VALUING LIFE



Annual Report 2015–2016

Apollo Hospitals' Mission is "to bring healthcare of international standards within the reach of every individual. We are committed to the achievement and maintenance of excellence in education, research, and healthcare for the benefit of humanity."

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

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

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

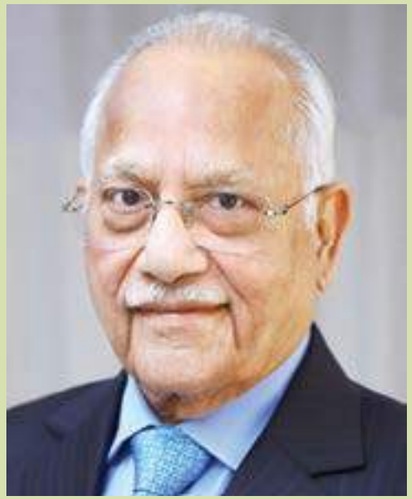
VALUING LIFE

has a very special meaning for us at Apollo. The Value we place on the lives of our patients and their well being underscores the core of our strategy and actions, our attitude and behavior. We believe that the human body is Priceless. And human life, invaluable. This belief makes us extra sensitive and responsive to any patient that walks through our doors. We believe that every such patient has a non-negotiable right to a healthy life. And we believe we have a responsibility towards ensuring that. We strongly believe that prevention is better than cure; but when something cannot be prevented, we will do what it takes to cure it and we will not give up without a fight. This is our promise. We therefore strive every day to provide our patients the highest quality comprehensive healthcare—the most advanced treatments possible. We would not want to give them any less because we know they deserve the best.

Our dedicated Centres of Excellence are unique. They offer several key specialties and super specialties which cater to all health needs. These state-of-the-art facilities are spread across our hospital locations. Putting patient wellness at the core of our operations, we use expert unsurpassed diagnostics and robust treatment plans to give them the most appropriate care. Our quality standards are stringent with enhanced infection and safety protocols, comparable to leading hospitals worldwide.

We commit to providing this kind of care simply because we Value Life and because we want to put a smile on our patient's face. To us life is Priceless. And we will do all that we can to protect and sustain it. No short-cuts. No compromises. But the best differentiated care a hospital can possibly give its valued patient. We are Apollo and we are proud that we Value Life.

CHAIRMAN'S MESSAGE



Dear Shareholders,

The mission to nurture health and protect priceless lives was at the core of our genesis in 1983; it is the reason we exist today. I told you earlier that the human body is Priceless; it is exactly for this reason that we at Apollo Hospitals, Value Life. Patients from over 120 countries visit our Hospitals every year and our Group has touched over 45 million lives in the last 33 years. This incredible journey has taught us we should stop at nothing to do what we can to protect our patient's health and well being. We believe that we have a responsibility to help them fight the pain of disease and to give them the most appropriate treatment to put them on the road to recovery.

For over three decades we have been inspired by the dream of a healthy India. We have taken several transformative steps towards this goal. Our drive is powered by our deep respect for the power of good health and the miracle of the human body. Without good health, we know that life stands on a brittle foundation. We therefore seek to educate people on the importance of Preventive Health to protect them from a potentially uncontrollable disease burden.

Our commitment to health and our philosophy of valuing life—our defining legacy—is epitomized by our every day practices and performance. Our Hospitals have led landmark changes in the Indian Healthcare ecosystem, through differentiated offerings, be it initiatives which benchmark our clinical excellence, our Preventive Health programme, our clinical protocols and pathways with best in class outcomes, or patient centric care giving.

In the early eighties, world-class medical treatment meant access to exorbitantly high priced healthcare in the western world. The wheel has turned a full circle; today, we offer healthcare in India that is as good as any in the world, at a fraction of the price. Patients from western countries regularly come to our hospitals for complex medical procedures.

At Apollo, we have always believed the pursuit of excellence to be a relentless series of short races. To excel continuously means we have to win consistently. Today, Apollo Hospitals is one of the largest and most trusted integrated healthcare providers in Asia. At the core of this achievement is our patient-centric approach and our strong commitment to the highest standards of ethics. Every initiative of the Apollo Group is measured by the value we are adding to patient experience. This focus inspired us to launch The Apollo Standards of Clinical Care (TASCC) which embodies the highest standards of clinical care and patient safety. Apollo Hospitals is a pioneer of Tender Loving Care—a revolution in caregiving, to make our hospitals warm and friendly for the patients and their families.

Globally, the healthcare sector is getting disrupted through emerging digital trends and India is no exception to this. We are rolling out a well thought out strategy to leverage technology towards enhancing customer experience and loyalty, analytics, patient outreach and access, tele-medicine and e-consults.

Technology also affords us a new way of thinking—it brings with it the power of collaboration and enhances our efforts to fight the scourge of Non Communicable Diseases (NCDs) in India. One important initiative in this regard, is the concept of Preventive Healthcare. Apollo pioneered the concept of a Preventive Health Check more than 3 decades ago. That experience helped us to launch the Apollo Personalised Health Check—a comprehensive personalized diagnostic solution based on the fact that each person's health is as distinctive as his DNA.

Our focus on integrated healthcare aims at providing patients a common, easily accessible platform for all their healthcare needs. Our incisive thrust on super-specialization is to enable cutting-edge treatment for our patients. The Apollo Institutes of Robotic Surgery have successfully performed complex robotic surgeries on over 3,000 adults and 80 children so far using the da Vinci Robotic system-the world's most cutting edge solution in clinical robotics. Apollo Hospitals is now poised to be the first provider of the revolutionary Proton Beam Therapy in India. This milestone is one of the many 'firsts' that Apollo Hospitals has brought to the Indian healthcare ecosystem.

I am happy to inform you that Apollo Hospitals, Chennai performed an extraordinary medical feat, when the team harvested 23 valuable organs from five brain dead donors in 2015. Thereafter, five liver transplants, one heart transplant and four kidney transplants were conducted at our hospitals and the rest of the organs were transported to needy recipients in other hospitals. The entire event was managed smoothly and efficiently.

Building a healthy India is a long journey full of challenges at every step. At Apollo Hospitals, our approach to healthcare is shaped by one powerful truth- Life is precious, life is Priceless. The value we have for the miracle of human life inspires us to stretch our boundaries to the maximum possible. It provides us the moral compass to do things as best as we can in the best way possible for the patient. The mission to touch lives deserves nothing less.

In line with our stated objective of enhancing healthcare access, we have added eleven hospitals and created additional capacity of over 1,700 beds in the last 36 months. We also acquired a running profitable 210 bed hospital in Guwahati during the year to consolidate our presence in the North Eastern region where we already have strong brand equity. Further in the coming three years, we will be adding another 1,000 beds across three new hospitals.

During the recent unprecedented flooding in Chennai, our doctors and support staff worked round the clock at all our hospitals to ensure that quality care was provided without interruption to all our patients.

We have had another good financial year with consolidated annual revenues growing 18% to ₹ 60.86 billion and consolidated net profits of ₹ 3.3 billion. Consolidated EPS for the year stood at ₹ 23.79. We declared a 120% interim dividend of ₹ 6.00 per share for the fiscal year 2016.

The Standalone Pharmacy business witnessed a 31% growth in revenues while the EBITDA margins have expanded to 3.6% in FY 16. We now have a total of 2,326 stores and the Hetero acquisition is fully integrated. Our success on this front has been as a result of a combination of various factors including the maturity of the store network, rationalization of loss making stores and a gradual increase in the proportion of private labels in the product mix.

Before concluding, I would like to welcome opportunities to collaborate with the Government on initiatives which would further the objectives of ensuring universal health access for India's citizens.

I wish you and your families all the very best of health and thank each and every stakeholder for their continued support, belief and trust.

With warm personal regards,

Dr. Prathap C Reddy
Executive Chairman
Apollo Hospitals Group

VALUING TRUST

Every time a patient voluntarily walks into a hospital or seeks medical counsel, it demonstrates an extraordinary act of trust. We value the trust. It is for this reason that we take pride in bringing the best of caregiving to our patients, be it in diagnostics, clinical protocols, pathways, quality standards, nursing care or infrastructure. We will go the extra mile to do what it takes to ensure their well being.

At Apollo Hospitals, the call for conscientious medicine is one that we respond to with unparalleled zeal. For every doctor and consultant associated with our organisation, the responsibility and ownership they take for another person's well-being is the difference between seeing medicine as a profession and a calling. Every day, our eight thousand-strong battalion of clinicians, doctors, surgeons and medical staff are kept on their toes providing every patient with the luxury of medical experience and expertise, and the confidence of a long history of service.

For many a generation, Apollo Hospitals represents a one-stop shop for all medical needs. We are the community's family doctors with access to international resources and technology. To provide each patient with the best, and treat them as one of our own, Apollo Hospitals has also gone beyond the call of clinical expertise to provide the complete gamut of healthcare services including specialised nursing, physiotherapy, rehabilitation and dietics. For every patient walking through the doors of an Apollo Hospital, we endeavour to provide the perfect balance between historic success and present expertise, going the extra mile to ensure them that they are in safe hands.

It is this balance that resonates loud and clear in the stories that have emerged from across the board at Apollo Hospitals in FY16. While one team of doctors worked for ninety-six hours through the torrential December floods in Chennai to successfully deliver seventeen babies, another performed for the first time in Asia a complex en-bloc combined heart and liver transplant considered technically demanding and physically strenuous. A boy from Delhi received a bone marrow transplant and a man from Jharkhand had his shattered pelvic bone restructured in just a day. As a nod of acceptance of medical expertise, Indian Institute of Technology Bangalore announced a collaboration with Apollo Hospitals in the city to conduct a year-long certificate program in healthcare management. Not the least of recent successes, Apollo Hospitals was nominated along with AIIMS to connect with doctors in Bishkek, Kyrgyzstan, to explore teleconsultation opportunities as a part of the Central Asian E-network which looks to channel India's IT expertise towards greater global healthcare provision.

It is undoubtedly evident, therefore, that every consultation, procedure and interaction with a patient at Apollo Hospitals is the cumulative result of years of experience, a rich history of excellence, a dynamic set of specialists and the value the organisation places on a person's life. Apollo Hospitals is firmly rooted with one step in the past, taking strength from a deep heritage and position of trust, and the other in the innovations of the present, learning to grow and adapt to the changing face of patient needs today. For the patient, there is no better place to be than in the shadows of such giant strides.

ACCREDITATIONS

Accreditations is a validation of the quality standards of clinical protocols and practices. Its a seal of approval given by private, independent groups. In our commitment to meet the best international and national standards, we seek accreditation wherever we can.



TRUST OF 45 MILLION PATIENTS BUILT OVER 33 YEARS OF CAREGIVING

The Week-Nielsen Best Hospitals Survey 2015 ranks Apollo Hospitals, Chennai as the Best Multi-Specialty Private Hospital in India



15+ million
Preventive Health Checks

Patients from
120+ Countries

60,000
Dedicated Caregivers

69	Over 9500	Over 7000	Over 55
Hospitals	Beds	Clinicians	Specialties

VALUING CLINICAL SUPERIORITY

Fifty-five specialties, cross-pollination of ideas, state-of-the-art technology, and an organisational structure conducive to collaboration —Apollo Hospitals provides the perfect setting to the harmony of experience with innovation. Coupled with the unparalleled commitment to patient safety and safe outcomes, the healthcare experience at Apollo Hospitals consistently echoes our fundamental belief that our body is priceless and life invaluable. Here, patients have access to the best minds, enviable confidence and superlative resources, forever positioning them at the cutting-edge of medicine, with experience providing the safety net and innovation pushing the boundaries. At Apollo Hospitals, we strive to equip ourselves, our knowledge bases, our labs and our clinics to provide only the very best to every patient walking through our doors.

370,000+
Admissions
FY 16

3,300,000+
Outpatients
FY 16

EXCELLENCE.
EMPATHY. EXPERTISE.

Any organisation's commitment to excellence is best judged by a close look at its internal policies, procedures and protocols, and at Apollo Hospitals, what happens behind the scenes forms the backbone of the complex machinery that makes up the organisation. Committed to providing the best care to all patients through every step of the healthcare experience, the company has drawn up a plethora of checks and balances to ensure clinical excellence and utmost accountability. It comes as no surprise that Apollo Hospitals was the first corporate hospital group to start benchmarking and monitoring clinical outcomes as early as 2005. All branches of Apollo Hospitals fall strictly under the aegis of The Apollo Standards of Clinical Care (TASCC), comprising of six independent checking mechanisms that dictate and monitor a profusion of safety procedures and standardisation needs. The Apollo Clinical Excellence I and II incorporate various quality parameters to monitor clinical outcomes, including complication rates, mortality rates, and one-year survival rates. The Apollo Mortality Review aims to prevent recurrence of triggers and is reviewed through a peer-review checklist. The Safe Surgery and ICU checklists ensure patient safety and deter omissions and errors of memory in high pressure situations. The Apollo Quality Plan spans parameters including clinical handovers, international patient safety goals and surgical care improvement. The Apollo Incident Reporting System helps track and follow-up factors that affect health of patients, families as well as staff. Finally, the Apollo Critical Policies, Plans and Procedures is a set of twenty-five protocols to improve quality care and ensure patient safety.

While patients often never come face-to-face with the specifics of most of these policies and procedures, their impact is unquestionable. Having such a rigid means of ensuring checks and balances leads to a culture of safety that permeates the entire corporate structure, promoting an ecosystem conducive to innovation,

CLINICAL EXCELLENCE
Our Proudest Legacy

TASCC

The Apollo Standards of Clinical Care (TASCC) embodies the highest standards which Apollo aims to establish for all its hospitals. The average scores of TASCC (which include Apollo Clinical Excellence dashboards ACE 1 and ACE 2, Apollo Quality Program, Apollo Mortality Review, Apollo Incident Reporting System and Apollo Critical Policies, Plans and Procedures), are on an upward trajectory, indicating increasing standardisation of processes and relentless pursuit of excellence across the Apollo Group Hospitals. ACE@25 was renamed and upgraded to ACE 1, during the course of the continuous improvement journey.

collaborative learning and the augmentation of knowledge. This was perhaps best showcased in a historical event in Chennai, where twenty-three different organs were harvested from five different patients on a single evening, soon followed by ten different transplantation procedures the same day. Such complex simultaneous procedures speak volumes of the coordination and control that extends between and amongst teams at the hospital. At Apollo Hospitals, strict safety requirements have enabled an atmosphere of co-sharing expertise, allowing people to grow and support each other. It is this growth, support and excellence that has led to the immense confidence that is often associated with the Apollo name. For patients, the group promises not merely rigorous safety checks and evidence-based quality care, but an environment that is favourable to collaboration and has resulted in many medical watershed moments. Just in the area of transplantation, Apollo Hospitals can boast of multiple firsts, including the first paediatric liver transplant, adult cadaveric transplant, liver kidney transplant and simultaneous liver-kidney-pancreas transplant.

Such clinical expertise is best portrayed in the numerous Centres of Excellence hosted across the hospitals, in specialties including orthopaedics, nephrology and urology, cardiology, bariatric surgery, cancer/ oncology, transplants, emergency care, and preventive health care. The testimonials for the Oncology Centre for Excellence span far and wide, ranging from Australia, Bangladesh and Oman to Uganda, Tanzania and Kenya. At the Cardiology Centre, over 99.6% of all cardiac bypass surgeries are beating-heart procedures, ensuring quicker and easier post-operative recovery. The Bariatric Surgery Centre is no different, with accolades pouring in from far and wide.

Internally as well, there is a significant drive towards pushing boundaries, calling upon doctors and consultants to innovate with a view to rendering the patient the best possible treatment. The group publishes 'New in Medicine,' a periodical dedicated to the latest in the areas of drugs, clinical research, medical devices, and treatment guidelines and the Clinical Innovation Report. An annual awards function felicitates innovation and quality internally, across the Apollo Hospitals family.

Over the year 2015 alone, the organisation has showcased its clinical excellence in multiple cases from around the country, the most interesting of which was the one-year-old Kenyan child who underwent a successful liver transplant in Delhi.

The Apollo Hospitals Group was the first corporate hospital group in India to start benchmarking and monitoring clinical outcomes in 2005. The Apollo Hospitals Group was also the first corporate hospital group to start publishing data pertaining to clinical performance in 2009 in the annual Apollo Excellence Report.

ACE@25, comprising of 25 indicators benchmarked against the best-published outcomes in various specialties, is a clinical balanced scorecard focusing on clinical outcomes, incorporating parameters, which are mission critical for the clinical milieu of our organisation. This balanced scorecard focuses on providing evidence-based quality care and a safe environment to our patients. It has, in addition, strengthened the functional efficiency of our hospitals, stimulating quality improvement while reducing variations. ACE@25 incorporates outcome measures involving complication rates, mortality rates, one year survival rates and average length of stay after major procedures like liver and renal transplant, CABG, TKR, THR, endoscopy, large bowel resection and MRM covering all major specialties.

