units 31.03.2013	No. of Shares / Units 31.03.2012	Quoted / Unquoted	Partly Paid / Fully paid	Amount (₹ in million) 31.03.2013	Amount (₹ in million) 31.03.2012	Whether stated at Cost Yes/ No
Investment in Equity Instruments									
Apollo Health & Lifestyle Limited	Subsidiary	10	25,303,060	19,469,800	Unquoted	Fully Paid	772.52	597.52	Yes
Apollo Munich Health Insurance Company Limited	Joint Venture	10	31,600,000	26,600,000	Unquoted	Fully Paid	316.00	266.00	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	Unquoted	Fully Paid	-	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	2,401,000	Unquoted	Fully Paid	24.01	24.01	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 Debentures or Bonds									
Optionally Redeemable Convertible Debentures									
Apollo Health Street Limited	Associate	160	-	3,682,725	Unquoted	Fully Paid	-	589.24	Yes
Investments in Government or Trust securities									
National Savings Certificate	Others				Unquoted	Fully Paid	0.20	0.25	Yes
Total							**1,141.36**	**2,737.50**	

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.

16. LONG TERM LOANS AND ADVANCES

(₹ in million)

	Particulars	31.03.2013		31.03.2012	
a.	Capital Advances				
	Unsecured, considered good		654.47		320.58
b.	Security Deposits				
	Unsecured, considered good		891.39		660.50
c.	Loans and advances to related parties				
	Unsecured, considered good		16.15		234.00
d.	Other Loans and Advances				
	Other Advances	1,014.72		755.36	
	Advance Income Tax	394.20	1,408.92	390.22	1,145.58
	Interest Receivable		45.05		85.66
	Total		**3,015.98**		**2,446.32**

17. CURRENT INVESTMENTS

(₹ in million)

	Particulars	31.03.2013	31.03.2012
(a)	Investments in Equity Instruments	135.88	203.82
(b)	Investments in Debentures	10.00	10.00
(c)	Investments in Mutual funds	3,559.97	957.26
	Total	**3,705.85**	**1,171.08**

(₹ in million)

Particulars	31.03.2013	31.03.2012
Aggregate amount of quoted investments	3,569.97	967.26
(Market Value ₹ 3,657.47 million (2011-12: ₹ 1,001.79 million)		
Aggregate amount of unquoted investments	135.88	203.82
Total	**3,705.85**	**1,171.08**

B) DETAILS OF CURRENT INVESTMENTS

Name of the Body Corporate	Subsidiary / Associate / JV/Controlled Entity / Others	Face value ₹	No. of Shares / Units	No. of Shares / Units	Quoted / Unquoted	Partly Paid / Fully paid	Amount (₹ in million)	Amount (₹ in million)	Basis of Valuation
			31.03.2013	31.03.2012			31.03.2013	31.03.2012	
Investments in Equity Instruments									
British American Hospitals Enterprises Limited	Others	100 MUR	928,720	1,393,079	Unquoted	Fully Paid	135.88	203.82	Cost
Investments in Debentures									
IFCI Venture Capital Funds limited	Others	1,000,000	10	10	Quoted	Fully paid	10.00	10.00	Cost
Investments in Mutual Funds									
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
ICICI Prudential Liquid Plan Daily Dividend	Others	10	8,677,204	-	Quoted	Fully paid	200.00	-	Cost
Reliance Floating Rate Fund - Short Term Plan Growth Plan	Others	10	14,397,190	-	Quoted	Fully paid	250.00	-	Cost
Reliance Floating Rate Fund - Short Term Plan Growth Plan	Others	10	11,450,688	-	Quoted	Fully paid	200.00	-	Cost
Reliance Dynamic Bond Fund Growth Plan	Others	10	17,435,790	-	Quoted	Fully paid	253.54	-	Cost
Kotak Bond (Short term) Growth	Others	10	11,950,115	-	Quoted	Fully paid	250.00	-	Cost
IDFC SSIF Short term Plan C Growth	Others	10	7,848,123	-	Quoted	Fully paid	100.00	-	Cost
Kotak Bond (Short term) Growth	Others	10	2,316,123	-	Quoted	Fully paid	50.00	-	Cost
IDFC SSIF Medium term Plan a Growth	Others	10	10,203,665	-	Quoted	Fully paid	200.00	-	Cost
ICICI Prudential Short Term Regular Plan Growth Option	Others	10	2,139,907	-	Quoted	Fully paid	50.00	-	Cost
Canara Robeco Short Term Fund - Regular Growth	Others	10	192,148	-	Quoted	Fully paid	2.50	-	Cost

Name of the Body Corporate	Subsidiary / Associate / JV/Controlled Entity / Others	Face value ₹	No. of Shares / Units	No. of Shares / Units	Quoted / Unquoted	Partly Paid / Fully paid	Amount (₹ in million)	Amount (₹ in million)	Basis of Valuation
			31.03.2013	31.03.2012			31.03.2013	31.03.2012	
Reliance Short Term Fund - Growth Plan (St- Gp)	Others	10	4,681,714	-	Quoted	Fully paid	100.00	-	Cost
Canara Robeco Short Term Fund - Regular Growth	Others	10	188,206	-	Quoted	Fully paid	2.50	-	Cost
Kotak Bond Scheme Plan A Growth	Others	10	5,903,031	-	Quoted	Fully paid	200.00	-	Cost
DWS Premier Bond Fund - Regular Plan - Growth	Others	10	10,330,899	-	Quoted	Fully paid	200.	-	Cost
HDFC Income Fund - Growth	Others	10	7,413,063	-	Quoted	Fully paid	200.00	-	Cost
Reliance Short Term Fund - Growth Plan	Others	10	6,903,598	-	Quoted	Fully paid	150.00	-	Cost
Reliance Income Fund - Growth Plan	Others	10	5,171,166		Quoted	Fully paid	200.00	-	Cost
SBI Short Term Debt Fund - Regular Plan - Growth	Others	10	14,922,589	-	Quoted	Fully paid	200.00	-	Cost
IDFC SSIF Medium Term Plan a Growth	Others	10	5,006,183	-	Quoted	Fully paid	100.00	-	Cost
Kotak Bond Short Term	Others	10	6,820,507	-	Quoted	Fully paid	150.00	-	Cost
DWS Short Maturity Fund - Regular Plan - Growth	Others	10	4,785,788	-	Quoted	Fully paid	100.00	-	Cost
IDFC SSIF Investment Plan Growth - (Regular Plan)	Others	10	7,068,212	-	Quoted	Fully paid	200.00	-	Cost
ICICI Prudential Short Term -Regular Plan - Growth Plan	Others	10	4,198,646	-	Quoted	Fully paid	100.00	-	Cost
Pinebridge India Short Term Fund Standard Monthly Dividend	Others	10	100,630	-	Quoted	Fully paid	101.43	-	Cost
Total							**3,559.97**	**957.26**	

18. INVENTORIES

(₹ in million)

	Particulars	31.03.2013	31.03.2012
a.	Medicines (Valued at Cost)	1,627.78	1,492.11
b.	Stores and spares (Valued at Cost)	116.58	97.99
c.	Lab Materials (Valued at Cost)	13.50	6.68
d.	Surgical Instruments (Valued at Cost)	232.06	167.51
e.	Other Consumables (Valued at Cost)	63.96	62.80
	Total	**2,053.88**	**1,827.09**

19. TRADE RECEIVABLES

(₹ in million)

Particulars	31.03.2013	31.03.2012
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	3,530.61	2,825.87
	3,530.61	**2,825.87**
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	735.48	711.83
Unsecured, considered doubtful	70.91	49.32
	806.39	761.15
Less: Provision for doubtful debts	70.91	49.32
	735.48	711.83
Total	**4,266.09**	**3,537.70**

Trade Receivables stated above include debts due by: (₹ in million)

Particulars	31.03.2013	31.03.2012
Directors*	-	-
Other officers of the Company*	-	-
Firm in which director is a partner*	-	-
Private company in which director is a member*	3.75	18.80
Total	**3.75**	**18.80**

* Either severally or jointly

i. Accrued patient collections constitute ₹ 325.03 million (₹ 273.97 million) of Trade receivables.

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

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

20. CASH AND CASH EQUIVALENTS

(₹ in million)

	Particulars	31.03.2013		31.03.2012	
a.	Balances with banks				
	Current Accounts	1,680.47		775.49	
	Deposit Accounts	529.67		954.73	
	Unpaid Dividend Accounts	22.27		19.87	
	Margin money Deposits	53.75		19.00	
	Guarantees	149.35		24.53	
			2,435.51		1,793.62
b.	Cash on hand		119.15		75.93
	Total		**2,554.66**		**1,869.55**

a. The Company's Fixed Deposit receipts amounting to ₹ 149.35 million (₹ 24.53 million) are under lien with the bankers for obtaining Bank Guarantees and Letters of credit.

21. SHORT TERM LOANS AND ADVANCES

(₹ in million)

	Particulars	31.03.2013		31.03.2012	
a.	Loans and advances to related parties				
	Unsecured, considered good		278.68		163.38
b.	Other Loans and Advances				
	Advance to Suppliers	125.52		135.93	
	Other Advances	1,426.83		622.35	
	Loans and advances to employees	68.30		54.99	
			1,620.65		813.27
	Total		**1,899.33**		**976.65**

22. OTHER CURRENT ASSETS

(₹ in million)

	Particulars	31.03.2013	31.03.2012
a.	Prepaid Expenses	98.87	99.40
b.	Rent Receivables	3.92	3.85
c.	Interest Receivables	41.71	147.12
d.	Franchise Fees Receivable	8.59	7.92
	Total	**153.09**	**258.29**

23. REVENUE FROM OPERATIONS

(₹ in million)

	Particulars	31.03.2013	31.03.2012
a.	Revenue from Healthcare services	22,160.96	19,394.92
b.	Revenue from Pharmacy	11,016.95	8,605.80
	Total	**33,177.91**	**28,000.72**

a. The hospital collections of the Company are net of discounts of ₹ 10.42 million (₹ 27.61million)

24. OTHER INCOME

(₹ in million)

	Particulars	31.03.2013	31.03.2012
(a)	Interest Income	174.50	143.59
(b)	Dividend Income		
	From Current Investment	57.00	100.40
	From Long Term Investment	32.46	31.12
(c)	Net gain/(loss) on sale of investments		
	Current investment	1.38	(0.91)
	Long term investment*	90.38	-
(d)	Other non-operating income		
	Net gain on foreign currency transactions and translation	-	4.28
	Total	**355.72**	**278.48**

* For the year ended 31st March 2013, the profit on sale of investments in Apollo Health Street Limited amounting to ₹ 45.45 million is included.

a. During the year 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 nil (2011-12: Foreign Exchange Gain ₹ 4.29 million).

25. COST OF MATERIALS CONSUMED

(₹ in million)

Particulars	31.03.2013		31.03.2012	
	Value (₹)	%	Value (₹)	%
Total Consumption of Materials*	8,642.58	100.00	7,846.63	100.00
Indigenous Materials	8,579.38	99.27	7,824.95	99.72
Imported Materials	63.20	0.73	21.68	0.28

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

26. EMPLOYEE BENEFITS EXPENSE

(₹ in million)

	Particulars	31.03.2013	31.03.2012
a.	Salaries and wages	4,454.78	3,642.27
b.	Contribution to provident and other funds	291.40	242.38
c.	Employee State Insurance	57.22	29.54
d.	Staff welfare expenses	268.05	211.48
e.	Staff Education & Training	7.78	11.30
f.	Bonus	164.76	148.10
	Total	**5,243.99**	**4,285.07**

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 fund 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– ₹ 94.43 million (₹ 69.15 million). (Also refer Note 1(l) of Notes Forming part of Accounts.)

(₹ in million)

Particulars	As at 31st March 2013		As at 31st March 2012	
	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 2013 Gratuity	Earned Leave	Total	As at 31st March 2012 Gratuity	Earned Leave	Total
Present Value of Obligation beginning of the Period	245.90	112.47	358.37	187.59	98.05	285.64
Interest Cost	19.49	8.68	28.18	14.85	7.50	22.35
Current Service Cost	26.24	11.92	38.16	26.24	11.92	38.16
Benefit Paid	(4.51)	(7.84)	(12.35)	(3.93)	(8.69)	(12.62)
Actuarial (gain) / Loss on obligation	(5.12)	13.82	8.19	21.15	3.69	24.84
Present Value of Obligation end of the period	282.00	138.55	420.55	245.90	112.47	358.37
Change in plan assets						
Fair Value of Plan Assets beginning of the Period	190.01	102.27	292.28	173.55	75.15	248.70
Expected return on plan assets	17.46	7.28	24.74	14.54	7.10	21.64
Contributions	56.00	10.20	66.20	20.00	20.00	40.00
Benefits paid	(4.51)	(7.84)	(12.35)	(3.93)	(8.69)	(12.62)
Actuarial gain / (loss)	(12.40)	(32.24)	(44.64)	(14.15)	8.71	(5.44)
Fair Value of Plan Assets end of the period	246.56	79.67	326.63	190.01	102.27	292.28
Reconciliation of present value of the obligation and the fair value of the plan assets						
Fair value of the defined benefit	282.00	138.55	420.55	245.90	112.47	358.37
Fair value of plan assets at the end of the year	(246.56)	(79.67)	(326.23)	(190.01)	(102.27)	(292.28)
Liability / (assets)	35.44	58.88	94.32	55.89	10.20	66.09
Unrecognised past service cost	-	-	-	-	-	-
Liability / (assets) recognised in the balance sheet	35.44	58.88	94.32	55.89	10.20	66.09
Gratuity & Leave Encashment cost for the period						
Service Cost	26.24	11.92	38.16	26.24	11.92	38.16
Interest Cost	19.49	8.68	28.18	14.85	7.50	22.35
Expected return on plan assets	(17.46)	(7.28)	(24.74)	(14.54)	(7.10)	(21.64)
Actuarial (gain) / loss	7.28	45.55	52.83	35.30	(5.02)	30.28
Past Service Cost	-	-	-	-	-	-
Net gratuity cost	35.55	58.88	94.43	61.85	7.30	69.15
Investment details of plan assets						
100% of the plan assets are invested in debt instruments						
Actual return on plan assets	5.06	(24.96)	(19.90)	0.39	15.81	16.20

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

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

27. FINANCE COSTS

(₹ in million)

Particulars	31.03.2013	31.03.2012
Interest expense	638.51	560.61
Other borrowing costs		
Bank Charges	87.37	75.26
Brokerage & Commission	0.37	0.16
Total	**726.25**	**636.03**

28. OTHER EXPENSES

(₹ in million)

Particulars	31.03.2013	31.03.2012
Power and Fuel	556.25	437.87
House Keeping Expenses	125.25	114.55
Water Charges	52.06	49.77
Rent	980.37	992.38
Repairs to Buildings	128.72	123.08
Repairs to Machinery	300.32	277.16
Repairs to Vehicles	43.74	32.75
Office Maintenance & Others	239.00	197.88
Insurance	40.91	33.75
Rates and Taxes, excluding taxes on income	76.67	62.19
Printing & Stationery	182.83	174.67
Postage & Telegram	18.54	10.64
Director Sitting Fees	1.42	1.68
Advertisement, Publicity & Marketing	811.91	529.37
Travelling & Conveyance	298.96	240.60
Subscriptions	6.47	8.96
Security Charges	83.12	74.88
Legal & Professional Fees	268.99	249.46
Continuing Medical Education & Hospitality Expenses	29.71	10.29
Hiring Charges	51.17	44.54
Seminar Expenses	8.41	6.19
Telephone Expenses	92.19	93.95
Books & Periodicals	8.84	8.71
Donations	23.32	24.98
Bad Debts Written off	106.81	120.14
Provision for Bad Debts	28.72	24.38
Royalty paid	1.30	1.42
Outsourcing Expenses	541.42	472.66
Miscellaneous expenses	53.27	60.75
Loss on Sale of Asset	38.06	37.26
Net (gain)/loss on foreign currency transactions and translation	1.41	-
Total	**5,200.16**	**4,516.91**

a. The Electricity charges incurred in respect of the Main Hospital is net of ₹ 53.23 million (₹ 7.27 million) [units qualified KWH – 10,040,020(1,454,755)], 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	31.03.2013	31.03.2012
Audit Fees	3.37	3.31
Taxation Matters*	0.56	0.55
Company Law Matters*	0.51	0.50
Reimbursement of Expenses	0.26	0.13
Total	**4.70**	**4.49**

c. Directors travel included in travelling and conveyance amounts to ₹ 40.54 million (₹ 18.53 million).

d. During the year Foreign Exchange loss (the difference between the spot rates on the dates of the transactions, and the actual rates at which the transactions are settled) amounted to ₹ 1.41 million. (2011-12:Nil)

29. CONTINGENT LIABILITIES

(₹ in million)

	Particulars	31.03.2013	31.03.2012
	Contingent liabilities and commitments (to the extent not provided for)		
(i)	**Contingent Liabilities**		
	(a) Claims against the company not acknowledged as debt	77.40	275.03
	(b) Guarantees		
	Bank Guarantees	268.36	55.39
	Corporate Guarantees	35.00	242.50
	(c) Other money for which the company is contingently liable		
	Sales Tax	1.04	1.41
	Customs Duty	99.70	99.70
	Income Tax	293.92	396.79
	Letter of Credits	36.56	150.42
	EPCG	708.00	1,010.20
	Redemption premium on FCCB	-	11.28
	Value Added Tax	2.27	2.27
		1,522.25	2,244.99
(ii)	**Commitments**		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	10,644.93	12,436.38
		10,644.93	**12,436.38**
	Total	**12,167.18**	**14,681.37**

30. UTILISATION OF AMOUNTS FROM SECURITIES ISSUED

(₹ in million)

	Particulars	31.03.2013
A	**Funds Received through Preferential Issue**	
	Amount received from the Promoter towards allotment of shares during the year	**1,161.16**
B	**Particulars of Utilisation**	
	Capital Expenditure & Working Capital	**1,161.16**