Patient Testimonial

"I am a 65-year-old Scottish gentleman with morbid obesity and life threating co-morbidities like hypertension, diabetes and high cholesterol, and was on medication for the same for six years. I also used C-PAP machines for ten years to combat my sleep apnoea. When I wanted to travel to Chennai, I went on Google search and found that Apollo Hospitals was the best tertiary care hospital in the region. I found out about Dr. Rajkumar Palaniappan and learnt that the Apollo Bariatric Institute had introduced Robotic surgery in India. My surgery happened to be the first Robotic Gastric bypass in India and am so happy that I could get it done under one of the most well equipped tertiary care set-ups. One year since my surgery, I can't believe I lost 66 kgs and am now not on any support for my C-PAP, no medication for diabetes, hypertension and high cholesterol"



Important outcome measures

Indicator	Benchmark	Benchmarked against
CABG mortality rate	0.60%	A Leading US Hospital*
Complication rate post coronary intervention	2%	A Leading US Hospital*
ALOS post angioplasty	2.5	US National Average
ALOS post total hip replacement surgery	5.2 days	Agency for Healthcare Research & Quality US
ALOS post total knee replacement surgery	4 days	Agency for Healthcare Research & Quality US
Complication rate total knee replacement surgery	0.83%	A Leading US Hospital*
Door to CT or MRI time in stroke in ER	60 minutes	Internal Apollo
Catheter related blood stream infection (CR – BSI)	1	National Healthcare Safety Network
Ventilator Associated Pneumonia (VAP)	0.9	National Healthcare Safety Network
Catheter related urinary tract infection (CR – UTI)	2	National Healthcare Safety Network

* Name protected to ensure privacy

OUR COMMITMENT TO PATIENT SAFETY

Patient safety is a top priority at all our hospitals. Many of our hospitals have an increasing number of people with complex and acute problems and multiple comorbidities. Early identification and intervention for such in-patients who are at risk of significant physical deterioration, is extremely important. Attending nurses should have the ability to recognise early signs and symptoms of deterioration in a patient's condition and respond quickly to prevent a cardiac arrest. Quick Response Teams (QRT) have therefore been created. Groups of five nurses have been given intensive training to deliver critical care in response to grave clinical deterioration of a patient located outside a critical care unit. These teams can be assembled quickly and are available 24/7.

Ensuring patient safety in the lab through the use of barcodes

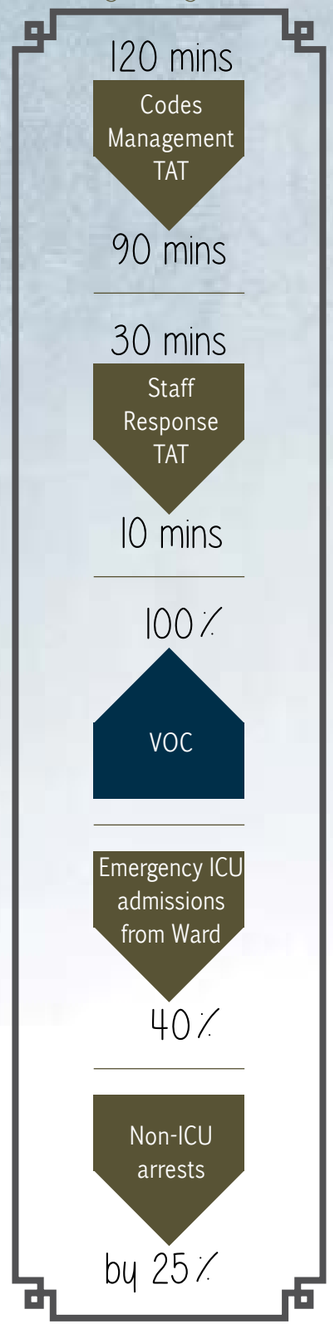
In an effort to ensure patient safety and privacy in the diagnostic lab, we have developed barcode labelling for patient samples. This closes the loop on our commitment to ensure utmost safety for our patients' data, samples, and test results. The paperless barcode system enables efficient handling of lab samples with near zero manual intervention and decreases turn around time.

Risk Reduction in Anaesthesia and Sedation

Sedation and anaesthesia are commonly viewed as a continuum from minimal sedation to full anaesthesia. Procedural sedation is often performed in many areas of the hospital outside of the operating theatre. During sedation a patient's protective airway reflexes are at risk.

Sedation and anaesthesia use are complex processes and must be integrated into patient care planning; they require comprehensive patient assessment, continued patient monitoring, and objective recovery criteria. The process has to be standardised across the hospital. Committed to continuous improvement, an initiative was rolled in Kolkata to ensure zero adverse events in anaesthesia and sedation. Post implementation, the overall Hazard Score improved dramatically by nearly 90% over four quarters.

Benefits of QRT



APOLLO LEVERAGES TECHNOLOGY PURPOSEFULLY FOR BEST IN CLASS PATIENT SAFETY PRACTICE

OUTSTANDING ICT INNOVATION AWARD

HIMSS–ELSEVIER DIGITAL HEALTHCARE AWARD

2015

CLINICAL ANALYTICS FOR INFECTION CONTROL

This in-house developed solution has been recognised as the most innovative, creative and "out-of-the-box" ICT solution that can be used to improve patient care and safety.

Infection control and timely information on Infection control patterns, is key to ensuring higher levels of clinical outcomes.

Collection, timely feedback of process, and outcome surveillance are some of the challenges faced by the Infection Prevention and Control team.

This innovation ensures timely communication of surveillance information to both clinical and non-clinical teams using analytics and related tools to mine Big Data. Earlier infection control surveillance was carried out manually with data extracted from lab reports. The award winning project automates the extraction and analysis processes enabling easy processing of huge laboratory data quickly and efficiently.

CLINICAL AND OPERATIONAL BENEFITS

The tool analyses the antibiotic susceptibility of different organisms to different antibiotics—an extremely important aspect of infection control practices as it indicates which antibiotics can be used in the hospital, which ones to avoid, and which ones to preserve for future use. Microbiologists are alerted when there is a multidrug resistance superbug isolated in the hospital and the infection control team springs into action to take necessary steps to prevents its spread to other patients. The tool can pinpoint where the organism is located—the ward, doctor, patient—helping direct infection control action where needed. It can also analyse the emergence of new organisms. As new pathogens emerge often, especially in immuno-compromised patients, it can help in the early detection of a resistant bug. This automated analytical process helps enormously in better patient care management.

HEART INSTITUTES

Our Apollo Heart Institutes perform a multitude of treatments and procedures in cardiology and cardiothoracic surgery. Our team of cardiologists and cardiothoracic surgeons are trained at the top institutes in India and abroad and are dedicated to the prevention and treatment of cardiac disease. Our pioneering work in these areas have produced better outcomes and improved quality of life for thousands of cardiac patients who visit us each year with complex heart problems. Our infrastructure is best in class and supports the complex nature of the cardiac care provided. Third generation Cath Labs, Cardiac Critical Care Units and Intensive Care Units support our experienced cardiologists and post-operative care teams, making us one of the best heart hospitals in the world.

Apollo HOSPITALS **HEART INSTITUTES**

10,000+
Cardiac Surgeries
FY 16

Success rates comparable to international benchmarks

PIONEERING.

PROGRESSIVE. PRECISE.

We offer a range of cardiac diagnostics, treatments, and surgeries for children, adults, and geriatrics. Our subspecialty disciplines differentiate themselves through the calibre and experience of our doctors who are trained in cutting edge trends and technologies and can cater to the unique needs of any patient demographic, be it the most complicated coronary artery bypass surgery, heart surgery for children, or surgery for all types of valvular heart diseases. Over 99.6% of cardiac bypass surgeries are Beating Heart surgeries, ensuring quicker and easier post-operative recovery. We are pioneers in Coronary Artery Stenting and Laser Angioplasty and experts in advanced techniques such as Percutaneous Transluminal Septal Myocardial Ablation.

Sub-Specialties

- Interventional Cardiology
- Electrophysiology
- Cardiothoracic Surgery
- Advanced Heart Failure Clinic
- Blood Clotting Disorders & Vascular Surgery
- Minimally Invasive Bypass Surgery
- Robotic Cardiac bypass Surgeries
- Marfan Syndrome: Bentall Procedures
- Valve Clinics
- TAVR
- Cardiac Rehabilitation



Case Study 1

A first of its kind in India. 11 day old baby suffering from Ebstein's Anomaly successfully treated

The Paediatric Cardiology team in Hyderabad successfully performed a complex and rare cardiac surgery on a prematurely born tiny baby suffering from Ebstein's Anomaly - a critical congenital heart ailment.

The baby's right side heart valve was abnormal and leaking profusely. Blood was not flowing to his lung for oxygenation. This life threatening abnormality was detected by the doctors through a fetal echocardiography when the baby was still in the womb.

The baby was born prematurely at 34 weeks with growth retardation. The natural connection between his aorta and the artery to the lungs was closing and it was imperative that surgery be performed on a war footing. This was a challenging task because of his deteriorating condition, tiny size, small size of the heart (no bigger than an adult thumb) and organs.

The 11 day old baby, weighing a mere 1.2 kg at birth, was placed on Cardiopulmonary bypass with specially designed circuitry in preparation to working inside the heart. The baby tolerated the procedure well and the surgery was a success.

A multidisciplinary team was required right from diagnosing his condition inside the womb to his recovery.

This high-risk surgery was a first in India. The surgical team stopped at nothing to ensure the baby's wellness. We value life and will do what it takes to save one.

Case Study 2

Revolutionary awake cardiac surgery under thoracic epidural anaesthesia

A male, 66 years and a heavy smoker was admitted with acute cardiogenic shock, with pulmonary edema, severe LV dysfunction, renal dysfunction, and respiratory failure. He was put on a ventilator and given antibiotics, ionotropes, diuretics, and antianginal drugs. The support was continued for 20 days, after which he was put on BiPAP for 10 days. After a week CAG was done which suggested severe diffuse critical TVD. With a combined Heart Team the patient was scheduled for an elective CABG, which was very high risk in view of COPD, recent chest infection requiring BiPAP support and HRCT.

Because of the high risk of general anaesthesia, the doctors decided to perform awake off pump CABG under high thoracic epidural anaesthesia (TEA). Routine standard monitoring was put in place. The patient was given unrestricted airway access and only mild sedation. The standard midline sternotomy was performed. Routine OFF PUMP coronary grafting was performed. The sternum was closed with wires and two meditational drains and the patient was shifted to ICU in stable hemodynamic condition.

This was a tremendous effort in a very high risk case by a multi-functional team of doctors, surgeons, and nurses. The awake surgery was the only option they had to treat the patient. Focused on his complex condition, they ventured to do what was best for him. The patient recovery was remarkable.

Case Study 3

Apollo Cardiologists perform a pioneering cardiac procedure 'Transcatheter Aortic Valve Implantation' on an 80 year old man

A pioneering cardiac procedure, Percutaneous Transcatheter Aortic Valve Implantation (TAVI) was performed on an eighty year old man with critical calcific Aortic Stenosis by Dr. P. C. Rath and team of Dr. Manoj Agarwal, Dr. B. Dikshit and Dr. Sundar Apollo Hospitals, Hyderabad. This procedure is being performed for the first time in this part of the country.

Narrowing of the aortic valve of the heart is called Aortic stenosis. This leads to gradual petering of blood flow and consequently the heart has to make an increased effort to pump blood. This condition can lead to heart failure. In normal circumstances an open heart surgery is performed on such patients to replace the valve. However in the case of this patient due to his advanced age and renal failure, an open Heart Surgery was considered to be a high risk and therefore the minimally invasive TAVI was preferred.

TAVI was performed in the cathlab from the groin region like in angioplasty. After the patient was administered short general anesthesia, the valve was put to the heart through the femoral artery and was implanted accurately under the guidance of fluoroscopy and Trans Esophaegeal ECHO. The duration of the procedure was approximately one and half hours. The patient was conscious immediately after the procedure and was discharged after 5 days.

Patient Testimonial

Dear Team Apollo,

I am a 63 year male living in Chennai. I run my own business for the last 35 years, serving the Construction Industry.

I recently went thro CABG in your Main hospital and wanted to share my experience with the doctors and Management.

It has been my mission in the last 35 years to bring the latest in construction methods, technologies, equipment and systems into India thro my company ACT. I had been successful many times, but there have also been failures. I can imagine that your tireless Chairman, Dr. P.C. Reddy would have had very similar experiences, the only difference is that you all deal with humans whereas I deal with inanimates.

The care and attention to detail at Apollo is simply amazing. Thousands of people walk in everyday and no two persons speak the same language. Truly a multi racial, multi language patient fraternity. You seem to have a seamless way to greet the patients at the entrance and then walk them to wherever they want. Help is always there in some form. No one is shouting for anything. There is a system even in this crowd. Truly you have allocated jobs as per skills. Bengali patients are maximum. Nurses are mostly from Kerala. Cleaning and house keeping from Bihar and Orissa. Doctors have a good hierarchy of reporting and see the patient everyday. You have an army of doctors as "consultants" and the facilities you give them are on par with the best in the world. I have been to some of the best hospitals in the world and I can vouch for my statement. Though it looks like a chaos, the system works well. They have good clean rooms and OTs. The sheer volume of cases handled by this hospital is phenomenol. In terms of foot falls, this may be highest in the world, based on patients treated per sq ft. I cannot imagine the load on laundry, house keeping, hygiene, catering, clinical waste disposal, irradiated wastes and each specialist's doctor's special requirements. The excellent idea of having all treatments under a single roof is a feather in your cap. I wonder when does the hospital sleeps?

We hear many nasty things about the running of Apollo outside, in media and gossip. I have now completely changed my opinion about what you all do inside this citadel. Patient management is amazing. No one is rushing or running or shouting in the corridors. I am saying all this because I have experienced it.

Now coming to my experience, it was a heart condition called SVT. I was sweating profusely and had very high heart beat when I left a construction site on that fateful morning on 29th March. Initially I wanted to go home and lie down but when the car reached the gate, I decided to go to the Apollo Specialty nearby. Then I asked driver to wait in the car park and I walked into the emergency and asked for a ECG myself. When they took the first ECG there was commotion around me. They wheeled me into another room and took another ECG. That's when they asked me if anyone is with me. I gave them my cellphone and asked them to dial my brother's no and then once he was here, they just put me in an ambulance and rushed me to the main hospital. my brother sitting with me in the ambulance. On hind sight, if I had not decided to go the hospital but home, then probably I will not be alive to send this mail today.

The whole event was managed beautifully from the time the doctors took charge of me till I was discharged on 8th April. In the CCU and ICU life is tough for the nurses, but they are always smiling. Even though it looks like a factory with steady inflow and outflow of patients, the nurses never made a mistake in medication or for that matter in any process.

Once shifted to the room, the care continued. Nurses are real angels. They make you smile and their mild flirting peps up the patient too. I was so pleased with the attention that I made it a point to call each nurse by her name. When I was discharged, they accepted a large cake as my token of the care they gave me. They are like my own daughters and I did what I would do to my daughters. Thats all. It is nice to see an Institution of this size where there is no corruption. Everyone has to follow rules and no skipping turns.

After discharge, I had a small complication and again this was handled beautifully. There was excellent communication between the surgeon. general physician and cardiologist. It was amazing to see one surgeon attending on another surgeon's patient as he was busy in a case in OT and did not want me to go back home without seeing a doctor. I dont think this sort of cooperation between doctors can be seen elsewhere. I can go on and on but will stop here.

On the whole , my experience at Apollo was fantastic. Hats off to you Sir, Dr P.C. Reddy for building a truly world class institution in India. I wish you do the same in every city and build micro Apollos in our villages. In the building industry, we are now talking about "Affordable Housing" pioneered by our PM. Similarly you can do "Affordable medicare" in our smaller towns and villages.

The doctors involved in my surgery were Dr. L.F. Sridhar. Dr. Vijayachandra. Reddy and Dr JRS. For them, I may be just a statistic, but for me they will remain very special.

I will propagate my views on Apollo wherever I can, as a small token of return gesture.

JAI HIND.

Warm Regards

CANCER INSTITUTES

The story of cancer in India is very real. There is an alarming rate of increase in cancer incidence and predictions for the future sound dire. But at Apollo we firmly believe Cancer is Conquerable. Our precision diagnostics and technology led cancer treatment is cutting edge and a key differentiator in cancer cure.

The Oncology Team at Apollo Hospitals specifically focuses on cancers most common in India. Grounded in the expertise of over 125 Internationally and nationally trained surgical, medical and radiation specialists, our 9 dedicated centres offer comprehensive 360 degree cancer care across gender and age. We provide the full range of services to our patients from prevention to education, early diagnosis, pretreatment evaluation, staging, best treatment, and surveillance for recurrent disease, support services, and end-of-life care. Our specialists collaborate at these centres and with the help of state-of-the-art diagnostic and therapeutic technology, provide patients with optimal, evidence-based, customised treatments for removal of cancer cells from the body through surgery, radiation and medication. We are the only dedicated organ specific cancer centre among corporate hospitals in the country today.

CANCER INSTITUTES

57,000+
Chemotherapy Sittings
FY 16

160,000+
Radiotherapy Sessions
FY 16

COMPREHENSIVE.

COLLABORATIVE. COMPASSIONATE.