31. EARNINGS PER EQUITY SHARE

Particulars	31.03.2013	31.03.2012
Profit before extraordinary items attributable to equity shareholders (₹ in million) (A1)	3,045.80	2,309.90
Weighted Average Equity Shares outstanding during the year (Nos) - (B1)	137,839,092	130,327,516
Basic Earnings Per Share before extra-ordinary item - ₹ (A1/B1)	22.10	17.72
Diluted Earnings before extraordinary items attributable to equity shareholders (₹ in million) (A2)	3,045,80	2,314,59
Foreign Currency Convertible Bond issued (C1)	1,381,619	1,268,343
Promoters Share warrants (D1)	3,276,922	-
Weighted Average Equity Shares outstanding for Diluted Earnings Per Share. (Nos) - (E1)	139,125,159	134,872,781
Diluted Earnings Per Share before extra-ordinary item - (A2/E1)	21.89	17.16
Profit after extraordinary items attributable to equity shareholders (₹ in million) (A)	3,091,25	2,309,90
Weighted Average Equity Shares outstanding during the year (Nos) - (B)	137,839,092	130,327,516
Basic Earnings Per Share after extra-ordinary item - ₹ (A/B)	22.43	17.72
Diluted Earnings after extraordinary items attributable to equity shareholders (₹ in million) (A3)	3,091,25	2,314,59
Foreign Currency Convertible Bond issued (C)	1,381,619	1,268,343
Promoters Share warrants (D)	3,276,922	-
Weighted Average Equity Shares outstanding for Diluted Earnings Per Share. (Nos) - (E)	139,125,159	134,872,781
Diluted Earnings Per Share after extra-ordinary item ₹ (A3/E)	22.22	17.16

32. EXPENDITURE IN FOREIGN CURRENCY

(₹ in million)

	Particulars	For the period ended 31.03.2013	For the period ended 31.03.2012
a.	**CIF Value of Imports**		
	Machinery and Equipment	890.33	407.81
	Stores and Spares	49.27	12.61
	Other Consumables	13.93	9.07
b.	**Expenditure**		
	Travelling Expenses	22.25	20.21
	Professional Charges	15.43	9.76
	Subscription	-	1.62
	Accreditation	-	1.34
	Advertisement	-	1.02
	Business Promotion	1.61	0.58
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.	3.66	3.64
	Non-Residents shareholders to whom remittance was made (Nos.)	224	216
	Shares held by non-resident share-holders on which dividend was paid.	0.92	0.97

33. EARNINGS IN FOREIGN CURRENCY

(₹ in million)

Particulars	31.03.2013	31.03.2012
Hospital Fees	293.31	150.37
Project Consultancy Services	18.22	65.05
Reimbursement Expenses	0.23	0.80
Pharmacy Sales*	0.29	2.32

* Pharmacy Sales are sales made within India to inpatients who have paid in foreign currency

34. RELATED PARTY DISCLOSURES

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

Sl No	Name of related parties	Nature of relationship
1	Unique Home Health Care Limited	Subsidiary Companies (control exists)
2	AB Medical Centres Limited	
3	Samudra Healthcare Enterprises Limited	
4	Apollo Hospital (UK) Limited	
5	Apollo Health and Lifestyle Limited	
6	Imperial Hospital and Research Centre Limited	
7	Apollo Nellore Hospital Limited (formerly known as Pinakini Hospitals Limited)	
8	Apollo Cosmetic Surgical Centre Private Limited	
9	Alliance Medicorp (India) Limited	
10	ISIS Healthcare India Private Limited	
11	Mera Healthcare Private Limited	
12	Alliance Dental Care Limited	
13	Western Hospitals Corporation Private Limited	
14	Sapien Bio Sciences Private Limited	
15	Apollo Hospitals International Limited	Joint Venture
16	Apollo Gleneagles Hospitals Limited	
17	Apollo Gleneagles PET-CT Private Limited	
18	Apollo Munich Health Insurance Company Limited	
19	Apollo Lavasa Health Corporation Limited	
20	Quintiles Phase One Clinical Trials India Private Limited	
21	Future Parking Private Limited	
22	Family Health Plan Limited	Associates
23	Indraprastha Medical Corporation Limited	
24	Stemcyte India Therapautics Private Limited	
25	Dr. Prathap C Reddy	Key Management Personnel
26	Smt. Preetha Reddy	
27	Smt. Suneeta Reddy	
28	Smt. Sangita Reddy	
29	Smt. Shobana Kamineni	

Sl No	Name of related parties	Nature of relationship
30	PCR Investments Limited	Enterprises over which Key Management Personnel are able to exercise significant influence
31	Indian Hospitals Corporation Limited	
32	Apollo Sindoori Hotels Limited	
33	PPN Power Generating Company Private Limited	
34	Health Super Hiway Private Limited	
35	Faber Sindoori Management Services Private Limited	
36	Apollo Mumbai Hospital Limited	
37	Lifetime Wellness Rx International Limited	
38	Apollo Clinical Excellence Solutions Limited	
39	PPN Holding Private Limited	
40	Preetha Investments Private Limited	
41	PPN Power Generation (Unit II) Private Limited	
42	TRAC India Private Limited	
43	PPN Holdings (Alfa) Private Limited	
44	Aircel Limited	
45	Aircel Cellular Limited	
46	Dishnet Wireless Limited	
47	Apollo Infrastructure Project Finance Company Limited	
48	Vasumathi Spinning Mills Limited	
49	Kalpatharu Infrastructure Development Company Private Limited	
50	Sindya Power Generating Company Private Limited	
51	Sindya Holdings Private Limited	
52	Sindya resources pte, Limited Singapore	
53	Garuda Energy Private Limited	
54	Deccan Digital Networks Private Limited	
55	Kalpatharu Enterprises Private Limited	
56	Sirkazhi Port Private Limited	
57	Sindya Builders Private Limited	
58	Tharani Energy India Private Limited	
59	Apollo Energy Company Limited	
60	Healthnet Global Limited	
61	Sindya Infrastructure Development Company Private Limited	
62	Associated Electrical Agencies	
63	P. Obul Reddy & Sons	
64	Apex builders	
65	Apex Construction	
66	Kei Energy Private Limited	
67	Kamineni Builders Private Limited	
68	Kei Vita Private Limited	
69	Kei Rajamahendri Resorts Private Limited	

Sl No	Name of related parties	Nature of relationship
70	KEI-RSOS Petroleum and Energy Private Limited	Enterprises over which Key Management Personnel are able to exercise significant influence
71	KEI-RSOS Shipping Private Limited	
72	Peninsular Tankers Private Limited	
73	Keimed Private Limited	
74	Spectra Clinical Laboratory	
75	Kamineni Builders	
76	Universal Quality Services LLC	
77	Apollo Health Resources Limited	
78	AMG Healthcare Destination Private Limited	
79	Apex Agencies	
80	Apex Agencies(Hyd)	
81	Apollo Educational Infrastructure Services Limited	
82	Apollo Med Skills Limited	
83	Apollo Reach Hospitals Enterprises Limited	
84	Apollo Telehealth Services Private Limited	
85	British American Hospitals Enterprise Limited	
86	Elixir Communities Private Limited	
87	Indian Hospitex Private. Limited	
88	Kumaranathu and Company	
89	Kurnool Hospital Enterprise Limited	
90	Matrix Agro Private Limited	
91	TRAC Eco and Safari Park Private Limited	
92	Vaishnavi Constructions	
93	Medversity Online Limited, Hyderabad	
94	Indo Wind Power Private Ltd	
95	Nippo Batteries Company Ltd	
96	Panasonic Home Appliances India Co Ltd	

(₹ in million)

Sl No	Name of related parties	Nature of Transaction	31.03.2013	31.03.2012
1	Unique Home Health Care Limited	a) Investment in Equity	297.40	297.40
		b) Cumulative Deposits Outstanding	11.67	11.59
		c) Payables as at year end	0.29	0.29
		d) Interest payable	0.08	0.92
2	AB Medical Centers Limited	a) Investment in Equity	21.80	21.80
		b) Payables as at year end	13.51	8.79
		c) Lease Rentals paid	7.20	7.20
3	Samudra Healthcare Enterprises Limited	a) Investment in Equity	250.60	250.60
		b) Reimbursement on account of salaries	1.16	1.61
		c) Commission on Turnover	1.58	1.37
		d) Pharmacy income	65.63	59.18
		e) Receivables as at year end	59.26	47.23
4	Apollo Hospital (UK) Limited	a) Investment in Equity	0.39	0.39
		b) Receivables as at year end	1.86	1.21
5	Apollo Health and Lifestyle Limited	a) Investment in Equity	772.52	597.52
		b) Receivables as at year end	236.84	20.16
		c) Rent received	0.94	0.53
		d) Reimbursement of Expenses	2.30	5.75
		e) Fees	6.18	0.55
6	Imperial Hospital and Research Centre Limited	a) Investment in Equity	1,155.38	1,155.38
		b) Loan given	16.15	234.00
		c) Interest income for the year	15.37	21.74
		d) Receivables as at year end	357.84	308.30
		e) Reimbursement of Expenses	15.12	10.82
		f) Pharmacy income	312.21	287.86
		h) Fees	-	9.46
7	Apollo Nellore Hospital Limited (formerly known as Pinakini Hospitals Limited)	a) Investment in Equity	13.96	13.96
		b) Advance for Investment	57.90	57.90
8	Apollo Cosmetic Surgical Centre Private Limited	a) Investment in Equity	28.44	28.44
		b) Receivables as at year end	0.36	2.99
9	Alliance Medicorp (India) Limited	a) Investment in Equity	62.53	56.61
		b) Advance for Investment	6.32	-
		c) Payables as at year end	0.42	0.91
10	Alliance Dental Care Limited	a) Investment in Equity	54.06	16.32
		b) Receivables as at year end	8.75	8.07
		c) Corporate Guarantees executed	35.00	35.00
11	Apollo Hospitals International Limited	a) Investment in Equity	352.92	214.54
		b) Investment in Preference Shares	110.40	110.40
		c) Receivables as at year end	145.45	138.38
		d) Corporate Guarantees executed	-	207.50
		e) Receivables as at year end	35.98	19.44
		f) Fees	-	2.76
		g) Reimbursement of Expenses	7.99	2.97
		h) Pharmacy income	0.34	0.24

(₹ in million)

Sl No	Name of related parties	Nature of Transaction	31.03.2013	31.03.2012
12	Apollo Gleneagles Hospitals Limited	a) Investment in Equity	393.12	393.12
		b) Receivables as at year end	325.77	200.25
		c) Commission on Turnover	109.37	94.02
		d) Reimbursement of Expenses	15.07	6.80
		e) Fees	87.83	56.80
		f) Pharmacy income	747.50	641.06
13	Apollo Gleneagles PET-CT Private Limited	a) Investment in Equity	85.00	85.00
		b) Payables as at year end	3.76	1.67
		c) Rent received	1.93	1.96
		d) Reimbursement on account of salaries	1.89	1.54
		e) Deposits refundable	23.09	24.30
		f) Pharmacy income	1.19	1.18
14	Western Hospitals Corporation Private Limited	a) Investment in Equity	153.66	153.66
		b) Reimbursement of Expenses	0.40	4.88
		c) Receivables as at year end	-	0.40
15	Apollo Munich Health Insurance Company Limited	a) Investment in Equity	316.00	266.00
		b) Payables as at year end	-	0.68
		c) Pharmacy income	0.92	0.95
		e) Receivables as at year end	0.50	-
16	Apollo Lavasa Health Corporation Limited	a) Investment in Equity	110.00	110.00
		b) Receivables as at year end	3.17	1.71
		c) Pharmacy Income	0.07	0.54
17	Quintiles Phase One Clinical Trials India Private Limited	a) Investment in Equity	152.00	120.80
		b) Rent received	15.23	14.45
		c) Receivables as at year end	56.07	38.21
18	Family Health Plan Limited	a) Investment in Equity	4.90	4.90
		b) Receivables as at year end	17.52	11.77
		c) Transactions during the year	21.42	5.43
19	Indraprastha Medical Corporation Limited	a) Investment in Equity	393.72	393.72
		b) Receivables as at year end	392.47	397.69
		c) Dividend Received	32.46	30.89
		d) Commission on Turnover	59.41	46.43
		e) License Fees	22.84	13.54
		f) Pharmacy income	1,529.25	1,292.45
20	Stemcyte India Therapautics Private Limited	Investment in Equity	80.00	80.00
21	Dr. Prathap C Reddy	Remuneration paid	156.30	171.60
22	Smt. Preetha Reddy	Remuneration paid	52.50	68.64
23	Smt. Suneeta Reddy	Remuneration paid	52.50	50.20
24	Smt. Sangita Reddy	Remuneration paid	52.50	17.16
25	Smt. Shobana Kamineni	Remuneration paid	52.50	17.16
26	Apollo Sindoori Hotels Limited	a) Payables as at year end	13.92	11.16
		b) Reimbursement of Expenses	2.37	1.46

(₹ in million)

Sl No	Name of related parties	Nature of Transaction	31.03.2013	31.03.2012
27	Health Super Hiway Private Limited	a) Investment in Preference Shares	22.00	22.00
		b) Receivables as at year end	2.66	1.76
28	Faber Sindoori Management Services Private Limited	a) Payables as at year end	28.60	13.66
		b) Transactions during the year	242.91	157.35
		c) Reimbursement of Expenses	1.18	0.90
29	Lifetime Wellness Rx International Limited	a) Payables as at year end	0.87	2.27
		b) Transactions during the year	14.96	10.33
30	P. Obul Reddy & Sons	a) Transactions during the year	29.89	11.62
		b) Receivables as at year end	0.75	0.01
31	Keimed Private Limited	a) Payables as at year end	16.57	43.29
		b) Purchases	3,197.84	3,201.27
		c) Pharmacy Income	1.32	0.26
32	Medvarsity Online Limited	a) Rent received	0.94	0.90
		b) Receivables as at year end	2.98	-
		c) Transactions during the year	0.03	0.05
33	Apollo Health Resources Limited	Receivables as at year end	9.88	11.75
34	Apollo Mumbai Hospital Limited	a) Receivables as at year end	6.87	6.35
		b) Reimbursement of Expenses	15.39	12.03
		c) Pharmacy income	3.37	2.37
35	Aircell Cellular Limited	a) Payables as at year end	0.31	0.27
		b) Transactions during the year	4.12	3.24
36	Dishnet Wireless Limited	a) Payables as at year end	0.28	0.06
		b) Transactions during the year	2.16	0.58
37	Kurnool Hospitals Enterprise Limited	Investment in Equity	1.73	1.73
38	AMG Health Care Destination Private Limited	Advance for Investment	12.33	12.33
39	Future Parking Private Limited	a) Investment in Equity	24.01	24.01
		b) Advance Given	0.49	0.49
40	British American Hospitals Enterprises Limited	Investment in Equity	135.88	203.82
41	Sapien Biosciences Private Limited	a) Investment in Equity	0.40	-
		b) Investment in Preference Shares	5.00	-

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

35. LEASES

In respect of Non- cancellable Operating Leases

Lease payments recognized in the Statement of Profit and Loss is ₹ 980.37 million (₹ 992.37 million)

(₹ in million)

Minimum Lease Payments	31.03.2013	31.03.2012
Not later than one year	681.84	620.86
Later than one year and not later than five years	1,819.05	1,755.80
Later than five years	4,507.58	3,127.30

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

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

36. (a) The jointly Controlled Entities considered in the Consolidated Financial Statements are:

Name of the Company	Country of Incorporation	Proportion of ownership Interest (%) 31.03.2013	Proportion of ownership Interest (%) 31.03.2012
Apollo Hospitals International Limited	India	50.00*	50.00*
Apollo Gleneagles Hospital Limited	India	50.00	50.00
Apollo Gleneagles PET CT Private Limited	India	50.00	50.00
Apollo Munich Health Insurance Company Limited	India	10.23	10.45
Future Parking Private Limited	India	49.00	49.00
Quintiles Phase One Clinical Trials India Private Limited	India	40.00	40.00
Apollo Lavasa Health Corporation Limited	India	34.66	34.66

*Inclusive of 27% (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)

	Particulars	As at 31st March, 2013	As at 31st March, 2012
I	**ASSETS**		
	Non-current assets		
(a)	Fixed assets		
	(i) Tangible assets	2,143.60	2,121.08
	(ii) Intangible assets	13.02	10.06
	(iii) Capital work-in-progress	137.69	43.30
	(iv) Intangible assets under development	-	-
(b)	Non-current investments	386.32	342.09
(c)	Deferred tax assets (net)	108.73	93.40
(d)	Long-term loans and advances	195.47	120.20
	Current assets		
(a)	Current investments	20.45	10.11
(b)	Inventories	41.89	26.02
(c)	Trade receivables	287.96	234.45
(d)	Cash and cash equivalents	362.55	257.34
(e)	Short-term loans and advances	48.42	82.30
(f)	Other current assets	84.44	45.59
II	**LIABILITIES**		
	Non-current liabilities		
(a)	Long-term borrowings	681.59	743.18
(b)	Deferred tax liabilities (Net)	100.66	53.21
(c)	Other Long term liabilities	18.87	15.34
(d)	Long-term provisions	6.26	6.52
	Current liabilities		
(a)	Short-term borrowings	277.22	259.23
(b)	Trade payables	469.48	586.57
(c)	Other current liabilities	663.89	389.80
(d)	Short-term provisions	0.08	4.01
III	**INCOME**		
	Revenue from operations	2,292.77	1,898.18
	Other income	16.82	13.24
IV	**EXPENSES**		
(a)	Material consumption, purchase of stock in trade and changes in inventories	578.26	521.47
(b)	Employee benefits expense	432.55	345.33
(c)	Finance costs	126.28	130.44
(d)	Depreciation and amortization expense	154.30	198.85
(e)	Other expenses	962.49	793.42
	Profit before tax	55.72	(78.08)
(a)	Provision for Taxation(Including Deferred Tax Liability)	33.85	67.16
(b)	Add: Deferred tax asset	-	0.05
	Net Profit	21.87	(145.20)
V	**OTHER MATTERS**		
(a)	Contingent Liabilities	200.65	225.94
(b)	Capital Commitments	100.38	34.32

37. 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.