This is our commitment to offering the best to our patients. We launched India's

- first CYBERKNIFE Robotic Radio Surgery System
- first Novalis Tx System
- first PET-MRI suite
- first TrueBeam Stx

and will soon inaugurate the

- **Proton Therapy Centre** (the first in South Asia, Africa and Australia)

3,000+
Robotic Surgeries
till date

Sub-Specialties

- Surgical Oncology
- Radiation Oncology
- Hematology & Medical Oncology
- Interventional Oncology
- Neuro Oncology
- Paediatric Oncology

CANCER IS CONQUERABLE



The diagnostic imaging and therapy systems at Apollo are sophisticated and cutting-edge. Our radiology groups and imaging facilities offer the most effective ways to diagnose and treat cancer.

Prevention Diagnostics - Revolutionary and differentiating

We are well equipped for Prevention Diagnostics which identifies the inherited predisposition to develop cancer. Emphasis is placed on molecular diagnostics to study the genetic mutations, copy the number variations of individual genes; chromosomal aberrations; changes in the expression patterns of genes tumour initiation and progression, which help in accurate diagnosis and prognosis, in addition to guiding treatment decisions that are personalised.

HIGH END DIAGNOSTICS

Clinicians provide information for the design of new cancer treatments, monitor the treatment's effectiveness as observed in a clinical trial, and even predict the patient's response to a new treatment. Molecular diagnostics and its newly developed techniques for examining the molecular signatures of cancer cells - protein as well as gene patterns – is revolutionary and offers tremendous possibilities for customising our approaches to screening, diagnosis, and classification for many different kinds of cancer.

Moving a step ahead of regular procedures like chemotherapy and general drug treatment, the high end therapeutic method treats cancer with personalised drugs. This approach includes various diagnostic tests and profiling which can indicate whether a particular drug will be effective in the treatment and how the patient's body will respond when the drug is administered. This kind of treatment is more focused, personalised and immensely more valuable in combating cancer and helping the patient conquer the disease effectively.

Under Molecular Profiling, the cancer tissue sample collected for biopsy or the patient's blood sample undergoes molecular biology tests which predict the patient's chance of responding to cancer drugs.

NEW AGE THERAPEUTICS

In Genetic Profiling the gene mutation of the cancerous cell is checked to predict whether the patient can respond to a particular drug or not. The genes of the patient will help in judging the effectiveness of the treatment method.

The high end therapeutic method is used to treat the following types of cancers

- ‡ Lung Cancer
- ‡ Colon Cancer
- ‡ Breast Cancer
- ‡ Lymphomas
- ‡ Leukaemia
- ‡ Head and Neck Cancer

The comprehensive Organ Specific Cancer Care services of Apollo rest on six kinds of approaches for the treatment of Cancer. Every treatment approach is backed by years of experience, cross-Onco specialty collaboration, Tumor Board assessment, cutting edge technology, and state-of-the-art infrastructure to make sure the treatment culminates in giving the best possible treatment and quality of life to the patient.

ORGAN SPECIFIC CANCER CARE

- ‡ Head and neck
- ‡ Colorectal–GI
- ‡ Breast and Gynaecology
- ‡ Uro Oncology
- ‡ Neuro Oncology (Brain Tumor)
- ‡ Lung Cancer

Primary Immune deficiency disorders are under-recognised and under-treated in children in India. Lack of an immune system makes these children prone to repeated infections and results in early death. Bone Marrow Transplantation is the only form of cure. Apollo Cancer Institutes, Chennai has the largest number of such children treated in India. Infants with no family matched donors have also been successfully treated with stem cells from their half matched sibling using the Johns Hopkins Protocol. Master Royan Ronaldo was cured of a rare condition called Wiskott Aldrich Syndrome after receiving half matched stem cell from his sister.

BONE MARROW TRANSPLANTATION

These are extremely complex procedures made feasible only by an extraordinarily talented and skilled team of physicians and nurses supported by advanced cutting edge lab facilities. Our success rates are over 75%.

170+
Bone Marrow Transplants
FY 16

INSTITUTES OF ORTHOPAEDICS

One of the cornerstones of good health and mobility is strong bones and joints. As a leading bone and joint centre, the Apollo Institutes of Orthopaedics is home to medical professionals trained in some of the world's best institutions alongside cutting-edge technology. The Institutes are committed to leveraging the best of technology & technical knowhow, and innovation to offer every patient best in class services and rehabilitation.

Our hospitals have dedicated units for trauma, physiotherapy, and sports medicine. We also offer specialised care in paediatric orthopaedics. Thus, each need, each injury, each ailment, has access to a dedicated expert pool of specialists. Procedures like True Personalised Knee or the Ideal Knee are performed successfully at the Institutes, giving patients renewed mobility in the shortest time possible.

From hip and knee replacements to hand micro surgeries, a wide variety of surgeries, simple and complex are regularly conducted with excellent outcomes. This is the best reassurance to any patient walking through our doors. At the Apollo Institutes of Orthopaedics, surgeons have the right balance of education, practice, and expertise, to ensure that every patient is presented with a treatment plan tailored to his or her needs.

INSTITUTES OF ORTHOPAEDICS

4,900+
Total Knee Replacements
FY 16

1,000
Total Hip Replacements
FY 16

CUTTING EDGE.

CURATIVE. CUSTOMISED.

- Apollo Hospitals, Chennai introduces "the Ideal Knee" - the future of Total Knee Replacement through a new technique - Attune Rotating Platform Knee Replacement, a first of its kind in South India
- Apollo's Orthopaedics experts are front runners in the management of spinal surgeries in India. We are one of the very few centres in Asia which provide robotic spinal intervention

Sub-Specialties

General Orthopaedics
Paediatric Orthopaedics
Knee Replacement
Hip Replacement
Arthritis Clinic
Hand Surgery
Shoulder & Elbow Surgery
Repair of Fractures
Total Joint Reconstruction (Arthroplasty)
Spine Surgery
Orthopaedic Trauma
Sports Medicine & Surgical Sports Medicine
Robotic Orthopaedics
Foot & Ankle Specialised Surgery
Limb Lengthening Surgery
Rheumasurgery



Tracking Outcomes

Average Length Of Stay (ALOS) in the hospital post Total Hip Replacement surgery

Average length of stay means the average number of inpatient days of stay. In other words it measures the duration of patient stay at the hospital for a procedure. Low ALOS is ideal and it would be achievable only when all clinical care processes and outcomes are optimal and no complications arise while the patient is at the hospital.

A low ALOS implies that the hospital's clinical care and administrative processes are efficient to enable faster discharge and recovery for the patient.

Our ALOS score at 4.76 days* is best in class amongst global peers#.

* Values audited and validated by the Apollo Clinical Audit Team
\# Reference: Agency for Healthcare Research & Quality, US

Case Study

Apollo Hospitals Chennai excels in Hip Arthroscopy; helps a 15 year old return to normal life

Hip Arthroscopy is a cutting edge procedure that involves viewing the interior of the hip joint through an arthroscope and then using minimally invasive techniques to treat the disorder.

A 15 year old student came to our Hospitals in Chennai with a persistent, severe pain in his hip for almost 15 days, making it difficult for him to even walk. On diagnosis, doctors identified that he was suffering from synovitis of the hip, for which Hip Arthroscopic synovial biopsy was done. The Hip Arthroscopy procedure enabled mobilization in a day.

Speaking about the advantages of Hip Arthroscopy, Dr Madan Mohan Reddy, Senior Consultant, Orthopaedic Surgeon, Apollo Hospitals,Chennai said, "Hip arthroscopy provides the advantage of reducing the need for hip replacement procedure, which is quite complex. In addition to this, it is a day care procedure where the patients experience very little pain, minimal blood loss and can also be mobilised quite quickly. People are aware of this procedure and we expect more people to opt for Hip Arthroscopy in the future as opposed to open surgery, because of its advantages", he added.

Hip Arthroscopy is an intricate and technically demanding domain that has been perfected by few healthcare providers and Apollo Hospitals has been in the forefront in leveraging this new technique for the benefit of patients. The institute is equipped with technologies for advanced spinal treatment procedures like Robotic Spinal Surgery, Disc Replacement and Scoliosis Surgery.

INSTITUTES OF NEUROSCIENCES

Neurological diseases comprise the third largest world health concerns after heart disease and cancer. There are few things in this world more terrifying than injuries to the brain or spine.
The Apollo Institutes of Neurology and Neurosurgery understand this and commit to providing the best possible treatments to ensure quality of life. Our knowledge base is deep and experienced. We take a departmental approach to finding solutions. Interaction and collaboration are both paramount to our outcomes.
Our doctors, surgeons, and medical staff battle diseases ranging from Parkinson's to Myasthenia Gravis, and conditions from headaches to brain haemorrhages.

Ensuring a very firm foothold on the ever-evolving fields of neuroanaesthesia, neurosurgical intensive care and neuro-imaging technology, the team is committed to achieving a harmonious amalgam between technical expertise and technological advancement to provide every patient superior care. It is this partnership that has led to the popular practice of minimally invasive surgery, resulting in significantly reduced mortality rates and faster recovery periods in neurosurgery.

At Apollo Hospitals, the focus is not only on saving lives but in doing so in the most comfortable way possible, ensuring every patient's stay in the hospital is as short and as painless as it can possibly be. We believe that quality of life is as important as being alive.

Apollo HOSPITALS INSTITUTES OF NEUROSCIENCES

14,000
Neuro Surgical Operations
FY 16

INTEGRATED, PATIENT-CENTRIC & TECHNOLOGY DRIVEN

RESTORE.

REHABILITATE. REVITALISE.

Stroke is over taking Cardiac and Cancer diseases as the leading cause of death and disability. With rapid improvements in Neuro Imaging and newer treatments for Ischaemic stroke produced by a clot in a blood vessel to the brain, it is possible to prevent your loved ones from losing speech, limb function, functional and executive abilities. Unfortunately the perception in the public at large and even amongst some healthcare professionals is that stroke is incurable leading to unnecessary loss of precious lives.

Clot busting drugs can dissolve brain clots and arrest brain damage if given within the first few hours of onset of the symptoms. With each passing minute one loses millions of neurons in the brain if not treated immediately. At Apollo, we understand the urgency and respond to the patient in the most appropriate way needed.

Sub-Specialties

- Neurology
- Neuro Oncology
- Neurosurgery
- Epilepsy Clinic
- Multiple Sclerosis Centre
- Stroke Clinic
- Multidisciplinary Pain Medicine
- Neuro-Ophthalmology
- Vascular Neurology
- Alzheimer's Disease and Dementia
- Sleep Disorders
- Spine Health
- Endovascular Surgical Neuroradiology
- Movement Disorders
- Paediatric Neurology



Tracking Outcomes

Door to CT or MRI time in Stroke in the Emergency Room

This is the average lag time between the arrival of the patient in Emergency Room and the time when a MRI is done, in cases of acute stroke. The lesser the time, the better the outcome, as the "golden hour" is critical for patient survival in stroke.

Clinical protocols for clinical emergencies are more standardised and streamlined, the lesser the lag time. This implies better resuscitation and recovery from time-critical medical emergencies.

The lowest score we have achieved in our group is 36.82 minutes* (door to MRI time), benchmarked against our internal group average of 60 minutes.

* Values audited and validated by the Apollo Clinical Audit Team

Case Study

Bloodless Key Hole procedure to restore blood supply to a starving brain

A middle aged man was enjoying a casual Sunday at home when he suddenly lost function in his left hand and leg. His face became droopy, his speech became slurred and in minutes he lost total function of the left half of his body. His family rushed him to Apollo Hospitals at Greams Road, Chennai, where within minutes of arrival, much like a military style precision operation, the doctors recognized his stroke and performed brain imaging. Stroke specialists on site administered clot busting drugs in no time but knew the long clot from his carotid artery all the way to his major brain vessels needed the next line of immediate clot removal—the Endovascular clot retrieval procedure. As the clot buster was infused, he was rushed to the cath lab where a multidisciplinary team—Interventional Radiologist, Neurovascular Consultant, Anesthetist and support staff performed a bloodless Key Hole procedure and pulled the clot out to restore blood supply to his starving brain. The whole interventional procedure was completed well within the golden hour for standard intravenous clot busting therapy.

State of the art stroke services at Apollo Hospitals combined with the Robotic Rehabilitation therapy unit can prevent death and disabilities to those suffering from stroke.

INSTITUTES OF TRANSPLANT

The outcomes from the Apollo Institutes of Transplant show a 90% success rate spanning various organs including the liver, kidney, pancreas, heart, lung, intestines and cornea. These programs make Apollo an undoubted industry leader in the field of transplantation, bringing together skilled practitioners from the fields of Nephrology, Gastroenterology, Paediatrics and Intensive Care, as well as Anaesthetists and Physicians. The first adult and paediatric liver transplants in India were performed by Apollo Hospitals eighteen years ago, way back in 1998.

Apollo Hospitals conducted over 746 transplants in a single calendar year (2010), across its fourteen centres, making it the busiest centre outside the United States of America. The Institutes have an impressive list of firsts to their name—paediatric liver transplant, adult cadaveric transplant, simultaneous liver-kidneys-pancreas transplant, donor incompatible kidney transplant—the list goes on. The Institutes created a record in 2015 by harvesting 23 organs in a single day, providing multiple individuals a second chance at life.

The Apollo Institutes of Transplant have a very simple goal—to help anyone who needs specialised care and expert consultation in the field of transplantation. The record numbers of successful transplantations bear testimony to the experience and expertise of the Institutes.

Apollo HOSPITALS INSTITUTES OF TRANSPLANT

400
Liver Transplants
FY 16

1,100
Kidney Transplants
FY 16

MULTIDIMENSIONAL.

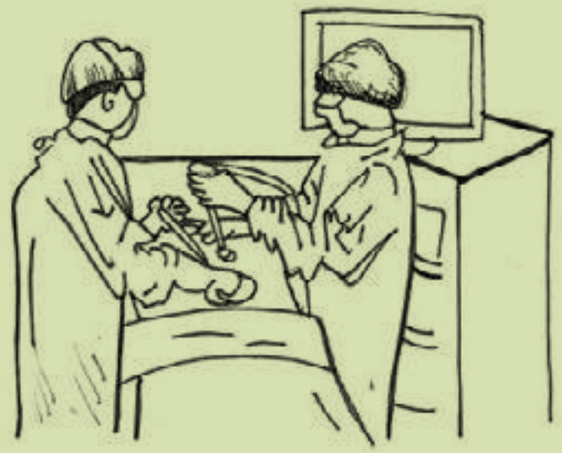
MODERNISED. METICULOUS.

First

- **1995** Private hospital to conduct a Heart Transplant in India
- **1998** Successful liver transplant in India
- **1998** Simultaneous Kidney-Pancreas transplant in South India
- **1998** Successful adult cadaveric transplant
- **1999** Successful paediatric living related liver transplant
- **1999** Successful liver-kidney transplant
- **2008** Youngest paediatric liver transplant in India
- **2009** Successful liver transplant for Hepatitis B without immunoglobulins
- **2009** Case of Hermansky-Pudlak Syndrome in India treated with double lung transplant

Sub-Specialties

- Kidney transplant
- Liver transplant
- Heart transplant
- Bone marrow transplant
- Lung transplant
- Pancreas transplant
- Cornea transplant



Organ transplantation is termed as quaternary care and is the most advanced form of medical care that can be provided to a patient, giving them a second chance at life.

The 'Centre for Liver Disease and Transplantation' (CLDT) based out of Apollo Hospitals Chennai comprises of a team of leading doctors who carry out liver, pancreas, intestinal and complex multi-visceral transplantations out of Apollo Hospitals at Chennai, Hyderabad, Bangalore, Kolkata and Madurai.

ORGAN TRANSPLANTATION. A SECOND CHANCE AT LIFE.

The CLDT is the largest group of transplant surgeons spread across the widest geography in the country and have several firsts and accolades to their credit. Their most creditable achievement is the fact that they have developed cadaver organ donation programs at all centers operated by them and are consequently the largest cadaver liver and multi-organ transplant program in India today. They are also the largest and the only successful pancreas transplant program in the country and South-East Asia.

Cirrhosis of liver or Chronic Liver Disease is among the most prevalent diseases in our society today. It is well known that the common diseases leading to cirrhosis are Hepatitis B, Hepatitis C, alcohol abuse, autoimmunity etc. But the list has now been topped by a condition led by obesity & diabetes called Fatty liver which progresses to 'Non-alcoholic Steato-hepatitis' (NASH) and cirrhosis. These conditions affect approximately 10-12% of our entire population and is therefore assuming epidemic proportions.

Living donor liver transplantation is a very effective treatment for patients with 'end stage liver disease'. The unique ability of the liver to 'regenerate' itself within a short span of time makes it absolutely safe for the donors as well. The CLDT is among few programs with an absolutely immaculate record of donor safety, having more than 90% success rate in their living donor liver transplant patients.

Paediatric liver transplantation is a subspecialty at CLDT where the treatment and outcomes of paediatric liver transplantation is the highest and best. CLDT has to its credit the smallest child by size to be transplanted in India—a 5 months old baby weighing a mere 5.5 kgs performed in 2008 when liver transplantation was in its infancy. That child is today healthy and attending school.