38. The Company has been exempted from publishing the financial statements for sixteen 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 2013.

39. 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 DGHL (subsequently reduced to 49%, now increased to 50%). AGHL assigned an unsecured debt of Rs.163.70 million existing in its books to Apollo Hospitals Enterprise Limited, out of which ₹ 150 million was received till FY 2012-13 and taken to income, leaving a balance unsecured debt of ₹ 13.70 million. As a measure of prudence, the 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.

40. 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.

41. 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 the project will be amortised over the balance lease period of 7 years. The balance yet to be amortised as on 31.03.2013 is ₹ 22.03 million (₹ 25.17 million).

42. Figures of the current year and previous year have been shown in millions.

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

44. Previous year figures have been regrouped and reclassified wherever necessary to conform to the 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 : 20th May 2013

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
Sr. General Manager - Finance & Company Secretary

For and on behalf of the Board of Directors

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Managing Director

Suneeta Reddy
Joint Managing Director

cash flow statement

for the year ended 31st March 2013

(₹ in million)

		31.03.2013		31.03.2012	
A	**Cash Flow from operating activities**				
	Net profit before tax and extraordinary items		**4,079.80**		**3,375.20**
	Adjustment for				
	Depreciation & Amortization	1,085.20		911.30	
	Loss on sale of Investment	(91.80)		0.90	
	Loss on sale of asset	38.10		37.30	
	Interest paid	726.30		636.00	
	Foreign Exchange gain / loss	(1.40)		(4.30)	
	Extraordinary Item	(45.45)		-	
	Interest received	(174.50)		(143.60)	
	Dividend received	(89.50)		(131.50)	
	Provision for bad debts	28.70		24.40	
	Bad debts written off	106.80		120.10	
			1,582.45		1,450.60
	Operating profit before working capital changes		5,662.25		4,825.70
	Adjustment for				
	Trade or other receivables	(863.90)		(985.80)	
	Inventories	(226.80)		(321.90)	
	Trade payables	54.10		(84.60)	
	Others	(410.70)		248.24	
			(1,447.30)		(1,144.06)
	Cash generated from operations		4,214.95		3,681.64
	Foreign Exchange gain /loss		1.40		4.30
	Taxes paid		(890.70)		(624.30)
	Cash flow before extraordinary items		3,325.65		3,061.64
	Net cash from operating activities		3,325.65		3,061.64
B	**Cash flow from Investing activities**				
	Purchase of fixed assets		(5,396.20)		(3,407.80)
	Sale of fixed assets		-		74.40
	Purchase of investments		(3,560.00)		(6,784.10)
	Investment In Subsidiaries & Joint Ventures & Associates		(380.60)		(1,260.30)
	Sale of investments		2,713.10		6,643.40
	Interest received		174.50		143.60
	Dividend received		89.50		131.50
	Extraordinary Item		45.45		-
	Net cash used in Investing activities		(6,314.25)		(4,459.20)
C	**Cash flow from financing activities**				
	Proceeds from issue of equity shares		23.30		48.78
	Proceeds from issue of share premium		1,555.81		4,067.47
	Proceeds from long term borrowings		5,488.70		1,165.56
	Proceeds from short term borrowings		-		49.80
	Repayment of finance/lease liabilities		(2,111.30)		(2,375.20)
	Interest paid*		(726.30)		(636.00)
	Dividend paid		(556.50)		(467.70)
	Net cash from financing activities		3,673.71		1,852.71
	Net increase in cash and cash equivalents (A+B+C)		685.11		455.15
	Cash and cash equivalents (opening balance)		1,869.55		1,414.40
	Cash and cash equivalents (Closing balance)		2,554.66		1,869.55
	Component of Cash and cash equivalents				
	Cash on Hand		119.15		75.93
	Balance with Banks				
1)	Available with the company for day to day operations		2,413.24		1,773.75
2)	Amount available in unclaimed dividend and unclaimed deposit payment accounts.		22.27		19.87

* Includes ₹ 35.18 million towards cost of covering the currency fluctuations and LIBOR risk for ECB availed by the company

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 : 20th May 2013

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
Sr. General Manager - Finance & Company Secretary

For and on behalf of the Board of Directors

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
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 2013. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of the listing agreement with the Stock Exchanges and is based on and in agreement with the corresponding Statement of Profit and Loss and the Balance Sheet of the Company covered by our report of 20th May 2013 to the members of the Company.

Place : Chennai
Date : 20th May 2013

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

V C Krishnan
Partner
Membership No. 022167

FIVE YEARS STANDALONE FINANCIAL PERFORMANCE AT A GLANCE

(₹ in million)

Year Ended	31st Mar 13	31st Mar 12	31st Mar 11	31st Mar 10	31st Mar 09
Balance Sheet					
Sources					
Share Capital	695.63	672.33	623.55	617.85	602.35
Preferential issue of equity share warrants	-	387.05	685.07	-	-
Reserve and Surplus	26,580.34	22,463.28	16,413.02	14,799.93	13,106.20
Networth	27,275.97	23,522.66	17,721.64	15,417.66	13,708.11
Loans (including long term liabilities and provisions)	8,825.42	6,921.47	7,689.40	6,899.86	4,494.82
Deferred Tax Liability	2,394.11	1,700.85	1,071.06	751.45	626.56
Applications					
Gross Block	26,427.74	21,196.95	17,968.91	15,289.23	11,779.31
Accumulated Depreciation	5,785.32	4,827.51	3,987.44	3,314.74	2,779.92
Net Block	20,642.43	16,369.44	13,981.47	11,974.49	8,999.39
Investments	5,254.50	6,470.10	5,155.42	4,897.88	6,292.80
Long Term Loans and Advances	3,015.98	5,103.33	4,521.44	-	-
Current Assest, Loans & Advances					
Inventory	2,053.88	1,827.09	1,505.21	1,343.43	1,088.42
Debtors	4,266.09	3,537.70	2,696.43	2,055.34	1,607.35
Cash and Bank	2,554.66	1,869.55	1,414.40	2,855.58	646.16
Loans and Advances	5,758.27	2,406.02	2,279.23	5,170.72	3,693.22
(A)	14,632.90	9,640.36	7,895.27	11,425.07	7,035.16
Current Liabilities & Provisions					
Creditors	1,763.42	1,709.36	1,794.01	1,781.07	750.05
Other Liabilities	2,226.86	2,955.67	2,593.45	839.95	776.96
Provisions	1,060.03	773.22	684.04	2,607.45	1,970.85
(B)	5,228.46	5,438.25	5,071.50	5,228.46	3,497.86
Net Current Assets (A - B)	9,404.44	4,202.11	2,823.77	6,196.60	3,537.30
Miscellaneous Expenditure	-	-	-	0.12	0.45
Key Indicators					
O P M%	17.46	17.41	16.93	16.90	16.38
N P M%	9.23	8.17	7.72	8.18	7.98
Collection Growth %	18.42	20.36	26.61	25.56	28.72
OP Growth (%)	18.76	24.60	30.16	29.72	20.27
Earning Per Share (₹) (Basic) Equity shares of face value of ₹ 5 each	22.43	17.72	14.66	12.31	9.9
Capital Employed	36,954.47	29,693.24	25,131.74	22,317.52	18,202.93
R O I (PBIT / AV.CE) %	14.42	14.63	13.83	12.83	11.33
RONW%	12.17	11.20	10.97	10.43	9.09
Employee Cost to Collections %	15.66	15.15	15.18	15.40	14.93
Debt / Equity Ratio	0.35	0.29	0.43	0.44	0.33

FIVE YEARS STANDALONE FINANCIAL PERFORMANCE AT A GLANCE

(₹ in million)

Year Ended	31st Mar 13		31st Mar 12		31st Mar 11		31st Mar 10		31st Mar 09	
				%		%		%		%
PROFIT AND LOSS ACCOUNT										
Income	33,488.18		28,279.20		23,495.65		18,587.45		14,803.50	
Operative Expenses	17,198.23	51.36%	14,554.76	61.95	12,275.73	52.25	9,944.64	53.50	8,096.51	54.69
Salaries and Wages	5,243.99	15.66%	4,285.07	18.24	3,572.00	15.20	2,863.81	15.41	2,210.51	14.93
Administrative Expenses	5,200.16	15.53%	4,516.91	19.22	3,697.38	15.74	2,633.37	14.17	2,065.74	13.95
Other Expenses	-		-		-		3.43	0.02	5.81	0.04
Operating Profit	5,845.79	17.46%	4,922.46	20.95	3,950.54	16.81	3,145.63	16.92	2,424.94	16.38
Financial Expenses	726.25	2.17%	636.03	2.71	551.45	2.35	377.47	2.03	223.16	1.51
Depreciation	1,085.20	3.24%	911.28	3.88	705.85	3.00	543.06	2.92	439.20	2.97
Extraordinary items	45.45				-		-		40.19	0.27
P B T	4,079.79	12.18%	3,375.15	14.36	2,693.24	11.46	2,221.65	11.95	1,722.39	11.63
Tax - Current	295.45	0.88%	435.46	1.85	556.45	2.37	577.12	3.10	479.79	3.24
Previous					-		-	-	-	-
Deferred	693.26	2.07%	629.79	2.68	319.61	1.36	124.89	0.67	36.86	0.25
Fringe Benefit Tax					-		-	-	25.04	0.17
P A T	3,091.08	9.23%	2,309.90	9.83	1,817.18	7.73	1,519.63	8.18	1,180.69	7.97
Dividend	765.19		537.87		467.67		432.49		401.60	

independent auditor's report

to the Board of Directors of Apollo Hospitals Enterprise Limited

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

1. We have audited the accompanying Consolidated financial statements of APOLLO HOSPITALS ENTERPRISE LIMITED (the 'Company') and its subsidiaries, and jointly controlled entities (The Company, its Subsidiaries and jointly controlled entities constitute 'The Group') which comprise the Consolidated Balance Sheet as at 31st March, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended. 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 and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including Accounting Standards referred in Section 211 (3C) of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

5. In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditors on the financial statements/consolidated financial statements of the subsidiaries, associates and joint ventures as noted below, the 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, 2013;

   (b) in the case of the Consolidated Statement of Profit and Loss, of the profit 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.

OTHER MATTERS

6. 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, Sapien Biosciences Pvt Ltd, Western Hospitals Corporation Private Limited), Joint Ventures (Apollo Gleneagles Hospitals Limited, Apollo Gleneagles PET CT Private Limited, Apollo Munich Health Insurance Company 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 2013 of ₹ 6,669.91 million (31.03.2012: ₹ 5,405.69 Million) and total revenues (net) for the year ended on that date of ₹ 10,985.21 Million (31.03.2012: ₹ 8,270.94 Million) and of Associates (Indraprastha Medical Corporation Limited and Family Health Plan Limited) which reflect the Group's share of profit of ₹ 86.50 million (31.03.2012: profit of ₹ 70.99 Million) for the year, 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 by the management, and our opinion in so far as it relates to the amounts included in respect of this entity is based solely on the report of the other auditors.

   The consolidated financial statements include the group's share of loss of ₹ 18.81 million (Previous year ₹ 11.87 million) of Stemcyte India Therapautics Private Limited, based on the unaudited management certified accounts. The consolidated financial statements also include the group's share of loss of ₹ 31.81 million (Previous year ₹ 78.47 million) of Quintiles Phase One Clinical Trials India Private Limited, based on the unaudited management certified accounts.

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

For **M/s S Viswanathan**
Chartered Accountants
FRN : 004770S

V C Krishnan
Partner
Membership No: 022167

Place: Chennai
Date :20th May 2013

consolidated balance sheet

as at 31st March 2013

(₹ in million)

Particulars	Note	31.03.2013	31.03.2012
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	4	695.63	672.33
(b) Reserves and surplus	5	26,772.10	24,008.81
(c) Money received against share warrants		-	387.05
2 Minority Interest		173.44	125.60
3 Non-current liabilities			
(a) Long-term borrowings	7	10,789.00	5,743.76
(b) Deferred tax liabilities (Net)	8	2,545.70	1,795.92
(c) Other Long term liabilities	9	46.55	51.44
(d) Long-term provisions	10	27.86	21.66
4 Current liabilities			
(a) Short-term borrowings	11	578.77	1,749.87
(b) Trade payables		2,217.63	1,903.31
Add : Share of Joint Ventures		469.48	586.57
(c) Other current liabilities	12	3,008.01	2,242.72
(d) Short-term provisions	13	1,066.46	781.93
TOTAL		**48,390.63**	**40,070.97**
II. ASSETS			
1 Goodwill on Consolidation		1,453.00	1,350.45
2 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	14	21,766.55	18,566.03
(ii) Intangible assets	15	186.33	196.05
(iii) Capital work-in-progress	16	3,885.86	1,976.46
(iv) Intangible assets under development		148.07	116.23
(b) Non-current investments	17	1,479.54	4,421.74
(c) Deferred tax assets (Net)	8	251.45	245.01
(d) Long-term loans and advances	18	3,472.22	2,574.60
3 Current assets			
(a) Current investments	19	3,787.59	1,219.83
(b) Inventories	20	2,186.83	1,915.38
(c) Trade receivables	21	4,733.03	3,867.33
(d) Cash and cash equivalents	22	3,200.64	2,368.38
(e) Short-term loans and advances	23	1,603.26	984.36
(f) Other current assets	24	236.26	269.12
TOTAL		**48,390.63**	**40,070.97**
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 : 20th May 2013

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
Sr. General Manager - Finance & Company Secretary

For and on behalf of the Board of Directors

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Managing Director

Suneeta Reddy
Joint Managing Director

consolidated statement of profit & loss

for the year ended 31st March 2013

(₹ in million)

Particulars	Note	31.03.2013	31.03.2012
I. REVENUE FROM OPERATIONS	25	35,394.29	29,577.07
Add : Share of Joint Ventures		2,292.77	1,898.19
II. OTHER INCOME	26	301.74	259.07
TOTAL REVENUE		**37,988.80**	**31,734.33**
III. EXPENSES			
(a) Cost of materials consumed during the year		9,430.00	8,393.30
(b) Purchase of Stock -in-Trade		8,639.91	6,898.82
(c) Changes in inventories of stock-in-trade		(89.84)	(190.32)
Add : Share of Joint Ventures		578.26	521.47
(d) Employee benefits expense	27	6,231.31	5,028.60
(e) Finance costs	28	1,032.50	891.41
(f) Depreciation and amortization expense #		1,423.42	1,239.10
(g) Other expenses	29	6,815.41	5,692.22
TOTAL EXPENSES		**34,060.97**	**28,474.60**
IV PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX		3,927.83	3,259.73
V EXTRAORDINARY ITEMS*		62.95	-
VI PROFIT BEFORE TAX		3,990.78	3,259.73
VII TAX EXPENSE			
(1) Current tax (MAT)		841.49	672.11
less MAT Credit Entitlement		(534.66)	(229.27)
Net Current Tax		306.83	442.84
(2) Deferred tax	8	743.54	713.62
(3) Add : Deferred tax Asset		-	6.86
VIII PROFIT (LOSS) FOR THE PERIOD		2,940.41	2,110.13
Less : Minority Interest		(16.58)	(12.34)
IX PROFIT AFTER MINORITY INTEREST		2,956.99	2,122.47
Add : Share in Associates		86.51	70.99
X PROFIT AFTER SHARE IN ASSOCIATES		3,043.50	2,193.46
XI EARNINGS PER EQUITY SHARE FACE VALUE OF ₹ 5/- EACH	32		
Before Extraordinary Item			
Basic (in ₹)		21.62	16.83
Diluted (in ₹)		21.42	16.30
After Extraordinary Item			
Basic (in ₹)		22.08	16.83
Diluted (in ₹)		21.88	16.30
XII CONSOLIDATED NOTES FORMING PART OF ACCOUNTS	1-44		

Includes ₹ 0.50 million being the group share of impairment of fixed assets of Quintiles Phase One Clinical Trials India Pvt Ltd.
* Represents profit on sale of the Group's equity investment in Apollo Health Street Limited

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 : 20th May 2013

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
Sr. General Manager - Finance & Company Secretary

For and on behalf of the Board of Directors

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Managing Director

Suneeta Reddy
Joint Managing Director

Notes Forming Part of Accounts

Accounting Policies & Notes forming part of the 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 as per 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 the 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 as per 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 2013	% of holding as on 31st March 2012
Unique Home Health Care Limited	India	100.00	100.00
AB Medical Centres Limited	India	100.00	100.00
Apollo Health and Lifestyle Limited	India	100.00	100.00
Samudra Healthcare Enterprise Limited	India	100.00	100.00
Imperial Hospital & Research Centre Limited #	India	85.76	85.76
Apollo Hospital (UK) Limited	United Kingdom	100.00	100.00
Apollo Nellore Hospital Limited**	India	74.94	74.94
Apollo Cosmetic Surgical Centre Private Limited	India	69.40	69.40
Alliance Medicorp (India) Limited	India	51.00	51.00
Western Hospitals Corporation Private Limited	India	100.00	100.00
ISIS Healthcare India Private Limited*	India	*	*
Mera Healthcare Private Limited*	India	*	*
Apollo Koramangla Cradle Limited*	India	*	*
Alliance Dental Care Limited @	India	@	@
Sapien Biosciences Private Limited##	India	70.00	-

Formerly known as Imperial Cancer Hospital & Research Centre Limited.

* 100% subsidiary of Apollo Health and Lifestyle Limited.

** Formerly known as Pinakini Hospitals Limited.

@ Subsidiary of Alliance Medicorp (India) Limited in which AHEL holds 21.07% (8.94%)

70% subsidiary of Apollo Hospitals Enterprise Limited during the year.

2. Financial Statements of all the subsidiaries have been drawn upto 31st March 2013.
3. Minority Interest consists of the share in the net assets of subsidiaries, as on the date of the 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 pertain 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 2013	Proportion of ownership interest (%) as on 31st March 2012
Indraprastha Medical Corporation Limited.	India	22.03	22.03
Family Health Plan Limited.	India	49.00	49.00
Apollo Health Street Limited*	India	-	39.38*
Stemcyte India Therapautics Private Limited	India	24.50	24.50

* During the year the Company sold its entire investments, including the investment held through Unique Home Health Care Ltd, a wholly owned subsidiary of Apollo Hospitals Enterprise Limited.

2. The financial statements of all associates are drawn upto 31st March 2013.

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 Associate Company	Country of Incorporation	Proportion of ownership interest (%) as on 31st March 2013	Proportion of ownership interest (%) as on 31st March 2012
Apollo Gleneagles Hospitals Limited	India	50.00	50.00
Apollo Gleneagles PET – CT Private Limited #	India	50.00	50.00
Apollo Hospitals International Limited**	India	50.00**	50.00**
Future Parking Private Limited	India	49.00	49.00
Apollo Munich Health Insurance Company Limited*	India	10.23	10.45
Apollo Lavasa Health Corporation Limited ***	India	34.66	34.66
♥	India	40.00	40.00

\# Formerly known as Apollo Gleneagles PET CT Limited.

** Apollo Hospitals Enterprise Limited directly holds 23% (8%) in Apollo Hospitals International Limited and a further 27% (42%) through its wholly owned subsidiary Unique Home Health Care Limited.

* Formerly known as Apollo DKV Insurance Company Limited.

*** Apollo Lavasa Health Corporation Limited has been considered as a joint venture based on the substance of the agreement between Apollo Lavasa Health Corporation Limited and Apollo Hospitals Enterprise Limited.

2. The Financial statements of all the Joint Ventures are drawn upto 31st March 2013.

3. In the case of Quintiles Phase One Clinical Trials India Private 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:

(₹ in million)

	Particulars	As at 31st March 2013	As at 31st March 2012
I	**ASSETS**		
	Non-current assets		
	(a) Fixed assets		
	(i) Tangible assets	2,143.60	2,121.08
	(ii) Intangible assets	13.02	10.06
	(iii) Capital work-in-progress	137.69	43.30
	(iv) Intangible assets under development	-	-
	(b) Non-current investments	386.32	342.09
	(c) Deferred tax assets (net)	108.73	93.40
	(d) Long-term loans and advances	195.47	120.20
	Current assets		
	(a) Current investments	20.45	10.11
	(b) Inventories	41.89	26.02
	(c) Trade receivables	287.96	234.45
	(d) Cash and cash equivalents	362.55	257.34
	(e) Short-term loans and advances	48.42	82.30
	(f) Other current assets	84.44	45.59
II	**LIABILITIES**		
	Non-current liabilities		
	(a) Long-term borrowings	681.59	743.18
	(b) Deferred tax liabilities (Net)	100.66	53.21
	(c) Other Long term liabilities	18.87	15.34
	(d) Long-term provisions	6.26	6.52
	Current liabilities		
	(a) Short-term borrowings	277.22	259.23
	(b) Trade payables	469.48	586.57
	(c) Other current liabilities	663.89	389.80
	(d) Short-term provisions	0.08	4.01
III	**INCOME**		
	(a) Revenue from operations	2,292.77	1,898.18
	(b) Other income	16.82	13.24
IV	**EXPENSES**		
	(a) Material consumption, purchase of stock in trade and changes in inventories	578.26	521.47
	(b) Employee benefits expense	432.55	345.33
	(c) Finance costs	126.28	130.44
	(d) Depreciation and amortization expense	154.30	198.85
	(e) Other expenses	962.49	793.42
	Profit before tax	55.72	(78.08)
	(a) Provision for Taxation(Including Deferred Tax Liability)	33.85	67.16
	(b) Add: Deferred tax asset	-	0.05
	Net Profit	21.87	(145.20)
V	**OTHER MATTERS**		
	(a) Contingent Liabilities	200.65	225.94
	(b) Capital Commitments	100.38	34.32

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 2013, the Company (AHEL) has been exempted from publishing the standalone accounts of all fifteen 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 statements are in conformity with generally accepted accounting principles and requires the management to make estimates and assumptions that affect the reported values of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from the estimates.

B. Inventories

1. The inventories of all medicines, medicare items traded and dealt with by the Company are valued at cost. In the absence of any further estimated costs of completion and estimated costs necessary to make the sale, the Net Realisable Value is not applicable. Cost of these inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location after adjusting for VAT wherever applicable, applying the FIFO method.

2. Stock of provisions, stores (including lab materials and other consumables), stationeries and housekeeping items are stated at cost. The net realisable value is not applicable in the absence of any further modification/alteration before being consumed in-house only. Cost of these inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location, after adjusting for VAT wherever applicable applying FIFO method.

3. Surgical instruments, linen, crockery and cutlery are valued at cost and are subject to 1/3rd 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 29 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 costs necessary to complete the sale.

Apollo Health and Lifestyle Limited

Consumables are valued at lower of cost or net realisable value. Cost is determined on a First in First out basis. Net Realizable value is the estimated selling price in the ordinary course of business, less estimated cost necessary to complete the sale.

Apollo Gleneagles Hospitals Limited

Inventories are valued at lower of Cost or net realizable value. Costs have been calculated on a 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.

Future Parking Private Limited

Raw Material:

Raw Material, Stores and Spares are valued at weighted average cost. Cost comprises all costs of purchase.

Work-in-progress:

Work-in-progress is valued at cost or the contract rates whichever is lower.

Completed projects:

Completed Projects are valued at cost or net realizable value, whichever is less.

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 a 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 rates specified in the Income Tax Act.

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. 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.

Apollo Cosmetic Surgical Center Private Limited

Depreciation has been provided on "Written Down Value" method at rates specified in Schedule XIV to 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%
Office Equipment	4.75%
Air Conditioners	4.75%
Electrical Fittings	4.75%
Computers	16.21%
Broadband Connections	16.21%
Vehicles	9.50%
Medical Equipments	7.07%
Vehicles -Motor vehicle	20.00%
Software & Packages	16.21%

Sapien Biosciences Private Limited

Depreciation on additions / deletions from fixed Assets during the year is charged on pro-rata basis from/up to the date on which the asset becomes available/now available for use. Lease hold land is amortised over the lease life of the land.

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 on Fixed Assets other than Intangible Assets has been provided on written down value method at the rates specified in Schedule XIV of the Companies Act, 1956 on pro-rata basis. Cost of lease hold land is amortized on a straight line basis over the period of lease.

In respect of intangible assets being computer software relating to Hospital Management System the same is amortized over the estimated useful life of ten years under straight line method on pro-rata basis.

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 a 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 assets, 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.

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) which are amortized at the same rate as computers.

Indraprasatha 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 is 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 are 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 asset's revised carrying amount, less its residual value (if any) on a systematic basis over its remaining useful life.

Amortisation of Intangible Assets

i. Intangible assets are amortised on straight line method over the estimated useful life of the asset.

ii. The useful life of the intangible assets for the purpose of amortisation is estimated to be three years.

E. Revenue Recognition

a. Income from Healthcare Services is recognised on completed service contract method. The hospital collections of the Company are net of discounts. Revenue also includes the value of services rendered pending final billing in respect of in-patients undergoing treatment as on 31st March 2013.

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.

Apollo Health and Lifestyle Limited

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue from services is recognized as per the standard terms with the customer when the related services are performed, with reference to Cradle the One Time License fee is recognized based on percentage of Completion method.

The Company has recognized revenue as follows.

One Time License Fees

- With reference to Clinics, 70% of One Time License fee is recognized as income on signing the MOU, 15% on completion of 3 months from date of signing MOU and balance 15% on commencement of operations.
- With Reference to Cradle the One Time License fee is recognized based on percentage of completion method.

Operating License Fee

- Operating License Fee is recognized as a percentage of the gross sales.

Owned clinics operational income

- Owned clinics recognise revenues on the basis of services rendered on cash or on accrual basis whichever is earlier.

Corporate services Fee

- Corporate services fee is recognized on basis of the services rendered and as per the terms of the agreement.

Other Incomes

- All other incomes are recognized on a pro-rata basis, based on the completion of work and as per the terms of the agreement.

Interest

- Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable Interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

All the above incomes are recognized net of Service tax or VAT wherever applicable

Sapien Bioscience Private Limted

Revenue from operations is recognized based on services provided and billed as per the terms of the specific contract.

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 an 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 it 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 an accrual basis. Accretion of discounts and amortization of premium relating to debt securities is recognized over holding /maturity period. Dividend income is recognized when the right to receive the dividend is established.

f. Accretion / Amortization of Discounts/ Premium

Accretion of discounts and amortization of premium relating to debt securities is recognized over holding / maturity period.

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.

Family Health Plan (TPA) Limited

All the TPA streams of revenue are recognized on an accrual basis. Income from TPA operations is recognized exclusive of applicable service tax.

Indraprastha Medical Corporation Limited

a. Revenue is recognized on an accrual basis. Hospital Revenue comprises of income from services rendered to the out-patients and in-patients. Revenue also includes value of services rendered pending billing in respect of in-patients undergoing treatment as at the end of the year.

b. Under the "Served from India Scheme" introduced by Government of India, an exporter of service is entitled to certain export benefits on foreign currency earned. The revenue in respect of export benefits is recognized on the basis of the foreign exchange earned at the rate at which the said entitlement accrues to the extent there is no significant uncertainty as to the amount of consideration that would be derived and as to its ultimate collection.

F. Fixed Assets

a. All Fixed Assets are stated at their original cost of acquisition less accumulated depreciation and impairment losses are recognised where necessary (Also refer Note 3(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 is included under long term loans and advances as per revised Schedule VI.

c. Assets acquired under Hire Purchase agreements are capitalised to the extent of the 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, hitherto written off in this Statement of Profit & Loss, and the related revenue expenditure incurred for the period prior to the commencement of operations for the expansion activities of the Company are capitalised.

G. Transactions in Foreign Currencies

a. Monetary items relating to foreign currency transactions remaining unsettled at the end of the year are translated at the exchange rates prevailing at the date of the Balance Sheet. The difference in translation of monetary items and the realised gains and losses on foreign exchange transactions are recognised in the Statement of Profit and Loss in accordance with Accounting Standard 11 – 'The Effects of Changes in Foreign Exchange Rates (Revised 2003)', as notified under the Companies (Accounting Standards) Rules, 2006 (Also refer Note 29 (d) in the Notes forming part of Accounts).

b. Exchange differences arising on settlement or restatement of foreign currency denominated liabilities borrowed for the acquisition of Fixed Assets are capitalised based on Para 46A of Accounting Standard 11 – 'The Effects of Changes in Foreign Exchange Rates (Revised 2003)'.

c. The use of foreign currency forward contract are governed by the Company's policies as approved by the Board of Directors. These hedging contracts are not meant for speculation.

H. INVESTMENTS

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

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

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

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

d. In case of foreign investments,

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

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

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 a 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'

Future Parking Private Limited

Investments are classified as long-term and current investments. Long-term investments are shown at cost or written down value (in case of other than temporary diminution).

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 under a defined contribution retirement benefit fund for qualifying employees.

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

Defined Benefit Plans

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

a. Gratuity

The Company makes an 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 which is 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 an annual contribution to the fund managed by HDFC Life.

Imperial Hospital & Research Centre Limited

a. Gratuity

The Company makes 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	7.53
Current Service Cost	2.92
Closing balance of the Planned Asset	0.14
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 an accrual basis.

c. Leave encashment benefits

As per 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.

J. BORROWING COST

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

K. SEGMENT REPORTING

Identification of Segments

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

The Company operates in a single geographical segment, which is India, and the 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 the 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 revenues 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 the 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 assets can be realized. The tax effect is calculated on the accumulated timing differences at the beginning of the accounting year based on the prevailing enacted or substantively enacted regulations.

Imperial Hospital & Research Centre Limited

The differences that result between the losses calculated for Income Tax purposes and the losses as per the financial statements are identified and thereafter deferred tax asset or deferred tax liability is recorded for timing differences. Net Deferred Tax is recognized as per Accounting Standard (AS) -22.

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.

Sapien Bioscience Private Limited

Preliminary expenses are written off in the year in which the company commences its commercial operations.

Q. INTANGIBLE ASSETS

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

Apollo Health and Lifestyle Limited

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The company uses a rebuttable presumption that the useful life of an intangible asset will not exceed five years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the company amortizes the intangible asset over the best estimate of its useful life.

Imperial Hospital & Research Centre Limited

Cost of software including directly attributable cost, if any, acquired for internal use, is allocated /amortized over a period of 5 years.

Family Health Plan Limited

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The company uses a rebuttable presumption that the useful life of an intangible asset will not exceed five years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the company amortizes the intangible asset over the best estimate of its useful life.

Indraprasatha Medical Corporation Limited

- Intangible assets are amortised on straight line method over the estimated useful life of the asset.
- The useful life of 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

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.

T. INSURANCE – RELATED POLICIES

Apollo Munich Health Insurance Company Limited

i. Reinsurance Premium

Reinsurance Premium on ceding of risk is accounted in the year in which risk commences and over the period of risk in accordance with the treaty arrangements with the reinsurers. Unearned premium on reinsurance ceded is carried forward to the period of risk and is set off against related unearned premium. Premium on excess of loss reinsurance cover is accounted as per the reinsurance arrangements.

ii. Acquisition Cost of Insurance Contracts

Costs relating to acquisition of new insurance contracts and renewal of insurance contracts viz commission, etc., are expensed in the year in which they are incurred.

iii. Premium Received in Advance

Premium received in advance represents premium received in respect of those policies issued during the year where the risk commences subsequent to the Balance Sheet date.

iv. Claims Incurred

Estimated liability in respect of claims is provided for the intimations received upto the year end based on, assessment made by Third Party Administrators (TPA), information provided by the insured and judgment based on the past experience. Claims are recorded in the revenue account, net of claims recoverable from reinsurers / coinsurers to the extent there is a reasonable certainty of realization. These estimates are progressively re-valued on availability of further information.

v. Claims incurred but not reported (IBNR) and claims incurred but not enough reported(IBNER)

IBNR represents that amount of claims that may have been incurred prior to the end of the current accounting period but have not been reported or claimed. The IBNR provision also includes provisons, 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 are also certified by the Actuary to be appropriate, in accordance with guidelines and norms issued by the Actuarial Society of India and in concurrence with IRDA regulations.

vi. Allocation of Investment Income

Investment income is apportioned to the Statement of Profit & Loss and Revenue Account in the ratio of average of shareholder's funds and policy holders' funds at the end of each month.

vii. Fair Value Change Account

'Fair Value Change Account' represents unrealized gains or losses due to change in fair value of traded securities and mutual fund units outstanding at the close of the year. The balance in the account is considered as a component of shareholder's funds and not available for distribution as dividend.

viii. Profit / Loss on Sale / Redemption of Investments

Profit or loss on sale / redemption of investments, being the difference between sale consideration / redemption value and the carrying value of investments is credited or charged to the Statement of Profit and Loss. The profit / loss on sale of investments include accumulated changes in the fair value previously recognized in 'Fair Value Change Account' in respect of a particular security.

ix. Long Term / Short Term Investments

Investments maturing within twelve months from the Balance Sheet date and investments made with specific intention to be disposed 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	Amount	Amount
Authorised		
200,000,000(2011-12 : 200,000,000) Equity Shares of ₹ 5/- each	1,000.00	1,000.00
1,000,000(2011-12 : 1,000,000) Preference Shares of ₹ 100/- each	100.00	100.00
	1,100.00	**1,100.00**
Issued		
139,658,177 (2011-12 : 134,999,636) Equity Shares of ₹ 5/- each	698.29	675.00
Subscribed and Paid up		
139,125,159 (2011-12 :134,466,618)Equity Shares of ₹ 5/- each fully paid up	695.63	672.33

Particulars	31.03.2013		31.03.2012	
	Equity Shares		Equity Shares	
	Number	Amount (₹ in million)	Number	Amount (₹ in million)
Shares outstanding at the beginning of the year	134,466,618	672.33	124,710,710	623.55
Shares Issued to IFC on conversion of FCCB Bonds *	1,381,619	6.91	-	-
Shares Issued on Qualified Institutional Placement Scheme	-	-	6,666,666	33.33
Shares Issued on Conversion of Share warrants#	3,276,922	16.38	3,089,242	15.45
Shares outstanding at the end of the year	139,125,159	695.63	134,466,618	672.33

* Refer Note 7(j)
\# Refer Note 6

SHAREHOLDERS HOLDING MORE THAN 5% OF TOTAL PAID UP CAPITAL

Name of the Shareholder	31.03.2013		31.03.2012	
	Equity Shares		Equity Shares	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
PCR Investments Ltd	21,313,124	15.32	21,313,124	15.85
Integrated (Mauritius) Healthcare Holdings Ltd	11,000,000	7.90	11,000,000	8.18
Oppenheimer Developing Markets Fund	10,507,859	7.55	-	-
HSTN Acquisition (FII) Limited	4,417,069	3.17	13,446,657	10.00
CLSA (Mauritius) Ltd	-	-	8,550,000	6.36

a. The Parent Company had issued 9,000,000 Global Depository Receipts of ₹ 10/- (now 18,000,000 Global Depository Receipts of ₹ 5/-) each with two way fungibility during the year 2005-06. Total GDR's converted into underlying Equity Shares for the year ended on 31st March 2013 is 4,597,869(2011-12: 5,396,660) of ₹ 5/- each and total equity shares converted back to GDR for the year ended 31st March 2013 is 10,949 (2011-12: 7,689,329) of ₹ 5/- each. Total GDR's converted into equity shares upto 31st March 2013 is 24,931,729 (2011-12: 20,333,860) of ₹ 5/- each.