Prevention of liver disease is the only way to escape the catastrophic consequences of advanced cirrhosis which has no effective medical cure and requires liver transplantation to save the patient's life. A healthy life style including regular exercise, prevention of obesity, vaccination against Hepatitis B, staying away from alcohol abuse and regular preventive health checks are some easy methods to ensure a healthy liver.

Liver cancer is the other dreaded complication of liver cirrhosis. This again can be cured with surgery if the cirrhosis is at an early stage but needs a liver transplant if the cirrhosis is advanced.

Newer medicines for Hepatitis C introduced recently are nearly 100% effective in eradicating the dreaded Hepatitis C virus and with Fibroscan, a non-invasive test available to measure the degree of liver damage and stiffness, there is now more medical care to offer patients with advanced liver diseases.

Intestinal and multi-visceral transplantation are offered to adult and paediatric patients who are suffering from inadequate intestinal length and function thereby requiring nutrition intravenously. These patients are often miserable and in dire need of multi-visceral transplants to survive.

Pancreas transplantation is the only CURE for diabetes as compared to other treatments. The results of pancreas transplant and combined kidney & pancreas transplantation have been > 95% for patients and the transplanted organs.

The CLDT is the most comprehensive transplant program providing living donor and cadaver donor liver transplantation for patients of all ages and ailments. The team is ably supported by transplant coordinators, specialist transplant nurses, dieticians & various therapists that give 360 degree care and satisfaction to the transplant patients.

Case Study 1

Asia's first en-bloc combined heart & liver transplant—a remarkable achievement in global healthcare

Reiterating its position as the leading transplant centre in the world, Apollo Hospitals, Chennai, performed a complex en-bloc combined heart and liver transplant, giving new life to a 30 year old.

The patient was advised a liver transplant because of liver failure. He was also diagnosed with a congenital condition called Ebsteins Anomaly—mal development of the right side of the heart which was the cause of the liver failure. There was no other option but a combined heart and liver transplant.

It required a highly successful heart & liver transplant team, both working together as ONE team to accomplish an en-bloc combined heart and liver transplant. "The transplant teams had to take into consideration the risk of excessive bleeding in the case of simultaneous transplant and the risk of accumulated toxins if the two organs were transplanted separately" recalls Dr. Paul Ramesh, Consultant Cardiothoracic Surgeon, Apollo Hospitals, Chennai.

"I am extremely proud of the patient and his family who ignored all naysayers and whose trust in the clinical team at Apollo gave us the inspiration to carry out this procedure and mark a milestone in our medical history" added Dr. Ramesh.

Case Study 2

One-year-old child from Kenya undergoes unusual liver transplant in Indraprastha Apollo Hospital, Delhi

A one-year-old child from Kenya underwent an unusual liver transplant at our Hospitals in Delhi. A segment of the liver was donated by the child's father. The child was suffering from biliary atresia since birth, a condition in which the bile ducts (required to drain the bile from the liver to the intestine) were not developed. This is among the most common reasons for liver failure in infants. The condition can be treated if detected within two months of birth. However, in this case, the condition went undetected. The only option for him was a liver transplant. The procedure was conducted at the Centre for Liver and Biliary Surgery.

Professor Anupam Sibal, Group Medical Director, said: "This case was high-risk because he was severely malnourished, was born with a complex anatomy and his liver failure was rapidly worsening. He needed an urgent transplant. We took on the challenge with such a small baby weighing only 6 kgs and with several risk factors as that was his only hope." The child had made a remarkable recovery and was discharged two weeks after the surgery. The operation took 12 hours and involved a medical team of 50 people.

Case Study 3

Apollo Hospitals, Chennai successfully performs "Only Pancreas" transplant for the first time in India

For the first time in the country, an attempt was made at a pancreas transplant for which an advanced cardiac life support vehicle covered a distance of 18 km within 12 minutes through a green corridor created from Chennai airport to Apollo Hospitals on Greams Road. Generally, the pancreas is transplanted along with the kidneys for patients undergoing kidney transplantation for diabetes. However, in this case, the patient's kidneys were functioning normally.

The organs were brought to Chennai on a Jet Airways flight from Coimbatore. The ambulance drove through the green corridor in 12 minutes—a distance which have normally taken at least 45 minutes.

The recipient was a 33-year-old man who had been suffering with insulin dependent diabetes mellitus with "Hypoglycemia unawareness" for the past 14 years. The organ was transplanted by a team of transplant surgeons at the Centre for Liver Disease and Transplantation, Apollo Hospitals, Chennai. "The pancreas is a very sensitive organ and has to be transplanted quickly and within five hours. Immediate ground clearance and support from the airlines helped speeden the process."

INSTITUTES OF GASTROENTEROLOGY

From seemingly ordinary stomach aches to complicated transplants, the Institutes of Gastroenterology at Apollo Hospitals cater to the needs of both children and adults, with specific focus on digestive and hepatobiliary systems. With proficiency both in the medical as well as the surgical elements of the field. The medical practitioners of the Institute guarantee quality care and unparalleled expertise for every patient walking in with a gastroenterological complaint. In fact, the Institutes ensure the holistic health of their patients, providing solutions to not only the physical ailments pertaining to the digestive system, but also extending their ambit to the physiological processes of digestion, absorption and elimination.

The Institute of Colorectal Surgery and the Apollo Fatty Liver Clinic, both offer specialised care for specific ailments. Such localised centres allow patients to get expert opinions and advice without getting lost in the humdrum of large hospital environments. By extending individual focus and pledging dedicated resources to specific areas of work, Apollo Hospitals ensures that every patient, every condition and every treatment plan benefits from the best counsel that its medical fraternity has to offer.

Apollo HOSPITALS INSTITUTES OF GASTROENTEROLOGY

Holistic solutions for the family

At the cutting edge for patient care

INNOVATIVE.

INTEGRATED. INTERDISCIPLINARY.

The Institute of Colorectal Surgery at Apollo Hospitals is one of India's first dedicated centres for management of diseases of the colon, rectum and anus. The Institute offers cutting edge treatments in Proctology, Pelvic Floor Diseases and Laparoscopic & Robotic Colorectal Surgery for Colorectal Cancer. Internationally trained and qualified Colorectal Surgeons offer world class end-to-end colorectal care and our experts in both surgical and non-surgical treatment of diseases of the colon, rectum, and anus. They are well versed in the treatment of both benign and malignant conditions and can offer treatment as needed for the patient.

Sub-Specialties

Colon & Rectal Surgery

Medical Gastroenterology

Surgical Gastroenterology

Bariatric Surgery

Pancreas, Liver & Intestinal Transplants

Advanced Laproscopic Surgery

Upper GI Surgery

Obesity Clinic

Hernia Clinic

Highlights

‡ Endosonography

‡ Capsule Endoscopy

‡ Hepatobiliary Procedures



Apollo Gleneagles Hospitals, Kolkata, has a tradition of leveraging technology for delivering the best medical solutions to its patients. In keeping with this philosophy, the hospital has acquired the SpyGlass™ DS Direct Visualisation System at its state-of-the-art Institutes of Gastroenterology.

SPYGLASS™—A BREAKTHROUGH INNOVATION IN CHOLANGIOSCOPY

SpyGlass™ is a breakthrough innovation in Cholangioscopy, which overcomes the shortcomings of the traditional cholangioscopes. It ensures unmatched, direct visualisation of all bile-duct quadrants, enabling lifesaving treatment of patients afflicted by hepatobiliary disorders. The system comes equipped with enhanced features which improve visualisation and simplifies procedures. It includes a fully integrated SpyScope™ DS Access and Delivery Catheter, and a single-use scope that eliminates probe reprocessing and image degradation over multiple uses.

Dr Mahesh Kumar Goenka, Gastroenterologist and Director of the Institute of Gastrosciences, says, "The SpyGlass™ DS's integrated digital sensor offers a 60% enhancement in the field of view and far greater resolution, delivering superior imaging. The wider field of vision allows us to pinpoint the site of the complaint with increased accuracy, leading to faster recovery and cure. It has added to our already advanced capabilities, enabling us to provide curative solutions that are well ahead of all other alternates currently available. We can now ensure a completely transformed care regimen which guarantees the best outcomes."

Patient Testimonial

"I was shocked to know that I weighed 348 kgs when I measured myself on arrival at Apollo Hospitals. I was suffering from severe sleep apnoea, arthritis and compulsive eating habits. I was rejected as a candidate fit for surgery all across the nation due to the high risk involved and non-availability of facilities. Dr. Rajkumar Palaniappan explained about the new Robotic obesity technique introduced for the first time in India and its availability in Apollo. He also explained the possibility of a safer surgery on me by this technique. Internet search showed it to be the safest minimally invasive option and I agreed for the same. He successfully performed the surgery. I happened to be heaviest patient operated in the whole of Asia. I recovered well and yesterday for the first time in few years walked to the toilet myself. I am happy for having decided to come to Apollo Chennai and being treated under the great surgical hands of Dr. Rajkumar Palaniappan. I will always be grateful to him."

VALUING PATIENT EXPERIENCE

At our hospitals we continuously focus on leveraging technology to enhance digital outreach and digital access. From establishing a core HIS to setting up telemedicine, we have assiduously explored ways we can use technology to enhance patient experience. Our patients come from far and wide, across geographies and countries; across the length and breadth of India, from urban, semi-urban and rural demographics. This diversity of patient base brings with it challenges of accessibility, connectivity and the need for localised care. We believe we can use technology effectively as a force multiplier to improve efficiency while increasing patient satisfaction.

At our hospitals, we have a single-minded vision of ensuring our patients get access to quality healthcare no matter where they may be. Our e-consultations are one example of that commitment. Another is our effort to enhance patient safety controls—we have garnered the strength of technology to create applications that prevent drug-related prescription errors.

Technology-driven service provision allows Apollo Hospitals to achieve many independent goals through the same set of tools. We are able to reach out to our patients using thus far unknown channels simultaneously improving our productivity while providing them a personalised experience of our value based caregiving.

Tender Loving Care

For us, being patient centric is not a goal. It is the core of our existence. Tender Loving Care (TLC) is our way of life because we want to ensure the best patient experience possible every single time. A deck of best practices encompasses our universe of patient touch points. This is dynamic. As patient needs change, we do what it takes to make them feel secure and cared for and we alleviate their feelings of stress and fear. The TLC movement comes alive at our Hospitals with our 60,000 caregivers focused on a patient first approach to caregiving.

DEPENDABLE.

DIFFERENTIATED. DISCERNING.

A brainchild of Apollo Hospitals

A lady aged 28 years, was admitted for management of atrial fibrillation. The doctor prescribed a betablocker and asprin. While entering the prescription into the computer system he received an alert from Healthcare India Pharmaceutical Registry (HIPaR) that the patient was pregnant and betablockers were associated with 'small' for gestational age babies. Also, she was allergic to asprin. He immediately cancelled these two medicines and proceeded with an alternate treatment. HIPaR had prevented a medical mishap.

HEALTHCARE INDIA PHARMACEUTICAL REGISTRY

HIPaR has caught and prevented more than 5 severe drug reactions and more than 10 therapeutic duplications every week over the past 2 years from a total of over 33 million medicine prescription transactions.

HIPaR is a tool to reduce medication errors in real time. Using its extensive database, overlaid with an intelligent engine, HIPaR can analyse medication prescriptions and send lifesaving alerts. It can provide drug monograms for doctors who want to find out more details before deciding which drug to prescribe. For nurses it can provide information on how to store drugs, how to administer them, how to dilute the drug and parameters to be monitored after administering drugs. Patients can be given information to make them proactive in their treatment. For generating alerts, HIPaR is able to factor in variables like age of patient, other concurrent medication, allergies, pregnancy status, renal and liver function status and other medical conditions, and interactions with food. It can even warn care providers if the drug has been marked as potentially confusable with other drugs either because of similar spelling or looks.

HIPaR is dynamic and always kept up-to-date. It designed for India and has details of all the Indian drugs in it, including drugs that are commonly imported.

- Allergy interaction
- Incorrect adult dosing
- Paediatric dosing
- Geriatric dosing
- Incorrect dosing for a specific disease
- Incorrect drug form
- Therapeutic duplication
- Contraindications in a particular disease
- Drug-drug interaction
- Incorrect substitution
- Drug safety during pregnancy
- Drug safety during lactation
- Sound alike, look alike or spell alike
- Drug-diet interaction
- Special precautions
- Specific patient instructions
- Administration information
- Drug storage information
- Monograms
- Patient information printouts

Apollo Hospitals has been a pioneer in adopting cutting edge technology to generate value for its patients. Apollo Hospitals is one of the first hospital groups to start Tele-consultations in remote geographies. The Group's latest offering, Ask Apollo, is a robust clinical delivery engine that can convert any PC into an Online Hospital. It is a patient-centric service that gives patients the freedom to login and book online consultations with Apollo Doctors across all specialties and super specialties through an interactive Website (askapollo.com).

ASK APOLLO

The consultations can be scheduled as a video conference, voice call or over e-mail. The users have the option to share their medical reports with the doctor for a review before consultation and can manage all their records online. Ask Apollo comes with Zero setup cost and can be accessed through any PC around the globe. The Ask Apollo website has a simple user interface making it easy to navigate. Ask Apollo promotes reduced health costs for an individual without compromising on the quality of healthcare.

Ask Apollo is a single address for running the following services

- 24x7 Family Physician Online consultations
- Apollo Specialty and super specialty consultations
- Multispecialty Board consultations
- Online Physical appointment booking
- Health check booking
- Patient health records
- Locating a hospital or clinic

The major components of Ask Apollo's Digital Strategy

- A responsive platform agnostic, mobile phone optimised offering which lists all services on the home page without a cluttered appearance.
- Minimal touch points with basic user information to facilitate superior service delivery.
- Deep linking of relevant WebPages to ensure users find what they want on the page they land on and can easily navigate through the various sections.
- Updated, clinically robust, actionable healthcare content, relevant and helpful to the consumer.
- Periodic check-up reminders, condition specific healthcare content for condition management, geography specific health alerts, free condition trackers and information relating to camps and discounts.
- Within a few months of launch, Ask Apollo has gained traction in terms of user acceptance in both urban and semi urban markets- a testimony to how the Indian masses are accepting the concept of Tele-consultations. Overseas markets like China, Singapore, United Kingdom and the Middle East have shown great interest in this concept.

PRISM is an important initiative under Apollo's patient engagement platform and Disease Management strategy. Traditionally, patients had to visit the doctor not only for a consultation, but to pick up lab results, health check summaries, prescription drug refills, and so on.

PATIENT ENGAGEMENT PLATFORM

The Patient Engagement Platform collates the Patient Health Diary. It collects all patient centric information that exists within the hospital EMR—lab results, discharge summaries, demographic information, contact details, and hospital administrative data such as billing and insurance. Patients can also add to their health data by uploading information from unconnected providers. They can extract their medical record within minutes by using a simple button feature on the portal. This feature also helps multiple caregivers as the complete records can be viewed in real time on a single platform.

Managing critical care patients in the ICUs requires round the clock monitoring and interventions by clinical specialists, which is difficult to accomplish given the shortage of intensivits. The longer a patient stays in the ICU, the greater the risk of cross infections, complications and even death. eACCESS is an innovative idea to enable best of critical care for patients even where specialists are hard to find. It leverages the capabilities of various technologies-two-way audio-visual communication, equipment data interface and representation of clinical data in various formats along with the added functionality of trends and alarms to facilitate quality care to the patient by a remotely located intensivist. The technology infrastructure also has an automated means to measure outcomes, track performance, and monitor resource utilisation.

eACCESS

eACCESS enables the critical care team sitting at a command center to complement the physical activities within an ICU ensuring patients are monitored 24X7. The care team at the command centre can effectively monitor multiple patients across many ICUs. Deviations in patient condition are relayed immediately to the on-site team for initiating urgent action. eACCESS provides instant access to over 1000 multi-specialty medical specialists in the Apollo group.

Major Benefits

- 24x7 availability of trained critical care doctors to monitor patients
- Reduced patient mortality in the connected ICUs
- Reduced average length of stay for ICU patients
- Access to good quality critical care for people in remote locations

VALUING PATIENT NEEDS

As a patient, often times the need for medical attention is specific—one consultation, one check-up or one appointment. At times like these the structure of a multi-pronged organisation may be overwhelming. Yet, it is important to choose a trusted brand whose expertise is unquestionable and whose quality of care is above par. It is to provide solutions in these situations and to be accessible to the patient whatever their need may be, that Apollo Hospitals has spread its wings outside the compound of its hospitals through specialised clinics. Their aim is to provide an answer to the specific need of the patient easily and comfortably.

In over two hundred locations in India, these clinics provide an independent and specific service to the local community. Seen on a map, the locations span the length and breadth of the country, dotting it from Delhi to Tamil Nadu, from Gujarat to Assam, with clinics present in seventeen different states. Whether it is dental care or diabetes, surgery or dialysis, the group provides people the opportunity to seek out specialised care without needing to visit a large-scale hospital. The group functions almost on a hub-and-spoke model, diverting patients on a need basis within the clinics and promoting cross-department collaboration within its internal structure. The Apollo Clinics promise you the same level of care, comfort, expertise and experience that the community has come to expect of the brand, only closer to home.