5. RESERVES AND SURPLUS

(₹ in million)

	Particulars	31.03.2013	31.03.2012
a.	**Capital Reserves**		
	Opening Balance	18.44	18.44
	Closing Balance	**18.44**	**18.44**
b.	**Capital Reserve on Consolidation**		
	Opening Balance	155.25	159.26
	(-) Written Back in Current Year	-	4.02
	Closing Balance	**155.25**	**155.25**
c.	**Capital Fund**		
	Opening Balance	2.62	2.62
	Closing Balance	**2.62**	**2.62**
d.	**Capital Redemption Reserve**		
	Opening Balance	60.02	60.02
	Closing Balance	**60.02**	**60.02**
e.	**Securities Premium Account**		
	Opening Balance	15,633.19	10,830.18
	Add : Securities premium credited on Share issue	1,942.86	4,365.48
	Add : Share premium from Group Companies	23.50	437.53
	Closing Balance	**17,599.55**	**15,633.19**
f.	**Debenture Redemption Reserve**		
	Opening Balance	170.00	100.00
	(+) Current Year Transfer	630.00	70.00
	Closing Balance	**800.00**	**170.00**
g.	**General Reserve**		
	Opening Balance	5,249.03	3,749.03
	(+) Current Year Transfer	1,000.00	1,500.00
	(+) Share of Associates	9.82	1,009.05
	(+) Share of Profits / (Loss) Subsidiaries	166.19	167.54
	(+) Profit from Joint Ventures	500.39	821.07
	Closing Balance	**6,925.43**	**7,246.69**
h.	**Investment Allowance Reserve**		
	Opening Balance	7.63	7.63
	Closing Balance	7.63	7.63
	Foreign Currency Translation Reserve	0.02	0.02
	Fair value change account	0.04	0.04
i.	**Foreign Exchange fluctuation Reserve**		
	Opening Balance	0.19	0.19
	Closing Balance	**0.19**	**0.19**
j.	**Surplus**		
	Opening balance	714.72	716.39
	(-) Dividend paid on FCCB loan and Share Warrants*	21.66	-
	(+) Net Profit/(Net Loss) For the current year	3,035.08	2,193.46
	(-) Proposed Dividend on Equity Shares for the year	765.19	537.87
	(-) Dividend Distribution Tax on Proposed dividend on Equity Shares	130.04	87.26
	(-) Transfer to Reserves	1,000.00	1,500.00
	(-) Transfer to Debenture Redemption Reserve	630.00	70.00
	Closing Balance	**1,202.91**	**714.72**
	Total	**26,772.10**	**24,008.81**

* Represents dividend paid on shares resulting from conversion of FCCBs loan granted by IFC and preferential equity warrants issued to Dr. Prathap C Reddy, subsequent to the board meeting date, but prior to the date of closure of the share transfer register viz 28th July 2012.

6. The Parent Company issued and allotted 3,276,922 equity warrants convertible into equity shares of nominal value of ₹ 5/- each at a 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 of ₹ 472.46 was determined in accordance with the guidelines for preferential issues of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009. On receipt of the full consideration from the promoter, the Company alloted 3,276,922 equity shares of nominal values of ₹ 5/- each at a premium of ₹ 467.46 per share on 25th July 2012 which is within 18 months from the date of allotment of the warrants.

7. LONG TERM BORROWINGS

(₹ in million)

		Particulars	31.03.2013	31.03.2012
	Secured			
(a)	**Non-convertible Debentures**			
	1000 (2011-12: 1000) 10.30% Debentures of ₹ 1,000,000/- each		1,000.00	1,000.00
	940 (2011-12: 1000) 10.15% Debentures of ₹ 1,000,000/- each		940.00	1,000.00
	1250 (2011-12: Nil) 9.80% Debentures of ₹ 1,000,000/- each		1,250.00	-
(b)	**Term loans**			
	From Banks			
	(i)	Jammu & Kashmir Bank	-	223.19
	(ii)	Canara Bank	-	336.00
	(iii)	Indian Overseas Bank	-	204.08
	(iv)	HDFC Bank	1,164.25	18.92
	(vi)	Canara Bank	-	290.80
	(vii)	Yes Bank	1,058.90	-
	(viii)	ICICI	200.00	-
	From Other parties			
	IFC Loan (External Commercial Borrowings)		1,179.77	1,394.28
	IFC Loan (External Commercial Borrowings)		1,636.80	-
	HSBC (External Commercial Borrowings)		1,355.00	-
	HSBC (Bills Payable)		141.86	-
	Hire Purchase Loans		-	1.69
	Total		**9,926.59**	**4,468.96**
	Add : Share of Joint Ventures		648.27	673.99
	Total		**10,574.85**	**5,142.95**
	Unsecured			
	(i)	**Deposits**		
	Fixed Deposits		180.83	147.94
	(ii)	**Other loans and advances**		
	Foreign Currency Convertible Bonds		-	383.67
	Total		10,755.68	5,674.56
	Add : Share of Joint Ventures		33.32	69.20
	Total		**10,789.00**	**5,743.76**

Apollo Hospitals Enterprise Limited

a. 10.30% Non Convertible Debentures

The Company issued 500 Nos. 10.30% Non Convertible Redeemable Debentures of ₹ 1 million each on 28th December 2010 with an option to re-purchase/re-issue some or all of its debentures in the secondary market or otherwise, at any time prior to the specified date of redemption of 28th December 2020 and 500 Nos. 10.30% Non-Convertible Redeemable Debentures of ₹ 1 million each on 22nd March 2011 which will be redeemed on 22nd March 2021 to Life Insurance Corporation of India.

b. 10.15% Non Convertible Debentures

The Company issued 1,000 Nos. 10.15% Non Convertible Redeemable Debentures of ₹ 1 million each on 22nd March 2012 with an option to re-purchase/re-issue some or all of its debentures in the secondary market or otherwise, at any time prior to the specified date of redemption of 22nd March 2017. During the year debentures amounting to ₹ 60, million were redeemed as per the terms and conditions of the issue on October 2012 and the residual debenture of ₹ 940 million is outstanding as of 31st March 2013.

c. 9.80% Non Convertible Debentures

The Company had issued 1,250 Nos. 9.80% Non Convertible Redeemable Debentures of ₹ 1 million each on 11th July 2012 with an option to re-purchase/re-issue some or all of its debentures in the secondary market or otherwise, at any time prior to the specified date of redemption of 11th July 2017 to First Rand Bank Limited.

The Debentures stated (a),(b) &(c) are secured by way of Pari passu first charge on the Fixed Assets of the Company, existing and future along with Bank and Institutions; such pari passu first charge ensuring at least a cover of 1.25 times the value of outstanding principal amount of the loan.

d. Canara Bank

The loan is secured by way of pari passu charge on the Fixed Assets of the Company existing and future along with Debenture Trustees and Institutions.

e. HDFC Bank Limited

The Parent Company has availed Rupee Term Loan of ₹ 1300 million from HDFC Bank Limited, which is repayable in twenty quarterly instalments commencing from September 2013. The loan is secured by first pari pasu charge on all existing and future movable and immovable fixed assets of the Company alongwith minimum cover of 1.25 times the value of the outstanding principle amount of the loan.

f. International Finance Corporation (External Commercial Borrowings)

The Company was 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 fixed assets owned by the company such pari passu charge ensuring atleast a cover of 1.25 times the value of the outstanding principal amount of the loan. The Loan is repayable in 15 equal semi-annual Installments starting from 15th September, 2012. During the year two installments of US$ 2,333,333 each were repaid on 15th September 2012 and 15th March 2013.

The Company entered into a Currency Cum Interest Rate Swap (CCIRS) with HDFC Bank in Indian Rupee hedging 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 2013.

g. International Finance Corporation granted a further loan of US$ 30 million during the year 2012-13. The Company has drawn the full US$ 30 million of the sanctioned amount and entered into a Currency Cum Interest Rate Swap (CCIRS) with HDFC Bank in Indian Rupee and hedged the loan for Interest and Foreign Currency Fluctuation risk. The ECB loan is secured by way of pari pasu first ranking charge on the fixed assets of the Company.

h. HSBC granted a loan of US$ 25 million during the year 2012-13. The Company has drawn the full US$ 25 million of the sanctioned amount and entered into a Currency Cum Interest Rate Swap (CCIRS) with HSBC Bank in Indian Rupee and hedged the loan for Interest and Foreign Currency Fluctuation risk. The ECB loan is secured by way of pari passu first ranking charge on the fixed assets of the Company.

i. HSBC has also sanctioned a buyers line of credit of ₹ 141.87 million for imported equipment. The loan is secured by first pari passu charge on entire existing and future movable fixed assets of the Company with minimum cover of 1.25 times the value of the outstanding principle amount of the loan.

j. Foreign Currency Convertible Bonds

The Company had 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 were convertible into Equity Shares based on the rupee dollar parity exchange rate at any time before the end of the final repayment date. On 9th December 2010, the Company converted FCCBs equivalent to US$ 7.5 million into 1,140,992 equity shares of ₹ 5/- each. The company converted the balance FCCBs equivalent to US $ 7.5 million into 1,381,619 shares of ₹ 5/- each on 7th June 2012. With this the entire FCCBs equivalent to US$ 15 million has been fully converted into equity shares.

8. DEFERRED TAX LIABILITIES

The deferred tax for the year recognized in the Statement of Profit and Loss of the group comprises:

(₹ in million)

Particulars	31.03.2013	31.03.2012
Deferred Tax Liability for the year	743.34	713.63
Deferred Tax Assets for the year	6.44	6.86

(₹ in million)

Particulars	31.03.2013	31.03.2012
On account of Depreciation	1,139.32	1,021.47
On account of Deferred Revenue	51.25	52.27
On account of unabsorbed losses and depreciation (Deferred Tax Asset)	(251.45)	(245.01)
On account of 35 AD	1,355.13	722.18

Alliance Medicorp (India) Limited

The Net Deferred Tax Asset, on account of Carry forward losses and Unabsorbed Depreciation is not recognized in the books of accounts, on prudence.

Apollo Munich Health Insurance Company Limited

The Company has carried out its deferred tax computation in accordance with the mandatory Accounting Standard, AS 22 - 'Taxes on Income' issued by the Institute of Chartered Accountants of India. There has been a net deferred tax asset amounting to ₹ 1,032.82 million (Previous Year ₹ 949.02 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 2013.

9. OTHER LONG TERM LIABILITIES

(₹ in million)

	Particulars	31.03.2013	31.03.2012
(a)	Others		
	Rent Deposits	25.75	34.09
	Other Deposits	1.92	2.01
	Total	**27.67**	**36.10**
	Add : Share of Joint Ventures	18.88	15.34
	Total	**46.55**	**51.44**

10. LONG TERM PROVISIONS

(₹ in million)

	Particulars	31.03.2013	31.03.2012
(a)	**Provision for employee benefits**		
	Gratuity	14.58	10.37
	Leave Encashment	7.02	4.77
	Total	**21.60**	**15.14**
	Add : Share of Joint Ventures	6.26	6.52
	Total	**27.86**	**21.66**

11. SHORT TERM BORROWINGS

(₹ in million)

	Particulars	31.03.2013	31.03.2012
	Secured		
(i)	**Loans repayable on demand from banks**		
	Andhra Bank	-	0.67
	State Bank of Travancore	26.31	6.65
	Canara Bank	-	54.01
	Indian Overseas Bank	-	94.67
	Yes Bank Ltd	118.06	-
	Karur Vysya Bank	-	7.00
	HDFC Bank Limited	-	12.55
	AXIS Bank Limited	5.81	-
	Unsecured		
(i)	**Deposits**		
	Fixed Deposits	151.37	315.09
	(ii) Loans repayable on demand from banks		
	HDFC Ltd	-	1,000.00
	Total	**301.55**	**1,490.64**
	Add : Share of Joint Ventures	277.22	259.23
	Total	**578.77**	**1,749.87**

12. OTHER CURRENT LIABILITIES

(₹ in million)

	Particulars	31.03.2013	31.03.2012
(a)	Current maturities of long-term debt	764.4	672.96
(b)	Interest accrued but not due on borrowings	180.92	63.99
(c)	Interest accrued and due on borrowings	-	0.93
(d)	Income received in advance	29.58	27.15
(e)	Unpaid dividends	22.27	19.87
(f)	Unpaid matured deposits and interest accrued thereon	25.31	17.98
(g)	Other payables		
	Sundry Creditors Others	296.86	254.63
	Retention Money on Capital Contracts	4.60	2.14
	Inpatient Deposits	205.61	173.09
	Rent Deposits	12.78	2.43
	Other Deposits	2.31	2.50
	Tax Deducted at Source	123.89	173.90
	Outstanding Expenses	673.67	439.14
	Wealth Tax	1.92	2.21
	Total	**2,344.12**	**1,852.92**
	Add : Share of Joint Ventures	663.89	389.80
	Total	**3,008.01**	**2,242.72**

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 ₹ 1.60 million (₹ 1.68 million) in aggregate which comprises of ₹ 1.59 million (₹ 1.54 million) as unpaid dividend and ₹ 0.01 million (₹ 0.13 million) as unpaid deposit

13. SHORT TERM PROVISIONS

(₹ in million)

	Particulars	31.03.2013	31.03.2012
(a)	**Provision for employee benefits**		
	Bonus	171.14	152.79
	Total	**171.14**	**152.79**
(b)	**Others**		
	For Dividend - Equity Shares	765.19	537.87
	For Dividend Distribution Tax - Equity Shares	130.04	87.26
	Total	**895.23**	**625.12**
	Total	**1,066.37**	**777.92**
	Add : Share of Joint Ventures	0.09	4.01
	Total	**1,066.46**	**781.93**

14. TANGIBLE ASSETS

(₹ in million)

Fixed Assets	Gross Block				Accumulated Depreciation					Net Block	
	Balance as at April 1, 2012	Additions	Deletions	Balance as at March 31, 2013	Balance as at April 1, 2012	Depreciation charge for the year	Deletions	Impairments	Balance as at March 31, 2013	Balance as at March 31, 2013	Balance as at April 1, 2012
Tangible Assets											
Land	1,819.16	0.02	-	1,819.18	-	-	-	-	-	1,819.18	1,819.16
Buildings	5,342.95	630.17	1.71	5,971.41	468.8	85.76	0.79	-	553.77	5,417.64	4,874.15
Lease hold Improvements	741.03	1,601.47	123.14	2,219.36	162.12	110.50	9.96	-	262.66	1,956.70	578.91
Plant and Equipment											
Medical Equipment & Surgical Instruments	8,284.07	1,320.23	118.89	9,485.41	2,863.14	485.51	67.29	-	3,281.36	6,204.05	5,420.93
Air Conditioning Plant & Air Conditioners	904.23	323.15	21.90	1,205.48	189.27	201.66	4.20	-	386.73	818.75	714.96
Furniture and Fixtures	1,904.21	328.69	14.50	2,218.40	571.04	129.70	18.54	-	682.20	1,536.20	1,333.17
Vehicles	358.42	44.18	13.84	388.76	124.85	32.57	6.41	-	151.01	237.75	233.57
Office equipment	967.97	184.36	10.85	1,141.48	497.97	103.05	9.84	-	591.18	550.30	470.00
Others											
Electrical Installations & Generators	1,234.34	156.93	47.26	1,344.01	380.36	45.55	9.07	-	416.84	927.17	853.98
Fire fighting Equipment	69.45	7.13	-	76.58	7.47	0.82	-	-	8.29	68.29	61.98
Boilers	2.90	-	-	2.90	1.16	-	-	-	1.16	1.74	1.74
Kitchen Equipment	52.36	1.24	-	53.60	12.80	1.03	-	-	13.83	39.77	39.56
Refrigerators	35.58	3.57	-	39.15	8.27	1.20	0.19	-	9.28	29.87	27.31
Wind Electric Generator	26.85	-	-	26.85	11.60	-	-	-	11.60	15.25	15.25
Total	**21,743.52**	**4,601.14**	**352.09**	**25,992.57**	**5,298.85**	**1,197.35**	**126.29**	**-**	**6,369.91**	**19,622.66**	**16,444.67**
Less Depreciation Written Back	-	-	-	-	0.28	-	-	-	0.28	0.28	0.28
Total	**21,743.52**	**4,601.14**	**352.09**	**25,992.57**	**5,298.57**	**1,197.35**	**126.29**	**-**	**6,369.63**	**19,622.94**	**16,444.95**
Share of Joint Ventures	3,022.06	187.11	31.56	3,177.61	900.98	148.60	15.98	0.40	1,034.00	2,143.61	2,121.08
Total	**24,765.58**	**4,788.25**	**383.65**	**29,170.18**	**6,199.55**	**1,345.95**	**142.27**	**0.40**	**7,403.63**	**21,766.55**	**18,566.03**
Previous Year	19,574.22	5,386.86	195.50	24,765.58	5,095.70	1,145.30	79.91	38.46	6,199.55	18,566.03	

15. INTANGIBLE ASSETS

(₹ in million)

Fixed Assets	Gross Block				Accumulated Depreciation					Net Block	
	Balance as at April 1, 2012	Additions	Deletions	Balance as at March 31, 2013	Balance as at April 1, 2012	Amortization for the year	On disposals	Impairments	Balance as at March 31, 2013	Balance as at March 31, 2013	Balance as at April 1, 2012
Computer Software	211.33	72.34	.	283.67	68.47	64.55	3.35	-	129.67	154.00	142.86
Trademark and concepts rights	49.10	0.56	29.10	20.56	7.75	4.08	8.80	-	3.03	17.53	41.35
Goodwill	1.78	-	-	1.78	-	-	-	-	-	1.78	1.78
Total	**262.21**	**72.90**	**29.10**	**306.01**	**76.22**	**68.63**	**12.15**	-	**132.70**	**173.31**	**185.99**
Share of Joint Ventures	30.60	8.41	0.17	38.84	20.54	5.28	-	-	25.82	13.02	10.06
Total	**292.81**	**81.31**	**29.27**	**344.85**	**96.76**	**73.91**	**12.15**	-	**158.52**	**186.33**	**196.05**
Previous Year	181.52	111.29	-	292.81	48.89	47.66	-	0.21	96.76	196.05	-

16. Capital Work –in-Progress ₹ 4,033.93 million (₹ 2,092.69 million) comprises of amounts spent on assets under construction and directly related pre-operative expenses. The amount of interest included in capital work in progress is ₹ 377.39 million (₹ 250.41million*).

* Includes Interest on Borrowings Capitalised for the year ended 31st March 2013 of ₹ 252 million (₹ 183 million).

17. NON CURRENT INVESTMENTS

(₹ in million)

	Particulars	31.03.2013	31.03.2012
	Trade Investments (Refer A below)		
(a)	Investment in Equity instruments	608.50	580.63
	Total (A)	**608.50**	**580.63**
	Other Investments (Refer B below)		
(a)	Investment in Equity instruments	77.17	2,726.96
(b)	Investments in preference shares	22.00	22.00
(c)	Investments in debentures or bonds	-	589.24
(d)	Investments in Government or Trust securities	0.20	0.25
	Total (B)	**99.37**	**3,338.45**
	Grand Total (A + B)	**707.87**	**3,919.08**
	Advance for Investment	385.35	160.57
	Total	**1,093.22**	**4,079.65**
	Add : Share of Joint Ventures	386.32	342.09
	Total	**1,479.54**	**4,421.74**

(₹ in million)

Particulars	31.03.2013	31.03.2012
Aggregate amount of quoted investments	515.85	491.45
(Market Value ₹ 666.28 million 2011-12: ₹ 718.70 million)		
Aggregate amount of unquoted investments	963.70	3,930.29
Total	**1,479.54**	**4,421.74**

A) Details of Trade Investments

(₹ in million)

Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	Face Value ₹	No. of Shares / Units	No. of Shares / Units	Quoted / Unquoted	Partly Paid / Fully paid	Amount	Amount	Whether stated at Cost Yes/No
			31.03.2013	31.03.2012			31.03.2013	31.03.2012	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Investment in Equity Instruments									
Indraprastha Medical Corporation Limited (Goodwill on acquisition = ₹ 160.21 million: 31.03.2012=₹ 160.21 million)	Associate	10	20,190,740	20,190,740	Quoted	Fully Paid	513.20	488.80	Yes
Stemcyte India Therapautics Private Limited (Goodwill on acquisition = ₹ 69.38 million: 31.03.2012=₹ 69.38 million)	Associate	1	240,196	240,196	Unquoted	Fully Paid	95.30	91.83	Yes
Total							**608.50**	**580.63**	

B) Details of Other Investments

Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	Face Value ₹	No. of Shares / Units	No. of Shares / Units	Quoted / Unquoted	Partly Paid / Fully paid	Amount ₹ in million	Amount ₹ in million	Whether stated at Cost Yes/No
			31.03.2013	31.03.2012			31.03.2013	31.03.2012	
Investment in Equity Instruments									
Family Health Plan Limited (Capital Reserve on consolidation = ₹ 4.24 million: 31.03.2012 = ₹ 4.24 million)	Associate	10	490,000	490,000	Unquoted	Fully Paid	72.79	42.75	Yes
Apollo Health Street Limited (Goodwill on acquisition: 31.03.2012=₹ 1,071.12 million)	Associate	10	-	11,181,360	Unquoted	Fully Paid	-	2,679.83	Yes
Kurnool Hospitals Enterprises Limited	Others	10	157,500	157,500	Unquoted	Fully Paid	1.73	1.73	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	2.49	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	78	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	
Investments in Debentures or Bonds Optionally Redeemable Convertible Debentures									
Apollo Health Street Limited	Associate	160	-	3,682,725	Unquoted	Fully Paid	-	589.24	Yes
Investments in Government or Trust securities									
National Savings Certificate	Others		-	-	Unquoted	Fully Paid	0.20	0.25	Yes
Total							**99.37**	**3,338.45**	

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	31.03.2013		31.03.2012	
a.	Capital Advances				
	Unsecured, considered good		693.99		383.95
b.	Security Deposits				
	Unsecured, considered good		1,017.55		695.74
c.	Other Loans and Advances				
	Advance to Suppliers	0.05		16.03	
	Other Advances	1,020.16		761.73	
	Advance Income Tax	545.00		511.29	
	Interest Receivable	-		85.66	
			1,565.21		1,374.71
	Total		**3,276.75**		**2,454.40**
	Add : Share of Joint Ventures		195.47		120.20
	Total		**3,472.22**		**2,574.60**

19. CURRENT INVESTMENTS

(₹ in million)

	Particulars	31.03.2013	31.03.2012
(a)	Investments in Equity Instruments	135.88	203.82
(b)	Investments in Debentures	10.00	10.00
(c)	Investments in Mutual Funds	3,621.25	995.90
	Total	**3,767.13**	**1,209.72**
	Add : Share of Joint Ventures	20.46	10.11
	Total	**3,787.59**	**1,219.83**

(₹ in million)

Particulars	31.03.2013	31.03.2012
Aggregate amount of quoted investments	3,580.67	957.96
(Market Value ₹ 3,678.72 million 2011-12: ₹ 1,340.34 million)		
Aggregate amount of unquoted investments	206.92	261.87
Total	**3,787.59**	**1,219.83**

DETAILS OF CURRENT INVESTMENTS

Name of the Body Corporate	Subsidiary / Associate /JV/ Controlled Entity / Others	Face Value ₹	No. of Shares / Units 31.03.2013	No. of Shares / Units 31.03.2012	Quoted / Unquoted	Partly Paid / Fully paid	Amount (₹ in million) 31.03.2013	Amount (₹ in million) 31.03.2012	Basis of Valuation
Investments in Equity Instruments									
British American Hospitals Enterprises Limited	Others	100MUR	928,720	1,393,079	Unquoted	Fully Paid	135.88	203.82	Cost
Investments in Debentures									
IFCI Venture Capital funds limited	Others	1,000,000	10	10	Unquoted	Fully Paid	10.00	10.00	Cost
Investments in Mutual Funds									
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
ICICI Prudential Liquid Plan Daily Dividend	Others	10	8,677,204	-	Quoted	Fully paid	200.00	-	Cost
Reliance Floating Rate Fund - Short Term Plan Growth Plan	Others	10	14,397,190	-	Quoted	Fully paid	250.00	-	Cost
Reliance Floating Rate Fund - Short Term Plan Growth Plan	Others	10	11,450,688	-	Quoted	Fully paid	200.00	-	Cost
Reliance Dynamic Bond Fund Growth Plan	Others	10	17,435,790	-	Quoted	Fully paid	253.53	-	Cost
Kotak Bond (Short term) Growth	Others	10	11,950,115	-	Quoted	Fully paid	250.00	-	Cost
IDFC SSIF Short term Plan C Growth	Others	10	7,848,123	-	Quoted	Fully paid	100.00	-	Cost
Kotak Bond (Short term) Growth	Others	10	2,316,123	-	Quoted	Fully paid	50.00	-	Cost
IDFC SSIF Medium term Plan A Growth	Others	10	10,203,665	-	Quoted	Fully paid	200.00	-	Cost
ICICI Prudential short term regular Plan Growth Option	Others	10	2,139,907	-	Quoted	Fully paid	50.00	-	Cost

Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	Face Value ₹	No. of Shares / Units 31.03.2013	No. of Shares / Units 31.03.2012	Quoted / Unquoted	Partly Paid / Fully paid	Amount (₹ in million) 31.03.2013	Amount (₹ in million) 31.03.2012	Basis of Valuation
Canara Robeco Short Term Fund - Regular Growth	Others	10	192,148	-	Quoted	Fully paid	2.50	-	Cost
Reliance Short Term Fund - Growth Plan (ST- GP)	Others	10	4,681,714	-	Quoted	Fully paid	100.00	-	Cost
Canara Robeco Short Term Fund - Regular Growth	Others	10	188,206	-	Quoted	Fully paid	2.50	-	Cost
Kotak Bond Scheme Plan A Growth	Others	10	5,903,031	-	Quoted	Fully paid	200.00	-	Cost
DWS Premier Bond Fund - Regular Plan - Growth	Others	10	10,330,899	-	Quoted	Fully paid	200.00	-	Cost
HDFC Income Fund - Growth	Others	10	7,413,063	-	Quoted	Fully paid	200.00	-	Cost
Reliance Short Term Fund - Growth Plan	Others	10	6,903,598	-	Quoted	Fully paid	150.00	-	Cost
SBI Short Term Debt Fund - Regular Plan - Growth	Others	10	14,922,589	-	Quoted	Fully paid	200.00	-	Cost
Reliance Income Fund- Growth Plan	Others	10	5,171,166	-	Quoted	Fully paid	200.00	-	Cost
IDFC SSIF Medium Term Plan A Growth	Others	10	5,006,183	-	Quoted	Fully paid	100.00	-	Cost
Kotak Bond Short Term	Others	10	6,820,507	-	Quoted	Fully paid	150.00	-	Cost
DWS Short Maturity Fund - Regular Plan - Growth	Others	10	4,785,788	-	Quoted	Fully paid	100.00	-	Cost
IDFC SSIF Investment Plan Growth - (Regular Plan)	Others	10	7,068,212	-	Quoted	Fully paid	200.00	-	Cost
ICICI Prudential Short Term -Regular Plan - Growth Plan	Others	10	4,198,646	-	Quoted	Fully paid	100.00	-	Cost
Pinebridge India Short Term Fund Standard Monthly Dividend	Others	10	100,630	-	Quoted	Fully paid	101.43	-	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	40,548	37,899	Unquoted	Fully paid	40.59	37.94	Cost
Kotak Flexi Debt Scheme Plan A - Growth	Others	10	1,386,366	-	Quoted	Fully paid	20.00	-	Cost
Total							**3,621.25**	**995.90**	

20. INVENTORIES

(₹ in million)

	Particulars	31.03.2013	31.03.2012
a.	Medicines (Valued at cost)	1,633.83	1,498.94
b.	Stores and spares (Valued at cost)	132.91	97.99
c.	Lab Materials (Valued at cost)	16.75	8.98
d.	Surgical Instruments (Valued at cost)	250.66	186.11
e.	Other Consumables (Valued at cost)	110.79	97.34
	Total	**2,144.94**	**1,889.36**
	Add : Share of Joint Ventures	41.89	26.02
	Total	**2,186.83**	**1,915.38**

21. TRADE RECEIVABLES

(₹ in million)

Particulars	31.03.2013	31.03.2012
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	3,565.62	2,915.87
	3,565.62	2,915.87
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	879.45	717.01
Unsecured, considered doubtful	70.91	49.32
	950.36	766.33
Less: Provision for doubtful debts	70.91	49.32
	879.45	717.01
Total	**4,445.07**	**3,632.88**
Add : Share of Joint Ventures	287.96	234.45
Total	**4,733.03**	**3,867.33**

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 debt outstanding on sale of pharmaceutical products, hospital services and project consultancy fees and are 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 cash 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	31.03.2013		31.03.2012	
a.	Balances with banks				
	Current Accounts	1,812.67		937.00	
	Deposit Accounts	659.03		1,027.43	
	Unpaid Dividend Accounts	22.27		19.87	
	Margin money Deposits	68.57		22.24	
	Guarantees	149.75		25.60	
			2,712.29		2,032.14
b.	Cash on hand		125.80		78.90
	Total		**2,838.09**		**2,111.04**
	Add : Share of Joint Ventures		362.55		257.34
	Total		**3,200.64**		**2,368.38**

a. The Company's Fixed Deposit receipts amounting to ₹ 149.35 million (₹ 24.53 million) are under lien with the bankers for obtaining Bank Guarantees and Letters of credit.

23. SHORT TERM LOANS AND ADVANCES

(₹ in million)

	Particulars	31.03.2013		31.03.2012	
a.	Loans and advances to related parties				
	Unsecured, considered good		129.27		66.05
b.	Other Loans and Advances				
	Advance to Suppliers	127.09		136.90	
	Other Advances	1,229.43		642.17	
	Loans and advacne to employees	69.05		56.94	
			1,425.57		836.01
	Total		**1,554.84**		**902.06**
	Add : Share of Joint Ventures		48.42		82.30
	Total		**1,603.26**		**984.36**

24. OTHER CURRENT ASSETS

(₹ in million)

Particulars	31.03.2013	31.03.2012
Prepaid Expenses	108.57	111.09
Rent Receivables	3.92	3.84
Interest Receivables	30.75	100.68
Franchise Fees Receivable	8.59	7.92
Total	**151.83**	**223.53**
Add : Share of Joint Ventures	84.43	45.59
Total	**236.26**	**269.12**

25. REVENUE FROM OPERATIONS

(₹ in million)

Particulars	31.03.2013	31.03.2012
Revenue from healthcare services	23,974.35	20,691.62
Revenue from Pharmacy	11,016.95	8,605.80
Revenue from other services	402.98	279.65
Total	**35,394.29**	**29,577.07**
Add: Share of Joint venture	2,292.77	1,898.19
Total	**37,687.06**	**31,475.26**

(i) The hospital collections of the Company are net of discounts of ₹ 10.42 million (₹ 27.61million)

26. OTHER INCOME

(₹ in million)

Particulars	31.03.2013	31.03.2012
Interest Income	178.61	132.16
Dividend Income	57.16	100.79
Net gain/(loss) on sale of investments		
Current investment	4.22	6.85
Long term investment*	107.88	-
Net gain on foreign currency transactions and translation	-	6.03
Total	**347.87**	**245.83**
Add : Share of Joint Ventures	16.82	13.24
Total	**364.69**	**259.07**

Apollo Hospitals Enterprise Limited

* For the year ended 31st March 2013, the profit on sale of investments in Apollo Health Street Limited (AHSL) amounting to ₹ 45.45 million is included.

Unique Home Health Care Limited

* For the year ended 31st March, 2013, the profit on sale of investments in AHSL amounting to ₹ 17.50 million is included.

a. During the year the Foreign Exchange gain (the difference between the spot rates on the date of the transactions, and the actual rates at which the transactions were settled) is Nil (2011-12: Foreign Exchange Gain ₹ 4.29 million).

27. EMPLOYEE BENEFITS EXPENSE

(₹ in million)

Particulars	31.03.2013	31.03.2012
Salaries and wages	4,933.86	3,981.19
Contribution to provident and other funds	314.41	263.87
Employee State Insurance	65.47	36.46
Staff welfare expenses	296.48	234.08
Staff Education & Training	14.67	14.87
Bonus	173.87	152.80
Total	**5,798.76**	**4,683.27**
Add : Share of Joint Ventures	432.55	345.33
Total	**6,231.31**	**5,028.60**

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 Plan (TPA) Limited
- Indraprastha Medical Corporation Limited

In consideration of Accounting Standard Interpretation (ASI) 15 "Notes to the Consolidated Financial Statements" information relating to the above given in the separate financial statements of the Parent Company or other companies in the Group is not disclosed.

(₹ in million)

Particulars	as at 31st March 2013		as at 31st March 2012	
	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			

APOLLO HOSPITALS ENTERPRISE LIMITED

(₹ in million)

Particulars	as at 31st March 2013			as at 31st March 2012		
	Gratuity	Earned Leave	Total	Gratuity	Earned Leave	Total
Present Value of Obligation beginning of the period	245.90	112.47	358.37	187.59	98.05	285.64
Interest Cost	19.49	8.68	28.18	14.85	7.50	22.35
Current Service Cost	26.24	11.92	38.16	26.24	11.92	38.16
Benefit Paid	(4.51)	(7.84)	(12.35)	(3.93)	(8.69)	(12.62)
Actuarial (gain) / Loss on obligation	(5.12)	13.82	8.19	21.15	3.69	24.84
Present Value of Obligation end of the period	282.00	138.55	420.55	245.90	112.47	358.37
Change in plan assets						
Fair Value of Plan Assets beginning of the period	190.01	102.27	292.28	173.55	75.15	248.70
Expected return on plan assets	17.46	7.28	24.74	14.54	7.10	21.64
Contributions	56.00	10.20	66.20	20.00	20.00	40.00
Benefits paid	(4.51)	(7.84)	(12.35)	(3.93)	(8.69)	(12.62)
Actuarial gain / (loss)	(12.40)	(32.24)	(44.64)	(14.15)	8.71	(5.44)
Fair Value of Plan Assets end of the period	246.56	79.67	326.63	190.01	102.27	292.28
Reconciliation of present value of the obligation and the fair value of the plan assets						
Fair value of the defined benefit	282.00	138.55	420.55	245.90	112.47	358.37
Fair value of plan assets at the end of the year	(246.56)	(79.67)	(326.23)	(190.01)	(102.27)	(292.28)
Liability / (assets)	35.44	58.88	94.32	55.89	10.20	66.09
Unrecognised past service cost	-	-	-	-	-	-
Liability / (assets) recognised in the balance sheet	35.44	58.88	94.32	55.89	10.20	66.09
Gratuity & Leave Encashment cost for the period						
Service Cost	26.24	11.92	38.16	26.24	11.92	38.16

Interest Cost	19.49	8.68	28.18	14.85	7.50	22.35
Expected return on plan assets	(17.46)	(7.28)	(24.74)	(14.54)	(7.10)	(21.64)
Actuarial (gain) / loss	7.28	45.55	52.83	35.30	(5.02)	30.28
Past Service Cost	-	-	-	-	-	-
Net gratuity cost	35.55	58.88	94.43	61.85	7.30	69.15
Investment details of plan assets						
100% of the plan assets are invested in debt instruments						
Actual return on plan assets	5.06	(24.96)	(19.90)	0.39	15.81	16.20

28. FINANCE COSTS

(₹ in million)

Particulars	31.03.2013	31.03.2012
Interest expense	784.91	675.52
Other borrowing costs		
Bank Charges	108.63	83.35
Brokerage & Commission	12.68	2.10
Total	**906.22**	**760.97**
Add : Share of Joint Ventures	126.28	130.44
Total	**1,032.50**	**891.41**

29. OTHER EXPENSES

(₹ in million)