One stop solution for day-to-day healthcare needs

Family's Healthcare Partner

ADAPTABLE.

ACCESSIBLE. ADVANCED.

The only multi-brand national platform with direct contact with patients across the spectrum of medical care

A pioneer in creating replicable business models of healthcare clinics, this model has the potential to transform the way tertiary healthcare is understood in the country. Every clinic is open not only to collaboration but also to franchising. This coupled with Apollo's strict safety and quality checks and procedures, the specialised clinics are one persuasive step towards the group's vision to "bring healthcare of international standards within the reach of every individual." With the expertise of the large hospitals and the accessibility of local care providers, these clinics position Apollo Hospitals as the family's healthcare partner, available to support the individual needs of every member of the family with a comprehensive set of clinical capabilities. Thanks to this wide breadth of services, the Apollo group is the only multi-brand national platform with direct contact with patients across the spectrum of medical care.

The Apollo Clinics

Apollo WHITE dental

Incorporated in 2011 as a Joint Venture between Apollo Hospitals & Trivitron Healthcare, the brand delivers oral care services in two formats: 7 star dental SPA's "Apollo WHITE Dental SPA" and Dental Clinics "Apollo WHITE Dental Clinic" with a vision to light up billions of smiles across India, making it glow on the world map as a nation free of dental problems and pain.

DENTAL 71 CLINICS

Apollo Clinic

The Apollo Clinic is a trusted neighbourhood healthcare partner for family medicine and primary care. It creates the bridge between patients and Apollo Hospitals. The Apollo Clinics will become a platform to address future healthcare challenges in India, particularly the growth of non-communicable diseases.

CLINICS 69 CLINICS

Apollo Spectra

In India, the concept of specialty care is new and gaining gradual acceptance, with 43% surgeries being conducted as day care / short stay surgeries currently. These ambulatory surgeries do not require overnight hospital stay whereas short stay surgeries require lower length of stay (LOS). It is estimated that increasing number of surgeries would be conducted in India as day care / short stay surgeries over the coming years. Short stay surgeries are conducted across multiple healthcare delivery formats -tertiary care multi-specialty hospitals, nursing homes, single-specialty hospitals and multiple specialty surgical centers. Improved patient convenience due to faster treatment and early discharge, lower costs due to LOS, reduced susceptibility to hospital-acquired infections and improved insurance coverage are the various factors driving this demand. Apollo has established 12 such surgical Spectra centers across 8 cities in India thrusting itself as a market leader in this healthcare segment.

SPECTRA 12 CLINICS

Apollo Dialysis

"Apollo Dialysis Clinic" is a brand operated under the corporate entity "Apollo Dialysis Private Limited", a Joint Venture Company promoted by two healthcare giants of Asia, Apollo Hospitals and Trivitron Healthcare. The vision is to facilitate dialysis treatment in a place that is convenient to the patient. This is in keeping with Apollo's philosophy of putting the patient at the core of its operations. With a strong focus on treatment outcomes, the company aims to setup standalone centres as well as centres in association with existing hospitals.

DIALYSIS 5 CLINICS

Apollo Sugar

Apollo Sugar Clinics is an innovative, single specialty diabetes and endocrine healthcare service provider, under the aegis of Apollo Hospitals Group, formed as a collaboration between Apollo Health and Lifestyle and Sanofi.

Apollo Sugar Clinics addresses the lacuna of accessible care for diabetes. It is currently present in 15 cities across India with 42 centres and is actively expanding its footprint.

The Clinic's goal is to make India diabetes free. It aims at deriving the best outcome via a proven patient-centric care model that combines comprehensive clinical care with sustained lifestyle management. Preliminary analyses reflect favourable outcomes with mean HbA1c reduction across all centers.

The Diabetes Care Program is a long term model which manages the disease through a diet and fitness regimen.

SUGAR 42 CLINICS

Apollo DIAGNOSTICS

Apollo firmly believes that the efficacy of its treatments is dependent on accurate diagnostics. With a view to providing our patients the best healthcare possible we leverage technology on an ongoing basis to give them personalised and appropriate treatment options. Nearly 70% of clinical decisions are therefore based on pathology inputs. Apollo Diagnostics serves a great need in providing support to a mighty network of highly skilled doctors who give care to patients of all ages.

DIAGNOSTICS 103 CLINICS

Apollo Cradle was born out of our belief that childbirth is a celebration. One of the path breaking initiatives at Apollo Cradle is “Natural is Priceless”—an initiative to promote natural child birth. Our expert team renders impeccable maternity, gynaecology, neonatal, paediatric and fertility services from a state of the art facility. Clinical excellence, patient experience, safety and trust are the keystones of our centre and we deliver joy through tender loving care in an environment that replicates the warmth and comfort of home. With advanced antenatal, birthing, post-partum, neonatal and gynaecological services, Apollo Cradle is a healthcare facility of international standards.

CRADLE 8 CLINICS

- Robust patient transfer procedures International protocols of safety and efficiency
- State-of-the-art infrastructure
- Level 3 Neonatal Intensive Care Unit (NICU)
- Maternal Intensive Care Units (MICU)
- State-of-the-art Operation Theaters
- 3:1 nursing ratio

A patient focused application, the revolutionary NICU feed management system improves patient safety and recovery times. The mother’s milk is barcoded and stored, eliminating mistakes in the baby feeds. The tool tracks the expiration of milk and identifies all feeding containers and storage locations. The system also improves nurse productivity as manual data entry is replaced with dynamic input.

BARCODING BREASTMILK TO ENSURE PATIENT SAFETY

The application is integrated with the electronic patient records system.

Case Study

Delivering preemie twins with tender loving care

A young woman was having her mandatory pregnancy check-ups regularly at Cradle as she was carrying twin babies. Her obstetrician had warned her that she was at high risk of having premature babies because of her hypertension and blood sugar issues in her pregnancy. Her obstetrician tried to prolong her pregnancy as long as possible keeping the safety of both the mother and babies in mind, and covered her with steroids electively. However, in her 8th month of pregnancy, the patient’s blood pressure rose to very high levels and she had to be taken up for an emergency c-section. She delivered two tiny preemies weighing 1.3kg and 2.0kg respectively. The older twin weighing 2.0kg developed a severe breathing problem soon after birth and had to be put on respiratory support and given a medication to open up the lungs. He improved remarkably in a day and was removed from respiratory support. He was gradually started on feeds, however, he had problems of feed intolerance initially. The younger twin did not require any respiratory support but needed a central line for providing his mandatory nutrition intravenously. He was in the NICU for around 2 weeks following which he too was discharged. All follow-up evaluations were normal.



FINANCIAL & OPERATIONAL HIGHLIGHTS

CONSOLIDATED FINANCIAL PERFORMANCE

Rupees million, except for share data	FY 2016	FY 2015	Growth
Revenue from operations	60,856	51,785	18%
Operating EBITDA (Earnings before Interest, Tax & Depreciation)	7,823	7,347	6%
Operating EBIT (Earnings before Interest & Tax)	5,290	5,230	1%
Profit Before Tax	4,164	4,554	-9%
Profit After Tax	3,310	3,399	-3%
Earnings per share (EPS)-Basic (₹)	23.79	24.43	-3%
Earnings per share (EPS)-Diluted (₹)	23.79	24.43	-3%

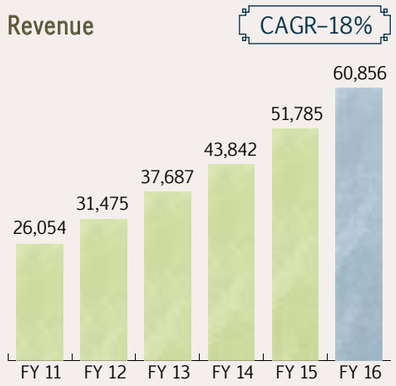
CONSOLIDATED FINANCIAL POSITION

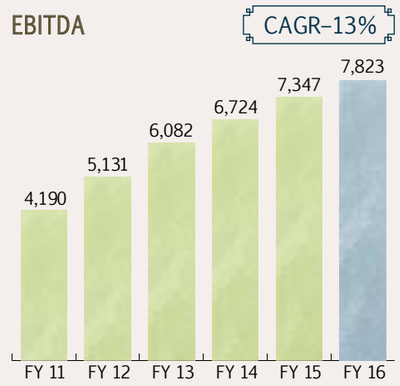
Rupees million	FY 2016	FY 2015
Application of funds	**63,817**	**54,031**
Fixed Assets	42,082	36,115
Goodwill	2,120	1,652
Non-current Investments	1,980	1,651
Net Current Assets & Long term Advances*	17,501	14,410
Deferred Tax Asset	134	203
Sources of Funds	**63,817**	**54,031**
Shareholders Funds	34,536	31,714
Minority Interest	1,303	730
Loan funds and Long term Provisions/Liabilities	23,001	17,365
Deferred Tax Liability	4,977	4,222

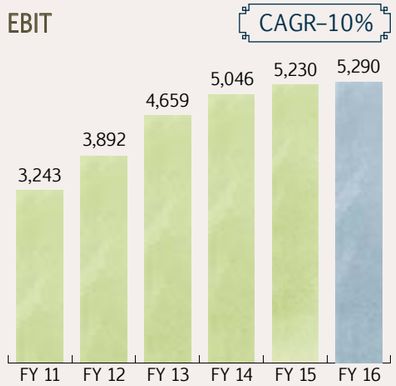
* includes cash and investment in liquid mutual funds of ₹ 4,615 million in FY16 and ₹ 5,151 million in FY 15

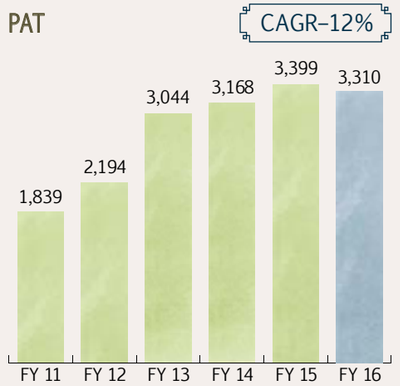
SIX YEARS AT A GLANCE

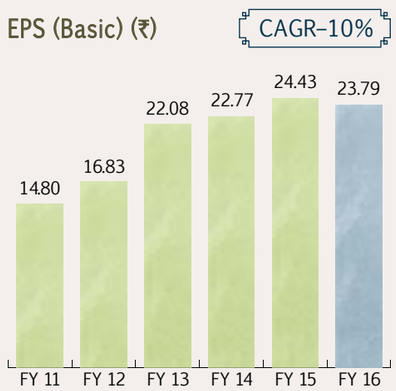
All data in Rupees million, except for share data

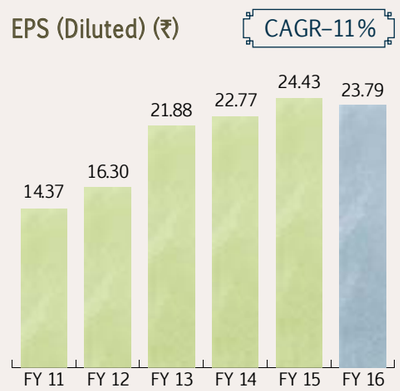








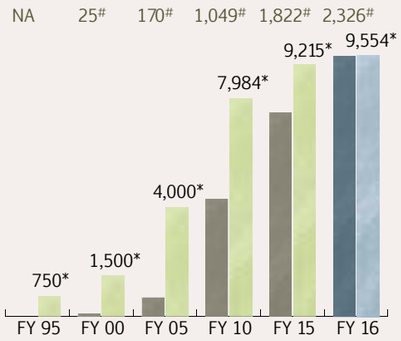




SUSTAINED GROWTH

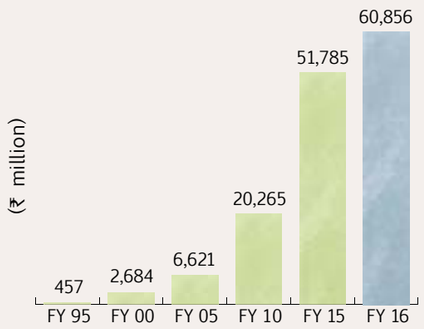
Bed & Pharmacy Count

Plan to add another 1,045 beds in the next 3 years

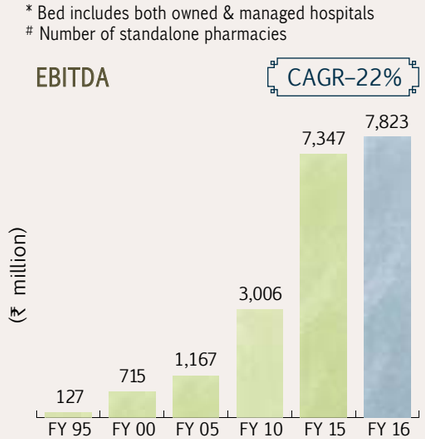


* Bed includes both owned & managed hospitals
\# Number of standalone pharmacies

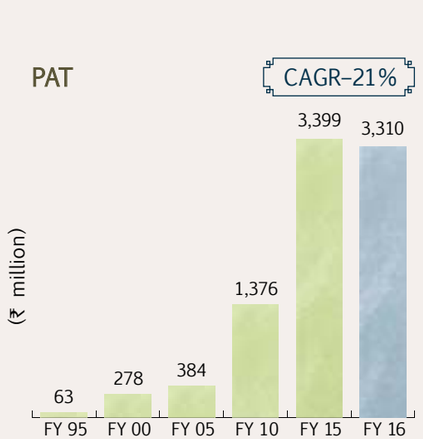
Revenue — CAGR–26%



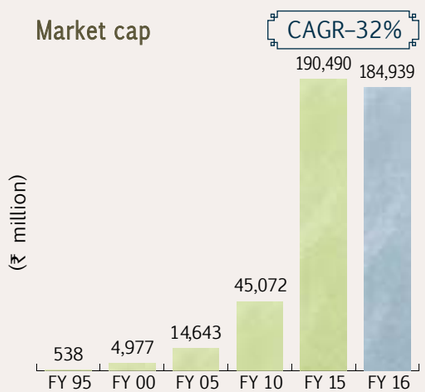
EBITDA — CAGR–22%



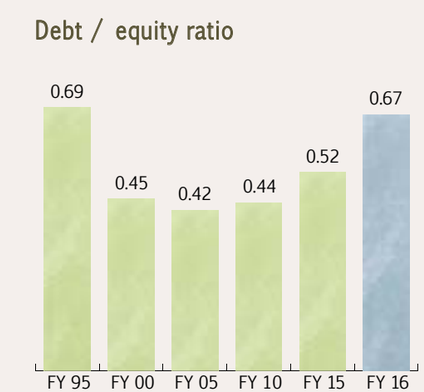
PAT — CAGR–21%



Market cap — CAGR–32%



Debt / equity ratio

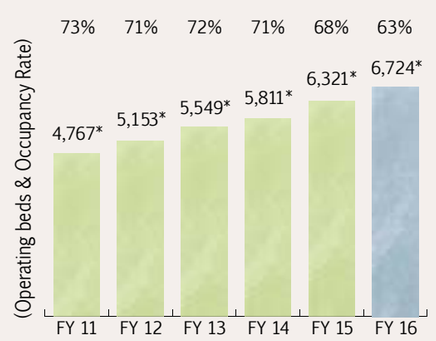


STRONG OPERATIONAL PERFORMANCE

Discharges (in '000s) — CAGR–7%

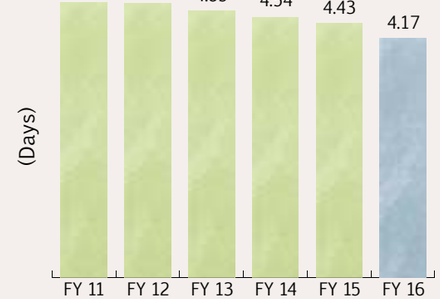


Occupancy



* Operating beds

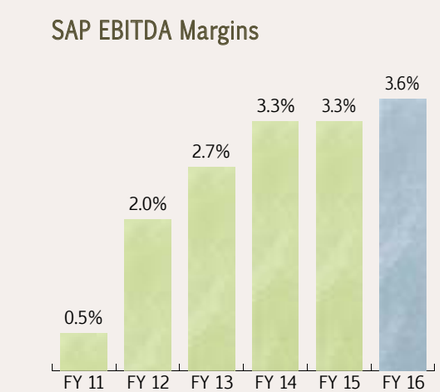
ALOS



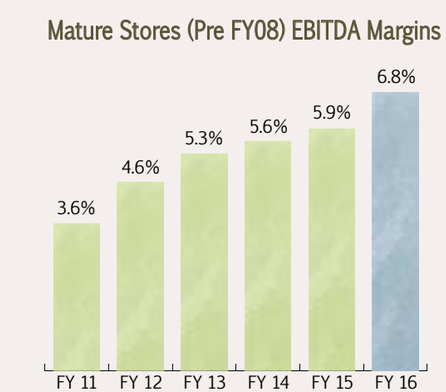
ARPOB — CAGR–9%



SAP EBITDA Margins



Mature Stores (Pre FY08) EBITDA Margins



ALOS – Average Length of Stay; ARPOB – Average Revenue per Occupied Bed

BOARD MEMBERS



Dr. Prathap C Reddy
Founder and Executive Chairman



Smt. Preetha Reddy
Executive Vice Chairperson



Smt. Suneeta Reddy
Managing Director



Smt. Shobana Kamineni
Executive Vice Chairperson



Smt. Sangita Reddy
Joint Managing Director



Shri. Deepak Vaidya
Director



Shri. Habibullah Badsha
Director



Shri. Rafeeque Ahamed
Director



Shri. Raj Kumar Menon
Director



Shri. Sanjay Nayar
Director



Shri. N Vaghul
Director



Shri. G Venkatraman
Director



Shri. Vinayak Chatterjee
Director

Corporate Information

Senior Management Team

Dr. K. Hariprasad
President - Hospitals Division

Shri. S.K. Venkataraman
Chief Strategy Officer

Shri. Krishnan Akhileswaran
Chief Financial Officer

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

Auditors

S. Viswanathan LLP
Chartered Accountants
Chennai - 600 004.

Bankers

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

Registered Office

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

Corporate Office

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

Administrative Office

Ali Towers, # 55, Greams Road,
Chennai – 600 006.
(E) investor.relations@apollohospitals.com
(W) www.apollohospitals.com

Board Committees

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

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

Contents

Directors' Report to the Shareholders

Your Directors are pleased to present the **THIRTY FIFTH ANNUAL REPORT** and the audited financial statements for the year ended 31st March 2016.

Financial Results (Standalone)

(₹ in million)

For the year ended	March 31, 2016	March 31, 2015
Income from operations	54,091	45,928
Profit before Extraordinary Items and Taxation	4,778	4,820
Provision for Taxation	827	1,207
Net Profit before Extraordinary Item after Taxation	3,951	3,613
Exceptional Items	(257)	(147)
Net Profit after Exceptional Items	3,694	3,466
Balance of Profit brought forward	3,144	3,165
Profit Available for appropriations	6,838	6,631
Appropriations		
Dividend (inclusive of dividend tax)	1,004	964
Transfer to General Reserve	2,000	1,500
Transfer to Debenture Redemption Reserve	-	485
Amount charged off in accordance with the transitional provisions of the Companies Act, 2013	-	539
Balance carried forward to the Balance Sheet	3,834	3,143

Results of Operations

During the year under review, the income from operations of the Company increased to ₹54,091 million compared to ₹45,928 million in the previous year, registering an impressive growth of 18%. The profit after tax for the year increased by 7% to ₹3,694 million compared to ₹3,466 million in the previous year.

During the year under review, the consolidated gross revenue of the Company increased to ₹60,856 million compared to ₹51,785 million in the previous year, registering an impressive growth of 18%. Net profit after minority interest for the group stood at ₹3,310 million.

Consolidated Financial Statements

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

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

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

Dividend

During the year, your Company declared an interim dividend of ₹6.00 per equity share. Your Directors have considered it financially prudent in the long-term interests of the Company to reinvest the profits into the business of the Company to build a strong reserve base and grow the business of the Company. No final dividend has therefore been recommended for the year ended March 31, 2016.

Transfer of Reserves

Your Company proposes to transfer ₹2,000 million to the general reserves out of the amount available for appropriations. An amount of ₹3,834 million is proposed to be retained in the profit and loss account.

Credit Rating

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

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

Subsidiaries, Associate Companies and Joint Ventures.

At the beginning of the year, your Company had twelve direct subsidiaries and five step down subsidiaries, seven joint ventures and three associate companies. As on 31st March 2016, your Company has sixteen direct subsidiaries and five step down subsidiaries, six joint ventures and three associate companies.

The statement containing the summarized financial position of the subsidiary companies viz., Apollo Home Healthcare (I) Ltd (formerly known as Unique Home Healthcare Limited) (AHHCL), AB Medical Centres Limited (ABMCL), Samudra Healthcare Enterprises Limited (SHEL), Apollo Hospital (UK) Limited (AHUKL), Apollo Hospitals Singapore Pte Limited (AHSPL), Apollo Health and Lifestyle Limited (AHLL), Western Hospitals Corporation Pvt Limited (WHCPL), Total Health (TH), Apollo Healthcare Technology Solutions Limited (AHTSL), Imperial Hospital and Research Centre Limited (IHRCL), Apollo Home Healthcare Limited (AHHL), Apollo Nellore Hospital Limited (ANHL), Sapien Bio Sciences Pvt Limited (SBPL), Apollo Rajshree Hospitals Pvt Limited (ARHL), Apollo Lavasa Health Corporation Limited (ALHCL), Assam Hospitals Limited (AHL), Apollo Cosmetic Surgical Centre Pvt Limited (ACSPL), Apollo Sugar Clinics Limited (ASCL), Akeso Healthcare Private Limited (AKESO), Alliance Dental Care Limited (ADCL) and Apollo Dialysis Private Limited (ADPL) pursuant to Section 129 and Rules 5 of the Companies (Accounts) Rules, 2014 is contained in Form AOC-1, which forms part of the Annual Report.

Apollo Home Healthcare (India) Limited (AHHCL)

(Formerly known as Unique Home Healthcare Limited)

AHHCL, a wholly owned subsidiary of the Company provides medical and paramedical services including doctor's consultation, physiotherapy direct to patient homes and also offers paramedical services in hospitals to critically ill patients. During the year AHHCL, recorded a revenue of ₹12.53 million, and net profit of ₹0.11 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 and building to the company for running a hospital. For the year ended 31st March, 2016, ABMCL recorded an income of ₹6.79 million and a net profit of ₹4.66 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, 2016, SHEL recorded an income of ₹266.40 million and a net profit of ₹4.49 million.

Apollo Health and Lifestyle Limited (AHLL)

AHLL, is a 99.29% subsidiary of the Company is engaged in the business of providing primary healthcare facilities through a network of owned/franchised clinics across India offering specialist consultations, diagnostics, preventive health checks, telemedicine facilities and a 24-hour pharmacy all under one roof. For the year ended 31st March, 2016, AHLL recorded an income of ₹2,000.13 million and a net loss of ₹56.86 million.

Western Hospitals Corporation Private Limited (WHCPL)

WHCPL, a wholly owned subsidiary of the Company, for the year ended 31st March 2016, recorded an income of ₹14.44 million and a net profit of ₹9.60 million.

Total Health (TH)

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

Apollo Healthcare Technology Solutions Limited (AHTSL)

AHTSL, a wholly owned subsidiary of the Company is in the process of setting up the Proton Therapy Centre in Chennai which will be the first of its kind in the Southern Hemisphere and offering advanced oncology care. AHTSL is yet to commence operations.

Apollo Hospital (UK) Limited (AHUKL)

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

Apollo Hospitals Singapore Pte Limited (AHSPL)

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

Imperial Hospital and Research Centre Limited (IHRCL)

IHRCL, a 90% subsidiary of the company owns a 240 bed multi-specialty hospital at Bengaluru. For the year ended 31st March, 2016, IHRCL recorded an income of ₹1,839.90 million and a net profit of ₹61.70 million.

Apollo Home Healthcare Limited (AHHL)

AHHL, a 80.87% subsidiary of the Company is engaged in the business of providing high quality, personalized and professional healthcare services at the doorsteps of the patients. AHHL recorded revenues of ₹59.88 million and a net loss of ₹113.64 million.

Apollo Nellore Hospital Limited (ANHL)

ANHL has leased out its land at Nellore to the Company. ANHL recorded revenues of ₹8.01 million and a net profit of ₹6.18 million.

Sapien Biosciences Pvt Ltd (SBPL)

SBPL, is a 70% subsidiary of the company which is engaged in the business of bio-banking of tissues. For the year ended 31st March, 2016, SBPL recorded revenues of ₹5.95 million and a net loss of ₹10.37 million.

Apollo Rajshree Hospitals Pvt Ltd (ARHL)

ARHL, a 57.27% subsidiary of the company, runs a multi speciality hospital at Indore. For the year ended 31st March, 2016, ARHL recorded an income of ₹201.70 million and a net loss of ₹83.87 million.

Apollo Lavasa Health Corporation Limited (ALHCL)

ALHCL, a 51% subsidiary of the company, runs a hospital at Lavasa. For the year ended 31st March, 2016, ALHCL recorded an income of ₹7.20 million and a net loss of ₹39.45 million.

Assam Hospitals Limited (AHL)

AHL, a 51% subsidiary of the company, runs a multi speciality hospital at Guwahati. For the year ended 31st March, 2016, AHL recorded an income of ₹869.55 million and a net profit of ₹18.00 million.

Apollo Sugar Clinics Limited (ASCL)

ASCL, a subsidiary company of Apollo Health and Lifestyle Limited, is engaged in the business of running diabetes management centres. For the year ended 31st March, 2016, ASCL recorded an income of ₹190.46 million and a net loss of ₹171.01 million.

Apollo Cosmetic Surgical Centre Pvt Ltd (ACSPL)

ACSPL, a subsidiary company of Apollo Health and Lifestyle Limited, is engaged in the business of running cosmetic surgical centres. For the year ended 31st March, 2016, ACSPL recorded an income of ₹12.24 million and a net loss of ₹10.11 million.

Akeso Healthcare Private Limited (AKESO)

AKESO, a wholly owned subsidiary company of Apollo Health and Lifestyle Limited, is engaged in the business of healthcare services. For the year ended 31st March, 2016, it recorded an income of ₹45.86 million and a net loss of ₹0.62 million.

Alliance Dental Care Limited (ADCL)

ADCL, a subsidiary of Apollo Health and Lifestyle Limited is engaged in the business of running dental clinics. For the year ended 31st March 2016, ADCL recorded a revenue of ₹382.34 million and a net loss of ₹62.68 million.

Apollo Dialysis Pvt Ltd (ADPL)

ADPL, a subsidiary of Apollo Health and Lifestyle Limited is engaged in the business of running dialysis centres. For the year ended 31st March 2016, ADPL recorded a revenue of ₹49.13 million and a net loss of ₹6.30 million.

Corporate Governance

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

Management's Discussion and Analysis Report

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

Business Responsibility Report

The SEBI's Listing Regulations mandates inclusion of the Business Responsibility Report (BRR) as part of the Annual Report for top 500 listed entities based on market capitalisation. In compliance with the regulation, BRR is presented in a separate section forming part of the Annual Report.

Sexual Harassment

The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. The Company received 3 complaints under the policy, all of which were disposed off.

Vigil Mechanism/Whistle Blower Policy

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

Particulars of Loans, Guarantees and Investments

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

Fixed Deposits

During the financial year, your company had not accepted deposits from the public.

The total outstanding deposits with the Company as on 31st March 2016 were ₹273.41 million (₹339.27 million as on 31st March 2015) which include deposits for an aggregate value of ₹18.87 million (₹1.49 million as on 31st March 2015) not claimed by the depositors.

Directors and other Key Managerial Personnel (KMPs)

Board Composition and Independent Directors

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

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

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 (b) of the SEBI Listing Regulations.

Retirement by Rotation

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

Key Managerial Personnel

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

Board Evaluation

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

Remuneration Policy

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

Meetings of the Board

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

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

Risk Management

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

Internal Financial Controls and their Adequacy

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit (IA) function is defined in the Internal Audit Charter. To maintain

its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board. The details of the internal control system and its terms of reference are set out in the Management Discussion and Analysis Report forming part of the Board's Report.

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

Significant and Material Orders passed by the Regulators or Courts.

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

Directors' Responsibility Statement

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

a. that in the preparation of the annual financial statements for the year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;

b. that such accounting policies have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit of the Company for the year ended on that date;

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

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

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

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

Share Capital

The paid up Equity Share Capital as on March 31, 2016 was ₹695.63 Million. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity. As on March 31, 2016, the details of the shareholding by the Directors of the Company are set out in the Corporate Governance Report forming part of the Board's Report and none of the directors hold convertible instruments of the Company.

Rights Issue

The Board at its meeting held on 28th May 2015 approved the proposal to undertake an issue of equity shares to the existing shareholders on a Rights basis of a sum of upto ₹7,500 million.

The purpose of the Rights Issue was to raise long term equity capital for the Company. The Company is awaiting necessary approvals for going ahead with the Rights Issue.

Contracts and Arrangements with Related Parties

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

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

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

Particulars of Employees and related disclosures

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

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

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

Employee Stock Options

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

Corporate Social Responsibility Initiatives

As part of its initiatives under Corporate Social Responsibility (CSR), the Company has undertaken projects in the areas of Rural Development, Education and Health. These projects are in accordance with Schedule VII of the Companies Act, 2013. The Report on CSR activities for the financial year 2015-16 is annexed herewith as "Annexure A".

Statutory Auditors

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

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

It may please be noted that this would be the last year of appointment of the existing Statutory Auditor under the transitional provisions contained in the Companies Act, 2013.

The Company engages the services of the Big Four consulting firms on compliance, regulatory and tax matters including enterprise risk management, review of internal financial controls which also covers Information Technology related controls etc and provides periodic updates to the Board on an ongoing basis .

Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, your Directors had, on the recommendation of the Audit Committee, appointed M/s. Raman & Associates, Cost Accountants, Chennai (ICWA Registration No.000050) to audit the cost accounts of the Company for the financial year 2016-17 on a remuneration of ₹1.50 million.

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

Secretarial Auditors

The Board has appointed Smt. Lakshmmi Subramanian, Senior Partner, M/s. Lakshmmi Subramanian & Associates, a firm of Company Secretaries in Practice, to conduct Secretarial Audit for the financial year 2015-2016. The Secretarial Audit Report for the financial year ended March 31, 2016 is annexed herewith as "Annexure B". The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Statutory Auditors and Secretarial Auditors Report

The Directors hereby confirm that there is no qualification, reservation or adverse remark made by the statutory auditors of the company or in the secretarial audit report by the practicing company secretary for the year ended 31st March, 2016.

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

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

Extract of Annual Return

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

Acknowledgement

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

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

For and on behalf of the Board of Directors

Place : Chennai
Date : 25th May, 2016

Dr. Prathap C Reddy
Executive Chairman

Annexure - A to the Directors' Report

Report on Corporate Social Responsibility (CSR) activities for the financial year 2015 - 2016.

1	A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.	Your Company has undertaken CSR activities during the year to create a meaningful and lasting impact on the communities in remote areas by helping them transcend barriers of socio-economic development. Your company wishes to extend comprehensive integrated healthcare services to the community. Your company is also committed to developing the skills of the youth through high quality education and research in healthcare services. Your company continues to focus on the CSR activities under the following broad segments : 1. Rural Development 2. Healthcare 3. Education and Skills Development 4. Research in Healthcare 5. Disaster Management The CSR Policy can be assessed on the company's website. Weblink: https://www.apollohospitals.com/apollo_pdf/csr-policy.pdf
2	Composition of the CSR Committee:	• Dr. Prathap C Reddy, Chairman • Smt. Preetha Reddy • Shri. N. Vaghul and • Shri.G.Venkatraman
3	Average net profit of the Company for the last three financial years:	₹4,321.98 million
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above):	₹86.44 million
5	Details of CSR spent for the financial year	2015 -2016
	Total Amount to be spent for the financial year	₹86.44 million
	Amount unspent, if any	Nil
6	Manner in which the amount was spent during the financial year is detailed below :	

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

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

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

Sl No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local area or other (2) Specify the State and district where Projects or Programs were undertaken	Amount of Outlay (Budget) project or program wise ₹ in million	Amount spent on the project or programs ₹ in million	Cumulative Expenditure upto the reporting period ₹ in million	Amount spent directly or through implementing agency*
1	Providing safe drinking water Extension of Sanitation facilities Setting up of Nutrition Centres Vocational Training Centres facilitating skill development training Mobile Medical Units – primary and preventive health care including diagnostics Promotion and revival of rural sports	Rural Development	Andhra Pradesh, Chittoor District, Aragonda	80.00	8.34	27.89	Implementing Agency: Total Health
2	Education and other related Initiatives	Promoting education	Andhra Pradesh, Chittoor District, Aragonda	30.00	5.50	16.02	Implementing Agency : Aragonda Apollo Medical and Educational Research Foundation
3	Health Check-ups - Free Medicines and Medical Check-ups for poor people Health Care activities, Health awareness camps for primary and preventive healthcare including diagnostics.	Promoting healthcare including preventive care	Free medical Clinics at: 1. Tirumala Tirupathi Devasthanam (TTD), Tirupathi, Andhra Pradesh. 2. Koyambedu Bus Stand, Chennai. 3. Research Centre at Tambaram, Chennai. 4. Rural Community Centre, Ayanambakkam, Chennai. 5. Medical Camp at Sabarimala, Pamba, Pathanamthitta District, Kerala.	73.35	34.60	73.35	Direct
4	Free Medical Treatment for children ailing from heart diseases.	Promoting healthcare including preventive care	Tamil Nadu, Chennai	7.83	2.50	7.83	Implementing Agency: Save a Child's Heart Initiative, registered under the Trust Act.
5	Free Medical Treatment for children with hearing impairment	Promoting healthcare including preventive care	Andhra Pradesh Hyderabad	2.50	2.50	2.50	Implementing Agency: Society to Aid the Hearing Impaired registered under the Trust Act.
6	Free Medicines to Geriatric Centers	Promoting healthcare including preventive care	Tamil Nadu, Chennai	2.70	2.70	2.70	Implementing Agency: Direct
7	Donation to Tamil Nadu Chief Minister Fund for Flood Relief	Disaster Management	Tamil Nadu	30.00	30.00	30.00	Implementing Agency: Government of Tamil Nadu
8	Swach Bharat Initiatives	Community Development	-	3.56	-	3.56	Implementing Agency : Society to Heal, Aid, Restore, Educate
9	Eradication of Child Poverty	Community development	Andhra Pradesh	0.30	0.30	0.30	Implementing Agency: Magic Bus Foundation
	Total			**230.24**	**86.44**	**164.15**	

Responsibility Statement by the Corporate Social Responsibility Committee:

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

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

sd/-
Suneeta Reddy
Managing Director

Place : Chennai
Date : 25th May 2016

Annexure - B to the Directors' Report
Secretarial Audit Report

Secretarial Audit Report
for the financial year ended 31st March 2016

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanisms in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Apollo Hospitals Enterprise Limited ("the Company") for the financial year ended on 31st March, 2016 according to the provisions as applicable to the Company during the period of audit:

(i) The Companies Act, 2013 ("the Act") and the rules made thereunder and the Companies Act, 1956 to the extent applicable;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

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

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (applicable with effect from 15th May 2015);

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

(d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients to the extent of securities issued;

(f) The Listing Agreements entered into by the Company with the Stock Exchanges, where the securities of the Company are listed and the uniform listing agreement with the said stock exchanges pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (applicable with effect from 1 December, 2015).