Particulars	31.03.2013	31.03.2012
Power and Fuel	642.20	493.72
House Keeping Expenses	227.91	192.69
Water Charges	57.10	55.01
Rent	1,119.00	965.25
Repairs to Buildings	136.62	125.03
Repairs to Machinery	322.61	289.19
Repairs to Vehicles	47.25	35.63
Office Maintenance & Others	251.61	211.87
Insurance	47.92	40.38
Rates and Taxes, excluding taxes on income	81.11	67.46
Printing & Stationery	198.01	190.01
Postage & Telegram	19.05	14.75
Director Sitting Fees	1.62	1.87
Advertisement, Publicity & Marketing	832.69	601.81
Travelling & Conveyance	322.38	260.40
Subscriptions	6.48	9.04
Security Charges	101.51	82.32
Legal & Professional Fees	323.43	279.92
Continuing Medical Education & Hospitality Expenses	33.73	10.47
Hiring Charges	53.78	47.89
Seminar Expenses	8.41	6.23
Telephone Expenses	109.84	100.09
Books & Periodicals	9.66	9.27
Donations	23.32	24.99
Bad Debts Written off	130.00	136.63
Provision for Bad Debts	28.18	24.38
Royalty paid	1.30	1.42
Outsourcing Expenses	591.00	510.99
Miscellaneous expenses	84.80	72.80
Loss on Sale of Asset	38.99	37.28
Exchange loss	1.41	-
Total	**5,852.92**	**4,898.79**
Add : Share of Joint Ventures	962.49	793.43
Total	**6,815.41**	**5,692.22**

a. The Electricity charges incurred in respect of the Main Hospital is net of ₹ 53.23 million (₹ 7.27/- million) [units qualified KWH – 10,040,020 (1,454,755)] 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	31.03.2013	31.03.2012
Audit Fees*	12.90	19.73
Taxation Matters*	1.62	1.21
Company Law Matters*	0.83	0.91
Expenses	0.43	0.44

*Inclusive of Service Tax @12.36%

c. Directors travel included in travelling and conveyance amounts to ₹ 40.54 million (₹ 18.53 million).

d. During the year Foreign Exchange loss (the difference between the spot rates on the date of the transactions, and the actual rates at which the transactions were settled) is ₹ 1.41 million. (2011-12:Nil)

30. CONTINGENT LIABILITIES

(₹ in million)

	Particulars	31.03.2013	31.03.2012
	Contingent liabilities and commitments (to the extent not provided for)		
(i)	**Contingent Liabilities**		
	(a) Claims against the company not acknowledged as debt	294.54	500.49
	(b) Guarantees		
	Bank Guarantees	384.73	167.38
	Corporate Guarantees	35.00	242.50
	(c) Other money for which the company is contingently liable		
	Sales Tax	1.04	1.41
	Customs Duty	99.70	99.70
	Income Tax	354.86	398.30
	Letter of Credits	42.26	234.46
	EPCG	1,330.24	1,528.86
	Redemption premium on FCCB	-	11.28
	Service Tax	23.34	-
	Value Added Tax	2.27	2.27
		2,567.98	**3,196.98**
(ii)	**Commitments**		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	10,757.41	12,482.66
		10,757.41	**12,482.66**
	Total	**13,325.39**	**15,679.64**

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 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	31.03.2013	31.03.2012
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	3.78	3.59
Statutory demands/ liabilities in dispute, not provided for	7.62	4.26
Reinsurance obligations to the extent not provided for in accounts	Nil	Nil
Others*	109.80	75.75

*Represents amounts payable on cancellation of a service contract.

Indraprastha Medical Corporation Limited

In respect of other matters ₹ 55.69 million (₹ 55.69 million).

31. UTILISATION OF AMOUNTS FROM SECURITIES ISSUED

(₹ in million)

A	**Funds Received through Preferential Issue**	31.03.2013
	Amount received from the Promoter towards allotment of shares during the year	1,161.16
	Total Funds Received	**1,161.16**
B	**Particulars of Utilisation**	
	Capital Expenditure & Working Capital	1,161.16

32. EARNINGS PER EQUITY SHARE

Particulars	31.03.2013	31.03.2012
Profit before extraordinary items attributable to equity shareholders (₹ in million) (A1)	2,980.72	2,193.45
Weighted Average Equity Shares outstanding during the year (Nos) - (B1)	137,839,092	130,327,516
Basic Earnings Per Share before extra-ordinary item - (A1/B1) (₹)	21.62	16.83
Diluted Earning before extraordinary items attributable to equity shareholders (₹ in million) (A2)	2,980.72	2,198.15
Foreign Currency Convertible Bond issued (C1)	1,381,619	1,268,343
Promoter Share Warrants(D1)	3,276,922	-
Weighted Average Equity Shares outstanding for Diluted Earnings Per Share. (Nos) - (E1)	139,125,159	134,872,781
Diluted Earnings Per Share before extra-ordinary item - (A2/E1) (₹)	21.42	16.30
Profit after extraordinary items attributable to equity shareholders (₹ in million) (A)	3,043.67	2,193.45
Weighted Average Equity Shares outstanding during the year (Nos) - (B)	137,839,092	130,327,516
Basic Earnings Per Share after extra-ordinary item - (A/B) (₹)	22.08	16.83
Diluted Earnings after extraordinary items attributable to equity shareholders (₹ in million) (A3)	3,043.67	2,198.15
Foreign Currency Convertible Bond issued (C)	1,381,619	1,268,343
Promoter Share Warrants(D)	3,276,922	-
Weighted Average Equity Shares outstanding for Diluted Earnings Per Share. (Nos) - (E)	139,125,159	134,872,781
Diluted Earnings Per Share after extra-ordinary item - (A3/E)	21.88	16.30

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
1	Family Health Plan Limited	Associates
2	Apollo Health Street Limited	
3	Indraprastha Medical Corporation Limited	
4	Stemcyte India Therapautics Private Limited	
5	Dr. Prathap C Reddy	Key Management Personnel
6	Smt. Preetha Reddy	
7	Smt. Suneeta Reddy	
8	Smt. Sangita Reddy	
9	Smt. Shobana Kamineni	
10	PCR Investments Limited	Enterprises over which Key Management Personnel are able to exercise significant influence
11	Indian Hospitals Corporation Limited	
12	Apollo Sindoori Hotels Limited	
13	PPN Power Generating Company Private Limited	
14	Health Super Hiway Private Limited	
15	Faber Sindoori Management Services Private Limited	
16	Apollo Mumbai Hospital Limited	
17	Lifetime Wellness Rx International Limited	
18	Apollo Clinical Excellence Solutions Limited	
19	PPN Holding Private Limited	
20	Preetha Investments Private Limited	
21	PPN Power Generation (Unit II) Private Limited	
22	TRAC India Private Limited	
23	PPN Holdings (Alfa) Private Limited	
24	Aircel Limited	
25	Aircel Cellular Limited	
26	Dishnet Wireless Limited	
27	Apollo Infrastructure Project Finance Company Limited	
28	Vasumathi Spinning Mills Limited	
29	Kalpatharu Infrastructure Development Company Private Limited	
30	Sindya Power Generating Company Private Limited	
31	Sindya Holdings Private Limited	
32	Sindya resources pte.Limited. Singapore	
33	Garuda Energy Private Limited	
34	Deccan Digital Networks Private Limited	
35	Kalpatharu Enterprises Private Limited	
36	Sirkazhi Port Private Limited	
37	Sindya Builders Private Limited	
38	Tharani Energy India Private Limited	
39	Apollo Energy Company Limited	
40	Healthnet Global Limited	
41	Sindya Infrastructure Development Company Private Limited	
42	Associated Electrical Agencies	
43	P. Obul Reddy & Sons	
44	Apex builders	
45	Apex Construction	
46	Kei Energy Private Limited	
47	Kamineni Builders Private Limited	
48	Kei Vita Private Limited	
49	Kei Rajamahendri Resorts Private Limited	

50	KEI-RSOS Petroleum and Energy Private Limited	Enterprises over which Key Management Personnel are able to exercise significant influence
51	KEI-RSOS Shipping Private Limited	
52	Peninsular Tankers Private Limited	
53	Keimed Private Limited	
54	Spectra Clinical Laboratory	
55	Kamineni Builders	
56	Universal Quality Services LLC	
57	Apollo Health Resources Limited	
58	AMG Healthcare Destination Private Limited	
59	Apex Agencies	
60	Apex Agencies(Hyd)	
61	Apollo Educational Infrastructure Services Limited	
62	Apollo Med Skills Limited	
63	Apollo Reach Hospitals Enterprises Limited	
64	Apollo Telehealth Services Private Limited	
65	British American Hospitals Enterprise Limited	
66	Elixir Communities Private Limited	
67	Indian Hospitel Private. Limited	
68	Kumaranathu and Company	
69	Kurnool Hospital Enterprise Limited	
70	Matrix Agro Private Limited	
71	TRAC Eco and Safari Park Private Limited	
72	Vaishnavi Constructions	
73	Medversity Online Limited, Hyderabad	
74	Apollo Reach Hospital Enterprise Limited	
75	Trivitron Healthcare Private Limited	Significant Control (Alliance Medicorp (India) Limted)
76	HDFC Ergo General Insurance Company Limited	Associates of Apollo Munich Health Insurance Company Limited
77	Indo German Chamber of Commerce	
78	Emed Life Insurance Broking Services Limited	
79	Munchener Ruckversicherung Gesellschaft	
80	Sahayadri City Management	Fellow Subsidiaries of Apollo Lavasa Health Corporation Limited
81	My City Technology Limited	
82	Full Spectrum Adventure Limited	
83	Lavasa Corporation Limited	
84	Reasonable Housing Limited	
85	Hindustan Construction Company	Ultimate Parent Compnay of Apollo Lavasa Health Corporation Limited
86	Quintiles Mauritius Holding Inc	Parent Company of Quintiles Phase One Clinical Trials India Private Limited
87	Quintiles Transnational, USA	Ultimate Parent Company of Quintiles Phase One Clinical Trials India Private Limited
88	Green Channel Travel Services (Div of IRM Limited)	Significant Influence (Apollo Hospital International Limited)
89	Cadila Pharmaceuticals Limited	Significant Control (Apollo Hospital International Limited)
90	Shri. Antony Jacob	Key Management Personnel of Apollo Munich Health Insurance Company Limited
91	Online Hospital Equipment Services Private Limited	Associates of Apollo Health and Lifestyle Limited
92	Quintiles Pacific Inc.USA	Subsidiaries of Quintiles Phase One Clinical Trials India Private Limited
93	Quintiles Limited.UK	
94	Quintiles East Asia Private Limited Singapore	

(₹ in million)

Sl No	Name of related parties	Nature of Transaction	31.03.2013	31.03.2012
1	Family Health Plan Limited	a) Investment in Equity	4.90	4.90
		b) Receivables as at year end	17.52	11.77
		c) Transactions during the period	21.42	5.43
		d) Premium Income	3.48	8.79
		e) Claim Payments	40.99	38.17
		f) TPA Fees	139.59	87.79
		g) Payables as at year end	16.58	22.12
2	Indraprastha Medical Corporation Limited	a) Investment in Equity	393.72	393.72
		b) Receivables as at year end	392.41	397.74
		c) Dividend Received	32.46	30.89
		d) Commission on Turnover	59.41	46.43
		e) License Fees	22.84	13.54
		f) Pharmacy income	1,529.25	1,292.45
3	Stemcyte India Therapautics Private Limited	Investment in Equity	80.00	80.00
4	Dr. Prathap C Reddy	Remuneration paid	156.30	171.60
5	Smt. Preetha Reddy	Remuneration paid	52.50	68.64
6	Smt. Suneeta Reddy	Remuneration paid	52.50	50.20
7	Smt. Sangita Reddy	Remuneration paid	52.50	17.16
8	Smt. Shobana Kamineni	Remuneration paid	52.50	17.16
9	Apollo Sindoori Hotels Limited	a) Payables as at year end	13.92	11.16
		b) Reimbursement of Expenses	2.37	1.46
10	Health Super Hiway Private Limited	a) Investment in Equity	2.01	2.01
		b) Investment in Preference Shares	22.00	22.00
		c) Receivables as at year end	4.56	3.26
11	Faber Sindoori Management Services Private Limited	a) Payables as at year end	28.74	13.77
		b) Transactions during the year	242.94	157.38
		c) Reimbursement of Expenses	1.18	0.90
		d) Housekeeping services availed	17.67	57.78
		e) Claim Payments	0.16	0.39
		f) Premium Income	2.56	0.29
12	Lifetime Wellness Rx International Limited	a) Payables as at year end	1.09	2.62
		b) Transactions during the year	15.61	10.81
		c) Expenses towards service rendered	5.23	5.42

(₹ in million)

Sl No	Name of related parties	Nature of Transaction	31.03.201 3	31.03.2012
13	P. Obul Reddy & Sons	a) Transactions during the year	29.89	11.62
		b) Receivables as at year end	0.75	0.01
14	Keimed Private Limited	a) Payables as at year end	16.57	43.29
		b) Purchases	3,197.84	3,201.27
		c) Pharmacy Income	1.32	0.26
15	Medvarsity Online Limited	a) Rent received	0.94	0.90
		b) Receivables as at year end	2.98	-
		c) Transactions during the year	0.03	0.05
16	Apollo Health Resources Limited	Receivables as at year end	9.88	11.75
17	Apollo Mumbai Hospital Limited	a) Receivables as at year end	6.87	6.35
		b) Reimbursement of Expenses	15.39	12.03
		c) Pharmacy income	3.37	2.37
18	Aircell Cellular Limited	a) Payables as at year end	0.31	0.27
		b) Transactions during the year	4.12	3.24
19	Dishnet Wireless Limited	a) Payables as at year end	0.49	0.06
		b) Transactions during the year	2.16	0.58
20	Kurnool Hospitals Enterprise Limited	Investment in Equity	1.73	1.73
21	AMG Health Care Destination Private Limited	Advance for Investment	12.33	12.33
22	Future Parking Private Limited	a) Investment in Equity	24.01	24.01
		b) Advance Given	0.49	0.49
23	British American Hospitals Enterprises Limited	Investment in Equity	135.88	203.82
24	Health Net Global Private Limited	a) Expenses towards for services rendered	5.14	5.14
		b) Premium Income	0.11	0.01
		c) Advance Given	1.00	1.00
25	Cadila Pharmaceuticals Limited	a) Transactions during the period	1.57	2.57
		b) Unsecured Loan	-	138.38
		c) Pharmacy Purchases	5.04	3.78
26	Quintiles Transnational, USA	a) Payables as on 31.03.2013	18.60	5.29
		b) Computer Supplies and Maintanance	10.54	8.62
		c) Legal & Professional Fees	2.49	2.20

(₹ in million)

Sl No	Name of related parties	Nature of Transaction	31.03.2013	31.03.2012
27	Lavasa Corporation Limited	a) Operating Income	0.91	3.79
		b) Inter Corporate Deposits Received	57.89	29.25
		c) Inter Corporate Deposits Paid	6.82	-
		d) Interest paid on Inter Corporate Deposit	17.41	9.02
		e) Inter Corporate Deposit outstanding	128.67	77.61
		f) Payables as at year end	-	17.95
28	Shri. Antony Jacob	a) Premium Income	0.04	0.03
		b) Expenses towards services rendered	18.09	13.20
29	Emed Life Insurance Broking Services Limited	a) Payables as on 31.03.2011	0.08	3.35
		b) Expenses for services rendered	7.50	10.25
30	Online Hospital Equipment Services Private Limited	Loans and Advance	0.52	0.52

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 ₹ 1,119 million (₹ 965.24 million)

(₹ in million)

Particulars	31.03.2013	31.03.2012
Not later than one year	728.99	769.47
Later than one year and not later than five years	1,862.50	2,024.57
Later than five years	4,510.32	3,291.74

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

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

Apollo Gleneagles Hospitals Limited

The Company has certain cancellable operating lease arrangements for residential accommodation and use of certain medical equipments with tenures extending upto one year. Terms 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 (₹ 9.14 million).

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.

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 ₹ 163.70 million existing in its books to Apollo Hospitals Enterprise Limited, out of which ₹ 150 million has been received till FY 2012-13 and taken to income, leaving a balance unsecured debt of ₹ 13.70 million. As a measure of prudence, the 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

The Board Meetings of Stemcyte India Therapautics Private Limited and Quintiles Phase One Clinical Trials India Private Limited for adoption of accounts for the year ended 31st March, 2013 could not be held before the date of the Board Meeting of the parent company, Apollo Hospitals Enterprise Limited due to non-availability of directors.

Consequently, the accounts of these companies are technically considered as unaudited.

a. Apollo Hospitals Enterprise Limited

On review of the operations of setting up the Hospital in Noida, the Company 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 the project will be amortised over the balance lease period of 7 years. The balance yet to be amortised as on 31.03.2013 is ₹ 22.03 million (₹ 25.17 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 are 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	31.03.2013	31.03.2012
Loans	Nil	Nil
Investments	Nil	Nil
Fixed Assets	32.08	12.85

iii. Claims, less reinsurance paid to claimants:

Class of Business	In India		Outside India	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Miscellaneous	2,596.45	1,630.94	1.63	6.37

iv. Age-wise breakup of claims outstanding

Class of Business	Outstanding for more than six months		Outstanding for six months or less	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Miscellaneous	14.93	9.18	229.41	144.75

(₹ in million)

Particulars	31.03.2013	31.03.2012
Miscellaneous	Nil	Nil

vi. Premium less reinsurance written during the year:

Class of Business	Outstanding for more than six months		Outstanding for six months or less	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Miscellaneous	5,261.76	3,984.90	Nil	Nil
No premium income recognised on "varying risk pattern" basis.				

vii. Extent of risk retained and reinsured

Class of Business	Risk Retained		Risk Retained	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Miscellaneous	85%	84%	15%	16%

viii. Value of Contracts in relation to Investments: (₹ in million)

Particulars	31.03.2013	31.03.2012
Purchase where deliveries are pending	Nil	Nil
Sales where payments are overdue	Nil	Nil

ix. All the investments held by the Company are performing assets.

x. The Company does not have any investment property as at March 31st, 2013.