(g) Secretarial Standards with respect to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India applicable with effect from 1 July 2015.

It is reported that during the period under review, the Company has been regular in complying with the provisions of the Act, Rules, Regulations, Guidelines, and Standards etc., as mentioned above.

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

(a) The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014 and the Employees Stock Option Scheme, 2007 approved under the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009

(c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998

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

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

1	Atomic Energy Act, 1962
2	Birth and Death and Marriage Registrations Act, 1886
3	Blood Bank Regulations under Drugs and Cosmetics Act, 1940
4	Clinical Thermometers (Quality Control) Order, 2001
5	Dentists Act, 1948
6	Drugs and Cosmetics Act, 1940
7	Drugs and Cosmetics Rules, 1945
8	Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954
9	Drugs and Magical Remedies Rules, 1955

10	Epidemic Diseases Act, 1897
11	Ethical guidelines for Biomedical Research on Human Subjects
12	Excise Permit (For Storage of Spirit) under Central Excise Act, 1956
13	Infant Milk Substitute, Feeding Bottles and Infant Foods (Regulation of Production, Supply and Distribution) Act, 1992
14	Infant Milk Substitute, Feeding Bottles and Infant Foods (Regulation of Production, Supply and Distribution) Rules, 1993
15	Legal Metrology Act, 2009
16	Legal Metrology Rules, 2011
17	Medical Termination of Pregnancy Act, 1971
18	Medical Termination of Pregnancy Regulations, 1976
19	Medical Termination of Pregnancy Rules, 1975
20	NACO Guidelines.
21	Mental Health Act, 1987
22	Narcotic Drugs and Psychotropic Substances Rules, 1985
23	Narcotic Drugs and Psychotropic Substances Act, 1985
24	Pharmacy Act, 1948
25	Poisons Act, 1919
26	Poisons Rules (state specific)
27	Pre Conception and Prenatal Diagnostic Techniques Act, 1994
28	Pre Conception and Prenatal Diagnostic Techniques Rules, 1996
29	Prevention of Illicit Traffic in Narcotics Drugs Act, 1988
30	Prohibition of Smoking Act, 2008
31	Static and Mobile Pressure vessels (unfired) Rules, 1981
32	The Bio Medical Waste (Management and Handling) Rules, 1998
33	Transplantation of Human Organs Act and Rules, 1994
34	Clinical Establishments and Registration Act, 2010/ State Private Clinical Establishment Registration Act

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

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

We further report that

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

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

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

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

- The company, during the financial year under review, has passed a Board resolution for Rights Issue and the same is under process.
- The NCDs which was privately placed earlier amounting to ₹1,250 million was repaid in full and satisfaction of charge was filed with ROC on 30th December 2015.
- Two multi-speciality hospitals at Malleswaram, Bangalore and Vishakapatnam were inaugurated during the year under review.
- The following companies have become subsidiaries to AHEL during the year 2015-2016

  1. Apollo Lavasa Health Corporation Ltd
  2. Apollo Healthcare Technology Solutions Ltd
  3. Assam Hospitals Ltd
  4. Apollo Home Healthcare Ltd
  5. Apollo Hospitals Singapore Pte Ltd

- Names of the Subsidiaries which have been liquidated/ sold or ceased to become subsidiaries during the year

  1. As per the Scheme of Arrangement approved by Hon'ble High Court of Madras, the Dialysis Division of Alliance Medicorp (I) Ltd was demerged into Apollo Dialysis Private Limited and the remaining undertaking was amalgamated with Alliance Dental Care Limited. Alliance Medicorp (I) Limited shall stand dissolved without being wound up.
  2. The Company has transferred its entire equity stake in Alliance Dental Care Limited and Apollo Dialysis Private Limited to its subsidiary Apollo Health and Lifestyle Limited.

For LAKSHMMI SUBRAMANIAN & ASSOCIATES

Sd/-

Lakshmmi Subramanian

Senior Partner

FCS No. 3534

C.P.No. 1087

Place : Chennai

Date : 25th May, 2016

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

ANNEXURE

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

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

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on a random test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

Place : Chennai
Date : 25th May, 2016

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

Conservation of Energy

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

Your Company constantly evaluates and invests in new technology to make its infrastructure more energy efficient. The following energy saving measures were adopted during the year 2015-2016.

- Phasing out of CFL lamps to LED lights.
- Procurement of electricity from alternative source - WEG.
- Optimization of fuel consumption in boiler operations.
- Introduction of timer based operation of Air handling Units to reduce power, consumption.
- Introducing of micro processing energy saver for AHU Motors.
- Energy optimization practices implemented in Transformer operation.
- VFD installation for AHU motor in a phased manner.
- All Lifts and OT AHUs are operated with VFD panels.
- Introduced timer control for AHU motor's to reduce running hours.

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

Technology Absorption

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

1 **Indigenous technology absorption**- In an effort to promote indigenous technology absorption, the following equipments have been installed at various Apollo Hospital locations.

   a) Blood bank equipment including Deep freezer, Blood bank refrigerator, Platelet agitator/incubator, Blood collection monitor and Tube sealer.

   b) Digital radiography system.

c) Neonatal infant care equipment including Infant care warmer/ incubator, Transport Incubator, CPAP unit and LED Phototherapy unit.

d) Fluoroscopy unit.

e) Reverse osmosis plant for haemodialysis.

2. The benefit accrued due to this is primarily cost reduction from import substitution considering the impact of exchange rate fluctuation and revision of customs duty tariffs. The performance and quality of these equipments have been found to be quite satisfactory.

a) **MRI system Philips model Ingenia 3Tesla** – The Philips system utilizes dStream architecture for high signal to noise ratio for better image quality. Other features include better magnet homogeneity and linearity, power saving technology and multi transmit technology for reduction of dielectric shading and local specific absorption rate. Personalised and automated exams and better workflow add to patient comfort. In-bore experience, comfort tone and auto voice enable patients to overcome claustrophobia during scanning.

b) **Cathlab Philips model Allura Clarity FD20** - This latest model cathlab is suitable for both cardiac and neuro vascular applications . With powerful image processing technology it offers enhanced image quality at a fraction of the dose in earlier models. With the ceiling suspended gantry this model provides free floor space for better workflow. 3D Rotational Angiography and Roadmap offer useful interventional tools. Instant stent boost subtract and large screen display enable better visualization of stent placements.

c) **CT scanner Philips model Ingenuity 128 slice** – This model utilizes the latest generation nano panel detector for low noise, low dose and low energy imaging ensuring high image quality . Other unique features include ECG dose modulation for dose reduction, adaptive pitch selection for optimal temporal resolution and breath hold, step and shoot for low dose and high quality cardiac imaging and beat to beat variable delay algorithm for consistent tracking of the physiologic cardiac phase.

d) **CT scanner Siemens model Somatom Definition AS+ 128 slice** – This model has a large (78cm) gantry bore for ensuring maximum comfort to patients during scanning. The high power Straton tube and generator and UFC detector enable very good image quality. With SAFIRE dose algorithm, substantial dose reduction is possible in addition to low pediatric dose levels. In addition to multispecialty software , the system offers dual energy applications as well.

e) **Neurosurgical operating microscope Leica model OH6** - This has unique fusion optics technology for ideal combination of high resolution and depth of focus. This model has a high working distance, dual xenon lamps and power supplies for fail safe operation. The fluorescence module can be inbuilt and with special filters the system can be used for visualization of tumor and vasculature.

f) **Digital mammography system** – Siemens model Mammomat Inspiration has a flexible, modular platform for screening, 3D stereo biopsy, diagnosis and is upgradable to 3D tomosynthesis. The unique OPCOMP feature ensures optimal compression without causing discomfort to patients and OPDOSE feature ensures optimal dose with best image quality.

g) **Mobile digital radiography system Philips model Diagnost Opta** - This Philips model offers quality digital images that can be acquired quickly and transferred to PACS. It is easy to manoeuvre and has a wide range of anatomical programs. Reduced patient wait times, better results and bedside point of care are enabled.

h) **Getinge CSSD equipment**- The latest generation sterilizers from Getinge, Sweden are being launched for the first time in India at Apollo. The sterilizers are built on modular technology with touch panels on both loading and unloading side for ease of operation. They are incorporated with Corian panel which is non-porous, anti-microbial and hygienic. The sterilizers operate with reduced power and water and faster cycle times. They have an auto-start up system which ensures that the sterilizers are ready for operation before the CSSD staff arrive in the Department. Similarly, the Turbo range of washer disinfectors feature a multi-tasking system to save process time, energy, water, space and operating costs.

i) **Extracorporeal photo chemotherapy -** This technology has been introduced at Apollo Hospitals from the leaders in the field- Macopharma, France. This cellular therapy process is useful for treatment of various disorders such as cutaneous T-cell lymphoma, Graft versus host disease (acute and chronic) after allogenic bone marrow transplantation, organ transplant rejection and autoimmune disorders. The principle of ECP is based on exposure of peripheral blood to a photosensitizing agent and Ultra violet illumination. Mononuclear cells are harvested by cytapheresis and reinfused to the patient after UVA illumination. This off-line technique is cost effective and improves the treatment efficacy for pediatric and low weight patients.

j) **Tomotherapy system** - In order to augment the multiple radiotherapy technologies available in the Apollo Hospitals Group, Tomotherapy system has been ordered and is under installation at Apollo Hyderabad. Tomotherapy uses daily CT imaging to guide treatments based on patient anatomy, customizes radiation delivery for each patient with highly precise radiation from all angles, minimizes radiation exposure to healthy tissue and varies the treatment plan if necessary at any time. The unique feature of Tomotherapy is that it offers seamless integration of image-guided and intensity modulated radiation therapy and side effects are often minimized since lesser radiation reaches healthy tissues and organs.

Foreign Exchange Earnings & Outgo

Foreign Exchange Earnings : ₹973.90 million (This is exclusive of rupee payments made by Non-Resident Indian and Foreign Nationals)

Foreign Exchange Outgo : ₹1,155.23 million towards purchase of medical equipments and capital expenditure.

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

Form No. MGT 9
Extract of Annual Return
as on the financial year ended 31st March 2016

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

I	**Registration & other details:**	
i	CIN	L85110TN1979PLC008035
ii	Registration Date	5th December 1979
iii	Name of the Company	APOLLO HOSPITALS ENTERPRISE LIMITED
iv	Category/Sub-category of the Company	Public/Company Limited by Shares
v	Address of the Registered office & contact details	#19, Bishop Gardens, Raja Annamalaipuram, Chennai - 600 028, Tamil Nadu, India Tel : 91-44-28290956, Fax: 91-44-29290956 email: investor.relations@apollohospitals.com
vi	Whether listed company	Yes
	Name of the Stock Exchanges where equity shares are listed	National Stock Exchange of India Limited, Mumbai Stock Code : APOLLOHOSP
		Bombay Stock Exchange Limited, Mumbai Stock Code : 508869
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Integrated Enterprises (India) Ltd Kences Towers, II Floor, No. 1 Ramakrishna Street, North Usman Road, Chennai - 600 017 Ph: 91-44 2814 0801 Fax: 91-44 2814 2479

II Principal Business Activities of the Company

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

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

III Particulars of Holding, Subsidiary & Associate Companies

Sl No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	**Apollo Home Healthcare (India) Limited** (formerly known as Unique Home Healthcare Limited), Ali Towers, I Floor, No. 55 Greams Road, Chennai - 600 006	U85110TN1995PLC031663	Subsidiary	100.00	2(87)
2	**A.B. Medical Centers Limited** No. 159 EVR Periyar Salai, Chennai - 600 010	U85320TN1974PLC006623	Subsidiary	100.00	2(87)
3	**Samudra Healthcare Enterprises Limited** No. 13-1-3 Suryaraopeta, Main Road, Kakinada - 533 001	U85110TG2003PLC040647	Subsidiary	100.00	2(87)
4	**Apollo Health and Lifestyle Limited (AHLL)** 1-10-60/62, Ashoka Raghupathi Chambers, 5th Floor, Begumpet, Hyderabad – 500 016.	U85110TN2000PLC046089	Subsidiary	99.29	2(87)
5	**Western Hospitals Corporation Private Limited** Ali Towers, Ground Floor, No.55 Greams Road, Chennai - 600 006	U85110TN2006PTC061323	Subsidiary	100.00	2(87)
6	**Total Health** Aragonda Village, Thavanampalle Mandal, Chittoor District, Andhra Pradesh	U85100TN2013NPL093963	Subsidiary	100.00	2(87)
7	**Apollo Healthcare Technology Solutions Limited** No. 19, Bishop Gardens, Raja Annamalaipuram, Chennai - 600 028, Tamil Nadu	U85100TN2012PLC086247	Subsidiary	100.00	2(87)
8	**Apollo Hospital (UK) Limited** First Floor, Kirkland House, 11-15, Peterborough Road, Harrow, Middlesex, HA1 2AX, United Kingdom	NA	Subsidiary	100.00	2(87)
9	**Apollo Hospitals Singapore Pte Limited** 50, Raffles Place, Singapore Land Tower # 30 Singapore-048623	NA	Subsidiary	100.00	2(87)
10	**Imperial Hospital and Research Centre Limited** No. 154/11 Bannerghatta Road, Opp. IIM, Bengaluru- 560 076	U85110KA1991PLC011781	Subsidiary	90.00	2(87)
11	**Apollo Home Healthcare Limited** No. 19, Bishop Gardens, Raja Annamalaipuram, Chennai - 600 028, Tamil Nadu	U85100TN2014PLC095340	Subsidiary	80.87	2(87)
12	**Apollo Nellore Hospital Limited** No. 16/111/1133, Muthukur Road, Pinakini Nagar, Nellore - 524004	U85110TN1986PLC072193	Subsidiary	79.44	2(87)