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 a fair value basis is ₹ 215.22 million (₹ 199.77 million).

xiii. Investments made pursuant to section 7 of Insurance Act, 1938, are as follows: (₹ in million)

Particulars	31.03.2013	31.03.2012
6.25% GOI CDSS 02-01-2018	75.87	75.00
6.01% GOI CDSS 25-03-2028	5.45	5.38
6.17% GOI CDSS 12-06-2023	14.86	-
7.95% GOI CDSS 28-08-2032	19.50	19.47
8.20% GOI CDSS 15-02-2022	2.01	2.01
8.33% GOI CDSS 07-06-2036	1.00	1.00
	118.68	**102.86**

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)

Particulars	31.03.2013	31.03.2012
Outsourcing Expenses	480.77	509.28
Marketing Support	98.42	173.93
Business Promotion	220.07	158.58

xv. Sector Wise Business

Disclosure of sector-wise business based on gross direct written premium (GWP) is as under:

Business Sector	31.03.2013			31.03.2012		
	GWP (₹ in Million)	No. of Lives	%of GWP	GWP (₹ in Million)	No. of Lives	%of GWP
Rural	536.04	696,423	8.65%	536.78	724,304	11.29%
Social	355.91	1,116,553	5.74%	44.84	64,128	0.94%
Urban	5307.92	383,249	85.61%	4174.78	1,015,272	87.77%

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 the IRDA with respect to presentation of Fire and Marine Insurance revenue accounts are not applicable.

There are no dues outstanding for more than 45 days during the year which are payable to Micro, Small and Medium Enterprises. This information pursuant to the provisions of Micro, Small and Medium Enterprises Development Act, 2006 is determined to the extent such parties have been identified on the basis of information available with the Company.

xvii.Summary of Financial Statements is provided as under: (₹ in million)

	Particulars	31.03.2013	31.03.2012
	Operating Results:		
1	Gross Premium Written	6,200.45	4,758.51
2	Net Earned Premium Income	4,421.30	3,008.24
3	Income from Investments (net)	229.00	148.04
4	Other Income	-	-
5	Total Income	4,650.30	3,156.28
6	Commission (Net of Reinsurance)	422.91	281.34
7	Brokerage	95.81	79.29
8	Operating Expenses	1,891.72	1,741.10
9	Claims Incurred	2,619.75	1,750.89
10	Operating Profit/Loss	(284.09)	(617.05)
11	Total Income under Shareholders Account	185.60	142.92
12	Profit /(Loss) before tax	(98.49)	(474.13)
13	Provision for Tax	149.49*	(0.14)
14	Profit/(Loss) after tax	51.00	(474.27)
	Miscellaneous		
15	Policy holders' Account:	Not applicable being Non – Life Insurance Co.	
	Total Fund		
	Total Investments		
	Yield on investments		
16	Shareholders' Account:	Not applicable being Non – Life Insurance Co.	
	Total Fund		
	Total Investments		
	Yield on investments		
17	Paid Up Equity Capital	3,089.80	2,546.50
18	Net Worth	2,303.83	1,436.32
19	Total Assets	6,692.88	5,036.03
20	Yield on total investments	9.13%	8.76%
21	Earnings Per Share (₹)	0.18	(2.29)
22	Book value per Share(₹)	7.46	5.64
23	Total Dividend	Nil	Nil
24	Dividend Per share	Nil	Nil

xviii. Accounting Ratios are provided as under:

Performance Ratios	31.03.2013 (in times)	31.03.2012 (in times)
Gross Premium Growth Rate (Gross premium for the current year divided by the gross premium for the previous year)	1.30	1.68
Gross Premium to Shareholders Funds Ratio (Gross premium for the current year divided by paid up)	2.69	3.31
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)	1.60	1.37
Net Retention Ratio (Net premium divided by gross premium)	0.85	0.84
Net Commission Ratio (Commission net of reinsurance for a class of business divided by net premium)	0.08	0.07
Expenses of Management to Gross Direct Premium (Expenses of management divided by the total gross)	0.31	0.37
Combined Ratio (Gross Claims paid plus Expenses plus Gross Commission divided by Gross premium)	0.90	0.88
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	0.67
Underwriting Balance Ratios (Underwriting profit divided by net premium for the respective class of business)	(0.05)	(0.15)
Operating Profit Ratio (Underwriting profit plus investment income divided by net premium)	(0.02)	(0.12)
Liquid Assets to Liability Ratio (Liquid assets of the insurer divided by the policy holders' liabilities)	0.46	0.35
Net Earnings Ratio (Profit after tax divided by net premium)	0.01	(0.12)
Return on Net Worth (Profit after tax divided by net worth)	0.02	(0.33)
Reinsurance Ratio (Risk reinsured divided by gross premium)	0.15	0.16

Indraprastha Medical Corporation Limited

a. Under the terms of the agreement between the Government of NCT of Delhi and the Company, the Hospital project of the company has been put up on the land belonging to Government of NCT of Delhi. The Government of NCT of Delhi is committed to meet the expenditure to the extent of ₹ 154.78 million out of IMCL Building fund account (funds earmarked for the period) together with the interest thereon for construction of definite and designated buildings while the balance amount of the cost of the building will be borne by the Company. As at 31st March, 2013, the aforesaid fund, together with interest thereon amounting to ₹ 192.36 million have been utilized towards progress payments to contractors, advances to contractors, payments for materials, etc. The ownership of the building between Government of NCT of Delhi and the company will be decided at a future date keeping in view the lease agreement.

b. On a Public Interest Litigation (PIL) regarding free treatment in the hospital the Hon'ble Delhi High Court vide its order dated 22nd September, 2009 has held that free treatment provided by the hospital as per the terms of the lease deed with the Government of National Capital Territory of Delhi shall be inclusive of medicines and consumables. In response to the said order the company filed a Special Leave Petition in the Hon'ble Supreme Court for appropriate directions with a prayer to stay the judgement of the Hon'ble Delhi High Court. The Hon'ble Supreme Court of India has admitted the Special Leave Petition and passed an interim order on 30.11.2009. In pursuance of the interim order, the Hospital is charging for medicines & medical consumables from patients referred by the Govt. of Delhi for free treatment in the Hospital.

38. CONSOLIDATED SEGMENT REPORTING

(₹ in million)

	Particulars	31.03.2013	31.03.2012
1.	**Segment Revenue**		
	(Net sales / Income from each Segment)		
	a) Hospitals	25,617	22,222
	b) Retail Pharmacy	11,017	8,606
	c) Others	1,387	937
	Sub - Total	**38,021**	**31,765**
	Less : Intersegment Revenue	32	31
	Net sales / Income from operations	37,989	31,734
2.	**Segment Results**		
	(Profit / (Loss) before Tax and interest		
	from each segment)		
	a) Hospitals	4,987	4,187
	b) Retail Pharmacy	169	57
	c) Others	241	240
	Sub - Total	**5,397**	**4,484**
	Less :		
	(i) Interest (Net)	1,033	891
	(ii)Other un-allocable expenditure net of		
	un-allocable income	374	333
	Profit Before Tax and Extraordinary item	3,990	3,260
	Less: Extra Ordinary Item		-
	Profit Before Tax	3,990	3,260
	Less :		
	(i) Current tax	307	443
	(ii) Tax for earlier years (net)	-	-
	(iii) Deferred tax liability	743	714
	Add:		
	Deferred Tax Asset	-	7
	Profit After Tax before Minority Interest	**2,940**	**2,110**
	Less : Mionority Interest	(17)	(13)
	Add : Share of Associates' Profits	87	71
	Net Profit Relating to the Group	**3,044**	**2,194**
3.	**Segment assets**		
	a) Hospitals	30,815	27,607
	b) Retail Pharmacy	3,465	3,012
	c) Others	11,476	7,185
	Total	**45,756**	**37,804**
	Unallocated Corporate Assets	930	672
	Goodwill on consolidation	1,453	1,350
	Deferred Tax Asset	252	245
	Total Assets as per Balance Sheet	48,391	40,071
4.	**Segment liabilities**		
	a) Hospitals	16,815	12,156
	b) Retail Pharmacy	318	296
	c) Others	947	504
	Total	**18,080**	**12,956**
	Unallocated Corporate Liabilities	124	1,074
	Shareholders Funds	27,468	25,020
	Minority Interest	173	125
	Deferred Tax Liability	2,546	1,796
	Total Liabilities as per Balance Sheet	**48,391**	**40,071**
5.	**Segment capital employed**		
	a) Hospitals	26,067	24,007
	b) Retail Pharmacy	3,147	2,716
	c) Others	10,559	6,463
	Total	**39,773**	**33,186**
6.	**Segment capital expenditure incurred**		
	a) Hospitals	3,994	5,026
	b) Retail Pharmacy	210	230
	c) Others	666	240
	Total	**4,870**	**5,496**
7.	**Segment Depreciation**		
	a) Hospitals	1,254	1,119
	b) Retail Pharmacy	93	86
	c) Others	76	34
	Total	**1,423**	**1,239**

39. CHANGE IN AUTHORISED SHARE CAPITAL

Western Hospital Corporation Private Limited

The Shareholders of the Company 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 ₹ 10/- each aggregating to ₹ 500 million to 100,000,000 Equity Shares of ₹ 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, 2013 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, 2013 continues to be reflected as ₹ 500 million.

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

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

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

43. 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.

44. The consolidated figures for 31.03.2013 are not perfectly comparable as the Company has sold its entire interest in Apollo Health Street Limited, including its holdings through Unique Home Health Care Limited, a 100% subsidiary.

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 : 20th May 2013

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
Sr. General Manager - Finance & Company Secretary

For and on behalf of the Board of Directors

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Managing Director

Suneeta Reddy
Joint Managing Director

consolidated cash flow statement

for the year ended 31st March 2013

(₹ in million)

	Particulars	31.03.2013		31.03.2012	
A	**Cash Flow from operating activities**				
	Net profit before tax and extraordinary items		**3,990.78**		**3,259.73**
	Adjustment for:				
	Depreciation	1,419.86		1,235.82	
	Profit on sale of investments	(96.09)		(11.44)	
	Loss on sale of investments	-		1.10	
	Loss on sale of assets	43.02		39.94	
	Interest paid	1,032.50		891.41	
	Foreign Echange loss/ (Gain)	0.90		(7.71)	
	Extraordinary Item	(62.95)			
	Miscellaneous Expenses written off	3.56		3.27	
	Interest received	(193.43)		(140.23)	
	Dividend received	(57.15)		(100.79)	
	Provision for bad debts	42.64		39.99	
	Bad debts written off	131.08		151.86	
			2,263.94		2,103.22
	Operating profit before working capital changes		**6,254.72**		**5,362.95**
	Adjustment for:				
	Trade or other receivables	(1,120.41)		(1,166.70)	
	Inventories	(240.48)		(325.19)	
	Trade payables	850.19		391.96	
	Others	(388.18)		227.03	
			(898.88)		(872.90)
	Cash generated from operations		5,355.84		4,490.05
	Foreign Echange loss		(0.90)		7.71
	Taxes paid		(927.42)		(627.22)
	Cash flow before extraordinary items		4,427.52		3,870.54
	Net cash from operating activities		**4,427.52**		**3,870.54**
B	**Cash flow from Investing activities**				
	Purchase of fixed assets		(6,602.07)		(3,945.00)
	Pre-operative expenses		(0.04)		(13.59)
	Purchase of investments		(3,793.25)		(7,795.28)
	Sale of investments		2,722.11		6,723.89
	Sale of fixed assets		2.03		78.42
	Interest received		193.43		140.23
	Dividend received		89.65		131.68
	Extraordinary Item		62.95		-
	Net cash used in Investing activities		**(7,325.19)**		**(4,679.65)**
C	**Cash flow from financing activities**				
	Proceeds from issue of share premium		1,555.81		4,067.46
	Proceeds from issue of share capital		73.76		91.55
	Proceeds from advance against share capital		1.83		-
	Proceeds from long term borrowings		5,666.78		1,306.92
	Proceeds from short term borrowings		267.95		212.97
	Repayment of finance/lease liabilities		(2,247.20)		(2,965.80)
	Interest paid		(1,032.50)		(891.41)
	Dividend paid		(556.50)		(467.67)
	Net cash from financing activities		**3,729.93**		**1,354.02**
	Net increase in cash and cash equivalents (A+B+C)		**832.26**		**544.91**
	Cash and cash equivalents (opening balance)		2,368.38		1,823.47
	Cash and cash equivalents (Closing balance)		3,200.64		2,368.38
	Component of Cash and cash equivalents				
	1) Cash Balances		132.98		84.40
	Balance with Banks				
	1) Available with the company for day to day operations		3,045.39		2,264.11
	2) Amount available in unclaimed dividend and unclaimed deposit		22.27		19.87
	TOTAL		**3,200.64**		**2,368.38**

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 : 20th May 2013

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
Sr. General Manager - Finance
& Company Secretary

For and on behalf of the Board of Directors
Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
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 Health-care Limited	AB Medical Centres Limited	Samudra Health care En-terprises Limited	Apollo Hospital (UK) Ltd	Apollo Health and Lifestyle Limited	Imperial Hospi-tals & Research Centre Ltd	Apollo Nellore Hospital Limited (formerly Pinakini Hospitals Limited)	Apollo Cosemtic Surgical Centres Pvt Limited	Alliance Medicorp (India) Limited	Western Hospitals Corpora-tion Pvt Limited	Saipen BioSci-ences Pvt Limited	ISIS Health-care India Private Limited	Mera Health-care Private Limited	Apollo Kora-mangala Cradle Limited	Apollo Clinics Gujarat Limited	Alliance Dental Care Limited
Financial Year of the subsidiary ended on	31-Mar-13	31-Mar-13	31-Mar-13	31-Mar-13	31-Mar-13	31-Mar-13	31-Mar-13	31-Mar-13	31-Mar-13	31-Mar-13	31-Mar-13	31-Mar-13	31-Mar-13	31-Mar-13	31-Mar-13	31-Mar-13
Date from which it become subsidiary Shares of subsidiary company held on the above date and extent of holding	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	10-Aug-12	30-Mar-09	11-Jul-09	8-Dec-11	11-June-12	31-Mar-11
i) Equity Shares	29,823,012	16,800	12,500,000	5,000	25,303,130	25,681,000	855,228	2,844,262	62,526,000	18,000,000	10,000	50,000	865,000	809,940	49,940	540,600
ii) Extent of Holding (%)	100.00	100.00	100.00	100.00	100.00	85.76	74.94	69.40	51.00	100.00	70.00	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	NA	NA
ii) Not Dealt with (₹ in million)	17.88	4.11	5.88	£(0.007) INR (0.58)	(167.03)	2.30	5.60	0.93	(31.84)	7.81	-	-	-	(34.00)	-	(24.33)
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	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	NA	0.39	0.06	(1.43)	NA	(13.51)

For and on behalf of the Board of Directors

Krishnan Akhileswaran
Chief Financial Officer

Dr. Prathap C Reddy
Executive Chairman

Place : Chennai
Date : 20th May 2013

S M Krishnan
Sr. General Manager - 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 Incorpora-tion	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	34.56	335.58	335.58	311.13	40.05	20.58	2.70	17.88	-
AB Medical Centres Limited	India	INR	16.80	22.54	39.41	39.41	-	6.40	5.52	1.41	4.11	-
Samudra Healthcare Enterprises Limited	India	INR	125.00	108.52	359.98	359.98	-	282.89	8.45	2.57	5.88	-
Apollo Hospital (UK) Limited	UK	INR	0.41	(3.34)	0.43	0.43	-	-	(0.58)	-	(0.58)	
		GBP	0.005	(0.04)	0.03	0.03	-	-	(0.007)	-	(0.007)	
Apollo Health and Lifestyle Limited	India	INR	253.03	302.25	1,356.83	1,356.83	2.01	566.94	(161.56)	5.47	(167.03)	-
Imperial Hospital and Research Centre Limited	India	INR	299.45	83.36	2,396.85	2396.85	-	1,241.72	11.20	8.90	2.30	-
Apollo Nellore Hospital Limited (formerly Pinakini Hospitals Ltd.)	India	INR	11.41	(49.21)	23.59	23.59	-	7.42	7.37	1.77	5.60	-
Apollo Cosmetic Surgical Centres Pvt Limited	India	INR	40.98	(10.53)	32.99	32.99	-	28.09	0.93	-	0.93	-
Alliance Medicorp (India) Limited	India	INR	122.60	(39.42)	310.97	310.97	-	184.87	(29.36)	2.48	(31.84)	-
Western Hosptials Corporation Pvt Limited	India	INR	180.00	(33.60)	146.75	146.75	40.59	10.80	10.33	2.52	7.81	-
Saipen Bio Sciences Pvt Limited	India	INR	5.14	-	5.76	5.76	-	-	-	-	-	
ISIS Health Care India Private Limited[1]	India	INR	0.50	(5.00)	33.00	33.00	-	18.00	0.11	(0.10)	0.21	-
Mera Health Care India Private Limited[1]	India	INR	9.00	4.00	20.00	20.00	-	11.00	0.02	0.02	-	-
Apollo Koramangala Cradle Limited [1]	India	INR	10.00	50.00	265.00	265.00	-	25.00	(29.00)	4.00	(34.00)	-
Apollo Gujarat (Clinics Limited) [1]	India	INR	0.50	0.41	0.09	0.09	-	-	-	-	-	
Alliance Dental Care Limited [2]	India	INR	25.65	87.79	223.25	223.25		156.59	(21.85)	2.48	(24.33)	-

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.

NOTES

For the kind attention of Shareholders

a. Shareholders / Proxy holders attending the meeting should bring the attendance slip to the meeting and hand over the same at the entrance duly signed.

b. Shareholders / Proxy holders attending the meeting are requested to bring the copy of the Annual Report for the reference at the meeting.

our people are our most precious asset for the future of our nation

That is why it is important to inculcate in them the determination to stay healthy. Apollo considers it their responsibility to inculcate a healthy balanced lifestyle in India's billion plus people, 75% of who are less than 25 years of age and will one day be responsible for foisting India into the echelons of the super powers. Through several well thought out initiatives, Apollo has run awareness programs, and organized health checks; it has extended financial support to underprivileged children towards education and healthcare; and it has advocated the benefits of **Staying Healthy** through a lifestyle punctuated by good eating habits, active exercise, and regular health checks.

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HOSPITALS
TOUCHING LIVES

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