Sl No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
13	**Sapien Biosciences Private Limited** 8-2-293/82/J-III/DH/900, 1st Floor, AIMSR Building, Apollo Health City, Jubilee Hills, Hyderabad - 500 033	U73100TG2012PTC080254	Subsidiary	70.00	2(87)
14	**Apollo Rajshree Hospitals Private Limited** Dispensary Plot, Scheme No. 74C Sector D, Vijay Nagar , Indore, Madhya Pradesh - 452 010	U85110MP2008PTC020559	Subsidiary	57.27	2(87)
15	**Apollo Lavasa Health Corporation Limited** Plot No.13, Parsik Hill Road, Off Uran Road, Sector 23, CBD Belapur, Navi Mumbai - 400 614, Maharashtra	U85100MH2007PLC176736	Subsidiary	51.00	2(87)
16	**Assam Hospitals Limited** Lotus Tower, GS Road, Ganeshguri, Guwahati - 781 005, Assam	U85110AS1997PLC004987	Subsidiary	51.00	2(87)
17	**Apollo Sugar Clinics Limited** 1-10-60/62, Ashoka Raghupathi Chambers, 5th Floor, Begumpet, Hyderabad – 500 016.	U85110TG2012PLC081384	Step down Subsidiary; Subsidiary of AHLL	80.00	2(87)
18	**Apollo Cosmetic Surgical Centre Private Limited** 1-10-60/62, Ashoka Raghupathi Chambers, 5th Floor, Begumpet, Hyderabad – 500 016.	U85110TG2007PTC098959	Step down Subsidiary; Subsidiary of AHLL	100.00	2(87)
19	**Akeso Healthcare Private Limited** 1-10-60/62, Ashoka Raghupathi Chambers, 5th Floor, Begumpet, Hyderabad – 500 016.	U85190TG2010PTC099156	Step down Subsidiary; Subsidiary of AHLL	100.00	2(87)
20	**Alliance Dental Care Limited** No.68/1, Loyal Towers, 4th Floor, East Wing, MNO Complex, Greams Road, Chennai - 600 006	U85120TN2002PLC049414	Step down Subsidiary; Subsidiary of AHLL	70.00	2(87)
21	**Apollo Dialysis Pvt Limited** No.68/1, Loyal Towers, 4th Floor, East Wing, MNO Complex, Greams Road, Chennai - 600 006	U85100TN2014PTC095571	Step down Subsidiary; Subsidiary of AHLL	70.00	2(87)
22	**Apollo Hospitals International Limited** Plot No. 1A, GIDC Estate, Bhat Village, Gandhi Nagar, Gujarat - 382 428	U85110TN1997PLC039016	Joint Venture	50.00	2 (6)
23	**Apollo Gleneagles Hospitals Limited** No. 58 Canal Circular Road, Kolkata - 700 054	U33112WB1988PLC045223	Joint Venture	50.00	2 (6)
24	**Apollo Gleneagles PET-CT Private Limited** Apollo Hospitals Complex, Jubilee Hills, Hyderabad - 500 033	U85110TN2004PTC052796	Joint Venture	50.00	2 (6)
25	**ApoKos Rehab Private Limited** 4th Floor, Apollo Hospitals Building, Jubilee Hills, Hyderabad - 500 033	U85191TG2012PTC084641	Joint Venture	50.00	2 (6)
26	**Future Parking Private Limited** 3rd Floor, G Block, No. 55 Greams Road, Chennai - 600 006	U45206TN2009PTC072304	Joint Venture	49.00	2 (6)
27	**Apollo Munich Health Insurance Company Limited** iLABS Centre, 2nd & 3rd Floor, Plot No 404 - 405, Udyog Vihar, Phase – III, Gurgaon -122016, Haryana	U66030AP2006PLC051760	Joint Venture	10.00	2 (6)
28	**Stemcyte India Therapautics Private Limited** Apollo Hospitals Complex, Plot No. 1A, GIDC Estate, Bhat Village, Gandhi Nagar, Gujarat - 382 428	U85100GJ2008FTC052859	Associate	24.50	2 (6)
29	**Family Health Plan (TPA) Limited** Srinilaya Cyber Spazio, Ground Floor Road No.2, Banjara Hills Hyderabad - 500034	U85110TN1995PLC031121	Associate	49.00	2 (6)
30	**Indraprastha Medical Corporation Limited** Sarita Vihar, Delhi Mathura Road, New Delhi - 110 044	L24232DL1988PLC030958	Associate	22.03	2 (6)

IV Shareholding Pattern (Equity Share capital Break up as % to total equity)

(i) Category-wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1st April 2015)				No. of Shares held at the end of the year (As on 31st March 2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	20,550,530	-	20,550,530	14.77	20,555,635	-	20,555,635	14.77	-
b) Central Govt.or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	27,237,924	-	27,237,924	19.58	27,237,924	-	27,237,924	19.58	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (1)	47,788,454	-	47,788,454	34.35	47,793,559	-	47,793,559	34.35	-

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1st April 2015)				No. of Shares held at the end of the year (As on 31st March 2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2) Foreign									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	47,788,454	-	47,788,454	34.35	47,793,559	-	47,793,559	34.35	-
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	358,089	-	358,089	0.26	143,343	-	143,343	0.11	(0.15)
b) Banks/FI	62,309	3,846	66,155	0.05	12,272	3,846	16,118	0.01	(0.04)
c) Central govt / State Govt.	323,708	-	323,708	0.23	323,708	-	323,708	0.23	-
d) Venture Capital Fund	-	-	-	-	-	-	-	-	-
e) Insurance Companies	2,371,187	-	2,371,187	1.70	871,548	-	871,548	0.63	(1.07)
f) FIIs	60,909,116	-	60,909,116	43.78	62,960,810	-	62,960,810	45.25	1.47
g) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
h) Others	-	-	-	-	4,117	-	4,117	-	-
SUB TOTAL (B)(1)	**64,024,409**	**3,846**	**64,028,255**	**46.02**	**64,315,798**	**3,846**	**64,319,644**	**46.23**	**0.21**
2) Non Institutions									
a) Bodies corporates	698,558	59,500	758,058	0.54	729,170	59,500	788,670	0.57	(0.03)
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	3,975,788	2,175,391	6,151,179	4.42	4,069,396	2,062,266	6,131,662	4.41	(0.01)
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakh	985,168	96,650	1,081,818	0.78	955,668	96,650	1,052,318	0.76	(0.02)
c) Others									
i) Trusts	2,110	117,710	119,820	0.09	21,581	117,710	139,291	0.11	0.02
ii) Directors & their Relatives	91,606	-	91,606	0.07	91,606	-	91,606	0.07	-
iii)Foreign Nationals	750	-	750	-	750	-	750	-	-
iv) Non Resident Indians	407,957	1,014,852	1,422,809	1.02	405,959	969,040	1,374,999	0.99	(0.03)
v) Overseas Corporate Bodies	16,199	-	16,199	0.01	16,199	-	16,199	0.01	-
vi)Clearing Member	118,773	-	118,773	0.09	113,605	-	113,605	0.08	(0.01)
vii)Hindu Undivided Families	119,369	-	119,369	0.09	117,249	-	117,249	0.08	(0.01)
viii)Foreign Corporate Bodies	16,388,979	-	16,388,979	11.78	16,384,259	-	16,384,259	11.78	-
SUB TOTAL (B)(2)	22,805,257	3,464,103	26,269,360	18.88	22,905,442	3,305,166	26,210,608	18.84	(0.04)
Total Public Shareholding (B) = (B) (1) + (B) (2)	86,829,666	3,467,949	90,297,615	64.90	87,221,240	3,309,012	90,530,252	65.07	0.17
Total (A) + (B)	134,618,120	3,467,949	138,086,069	99.25	135,014,799	3,309,012	138,323,811	99.42	0.17
C. Shares held by Custodian for GDRs & ADRs									
i) Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
ii) Public	1,039,090	-	1,039,090	0.75	801,348	-	801,348	0.58	(0.17)
Total Public Shareholding (C)	1,039,090	-	1,039,090	0.75	801,348	-	801,348	0.58	(0.17)
Grand Total (A+B+C)	135,657,210	3,467,949	139,125,159	100.00	135,816,147	3,309 ,012	139,125,159	100.00	-

(ii) Shareholding of Promoters

Sl No.	Shareholders Name	Shareholding at the beginning of the year (As on 01st April 2015)			Shareholding at the end of the year (As on 31st March 2016)			% change in share holding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
1	Dr. Prathap C Reddy	5,445,464	3.91	-	5,445,464	3.91	-	-
2	Smt. Sucharitha P Reddy	569,800	0.41	-	569,800	0.41	-	-
3	Smt. Preetha Reddy	2,193,915	1.58	1.39	2,193,915	1.58	1.39	-
4	Smt. Suneeta Reddy	3,381,590	2.43	0.98	3,381,695	2.43	1.20	-
5	Smt. Shobana Kamineni	2,239,952	1.61	1.61	2,239,952	1.61	1.61	-
6	Smt. Sangita Reddy	2,432,508	1.75	1.75	2,432,508	1.75	1.75	-
7	Shri. Karthik Anand	330,600	0.24	-	330,600	0.24	-	-
8	Shri. Harshad Reddy	320,200	0.23	-	320,200	0.23	-	-

Sl No.	Shareholders Name	Shareholding at the beginning of the year (As on 01st April 2015)			Shareholding at the end of the year (As on 31st March 2016)			% change in share holding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
9	Smt. Sindoori Reddy	517,600	0.37	-	517,600	0.37	-	-
10	Shri. Aditya Reddy	210,200	0.15	-	210,200	0.15	-	-
11	Smt. Upasana Kamineni	217,276	0.16	-	217,276	0.16	-	-
12	Shri. Puansh Kamineni	212,200	0.15	-	212,200	0.15	-	-
13	Smt. Anuspala Kamineni	259,174	0.19	-	259,174	0.19	-	-
14	Shri. Konda Anindith Reddy	230,200	0.17	-	230,200	0.17	-	-
15	Shri. Konda Vishwajit Reddy	222,300	0.16	-	222,300	0.16	-	-
16	Shri. Konda Viraj Madhav Reddy	168,224	0.12	-	168,224	0.12	-	-
17	Shri. P. Vijay Kumar Reddy	3,957	-	-	8,957	0.01	-	-
18	Shri. P. Dwaraknath Reddy	18,000	0.01	-	18,000	0.01	-	-
19	Shri. Anil Kamineni	20	-	-	20	-	-	-
20	Shri. K Vishweshwar Reddy	1,577,350	1.13	-	1,577,350	1.13	0.54	-
21	PCR Investments Ltd	27,223,124	19.57	16.18	27,223,124	19.57	16.18	-
22	Obul Reddy Investments Ltd	11,200	0.01	-	11,200	0.01	-	-
23	Indian Hospitals Corporation Ltd	3,600	-	-	3,600	-	-	-
	Total	**47,788,454**	**34.35**	**21.91**	**47,793,559**	**34.35**	**22.67**	

(iii) Change in Promoters' Shareholding

Sl No.	Shareholders Name	Shareholding at the beginning of the year (As on 01st April 2015)		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	**Dr. Prathap C Reddy**				
	At the beginning of the year	5,445,464	3.91	5,445,464	3.91
	At the end of the year			5,445,464	3.91
2	**Smt. Sucharitha P Reddy**				
	At the beginning of the year	569,800	0.41	569,800	0.41
	At the end of the year			569,800	0.41
3	**Smt. Preetha Reddy**				
	At the beginning of the year	2,193,915	1.58	2,193,915	1.58
	At the end of the year			2,193,915	1.58
4	**Smt. Suneeta Reddy**				
	At the beginning of the year	3,381,590	2.43	3,381,590	2.43
	24.04.2015 (Market Purchase)	57	-	3,381,647	2.43
	01.05.2015 (Market Purchase)	48	-	3,381,695	2.43
	At the end of the year			3,381,695	2.43
5	**Smt. Shobana Kamineni**				
	At the beginning of the year	2,239,952	1.61	2,239,952	1.61
	At the end of the year			2,239,952	1.61
6	**Smt. Sangita Reddy**				
	At the beginning of the year	2,432,508	1.75	2,432,508	1.75
	At the end of the year			2,432,508	1.75
7	**Shri. Karthik Anand**				
	At the beginning of the year	330,600	0.24	330,600	0.24
	At the end of the year			330,600	0.24
8	**Shri. Harshad Reddy**				
	At the beginning of the year	320,200	0.23	320,200	0.23
	At the end of the year			320,200	0.23
9	**Smt. Sindoori Reddy**				
	At the beginning of the year	517,600	0.37	517,600	0.37
	At the end of the year			517,600	0.37
10	**Shri. Aditya Reddy**				
	At the beginning of the year	210,200	0.15	210,200	0.15
	At the end of the year			210,200	0.15
11	**Smt. Upasana Kamineni**				
	At the beginning of the year	217,276	0.16	217,276	0.16
	At the end of the year			217,276	0.16
12	**Shri. Puansh Kamineni**				
	At the beginning of the year	212,200	0.15	212,200	0.15
	At the end of the year			212,200	0.15
13	**Smt. Anuspala Kamineni**				
	At the beginning of the year	259,174	0.19	259,174	0.19
	At the end of the year			259,174	0.19
14	**Shri. Konda Anindith Reddy**				
	At the beginning of the year	230,200	0.17	230,200	0.17
	At the end of the year			230,200	0.17
15	**Shri. Konda Vishwajit Reddy**				
	At the beginning of the year	222,300	0.16	222,300	0.16
	At the end of the year			222,300	0.16

Sl No.	Shareholders Name	Shareholding at the beginning of the year (As on 01st April 2015)		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
16	**Shri. Konda Viraj Madhav Reddy**				
	At the beginning of the year	168,224	0.12	168,224	0.12
	At the end of the year			168,224	0.12
17	**Shri. P. Vijay Kumar Reddy**				
	At the beginning of the year	3,957	-	3,957	-
	11.03.2016 (Market Purchase)	5,000	-	8,957	0.01
	At the end of the year			8,957	0.01
18	**Shri. P. Dwaraknath Reddy**				
	At the beginning of the year	18,000	0.01	18,000	0.01
	At the end of the year			18,000	0.01
19	**Shri. Anil Kamineni**				
	At the beginning of the year	20	-	20	-
	At the end of the year			20	-
20	**Shri. K Vishweshwar Reddy**				
	At the beginning of the year	1,577,350	1.13	1,577,350	1.13
	At the end of the year			1,577,350	1.13
21	**PCR Investments Limited**				
	At the beginning of the year	27,223,124	19.57	27,223,124	19.57
	At the end of the year			27,223,124	19.57
22	**Obul Reddy Investments Ltd**				
	At the beginning of the year	11,200	0.01	11,200	0.01
	At the end of the year			11,200	0.01
23	Indian Hospitals Corporation Ltd				
	At the beginning of the year	3,600	-	3,600	-
	At the end of the year			3,600	-

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

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

Sl No.	Shareholders Name	Shareholding at the beginning of the year (As on 01st April 2015)		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	**Integrated (Mauritius) Healthcare Holdings Limited**				
	At the beginning of the year	15,093,860	10.85	15,093,860	10.85
	At the end of the year			15,093,860	10.85
2	**Oppenheimer Developing Markets Fund**				
	At the beginning of the year	12,086,295	8.69	12,086,295	8.69
	31/03/2016	(71,510)	(0.05)	12,014,785	8.64
	At the end of the year			12,014,785	8.64
3	**Schroder International Selection Fund Asian Total Return**				
	At the beginning of the year	2,763,242	1.99	2,763,242	1.99
	26/02/2016	(33,983)	(0.03)	2,729,259	1.96
	At the end of the year			2,729,259	1.96
4	**Munchener Ruckversicherungsgesellschaft Aktiengesellschaft In Munchen**				
	At the beginning of the year	2,397,380	1.72	2,397,380	1.72
	At the end of the year			2,397,380	1.72
5	**Fidelity Investment Trust - Fidelity Diversified International Fund**				
	At the beginning of the year	2,227,126	1.60	2,227,126	1.60
	28/08/2015	(132,734)	(0.10)	2,094,392	1.50
	18/09/2015	(100,817)	(0.07)	1,993,575	1.43
	25/09/2015	(25,000)	(0.02)	1,968,575	1.41
	30/10/2015	(121,678)	(0.09)	1,846,897	1.32
	06/11/2015	(49,063)	(0.04)	1,797,834	1.28
	13/11/2015	(33,054)	(0.02)	1,764,780	1.26
	20/11/2015	(39,934)	(0.03)	1,724,846	1.23
	At the end of the year			1,724,846	1.23
6	**Mirae Asset Asia Great Consumer Equity Fund**				
	At the beginning of the year	915,092	0.66	915,092	0.66
	10/04/2015	12,935	0.01	928,027	0.67
	17/04/2015	69,655	0.05	997,682	0.72
	24/04/2015	49,670	0.04	1,047,352	0.76
	01/05/2015	261,530	0.19	1,308,882	0.94
	08/05/2015	118,450	0.09	1,427,332	1.03
	05/06/2015	43,082	0.03	1,470,414	1.06
	12/06/2015	35,606	0.02	1,506,020	1.08

Sl No.	Shareholders Name	Shareholding at the beginning of the year (As on 01st April 2015)		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	19/06/2015	16,865	0.02	1,522,885	1.10
	26/06/2015	44,589	0.03	1,567,474	1.13
	31/07/2015	19,717	0.01	1,587,191	1.14
	14/08/2015	(6,796)	(0.01)	1,580,395	1.14
	04/09/2015	(3,037)	-	1,577,358	1.13
	09/10/2015	(35,773)	(0.03)	1,541,585	1.10
	16/10/2015	(17)	-	1,541,568	1.10
	05/02/2016	(16,548)	(0.01)	1,525,020	1.09
	19/02/2016	(9,547)	-	1,515,473	1.09
	26/02/2016	(41,427)	(0.03)	1,474,046	1.06
	04/03/2016	(59,837)	(0.04)	1,414,209	1.02
	At the end of the year			1,414,209	1.02
7	**International Finance Corporation**				
	At the beginning of the year	1,290,149	0.93	1,290,149	0.93
	At the end of the year			1,290,149	0.93
8	**Copthall Mauritius Investment Limited**				
	At the beginning of the year	918,082	0.66	918,082	0.66
	10/04/2015	(391)	-	917,691	0.66
	17/04/2015	(5,017)	-	912,674	0.66
	24/04/2015	1,400	-	914,074	0.66
	01/05/2015	(19,934)	(0.01)	894,140	0.65
	08/05/2015	(1,739)	-	892,401	0.65
	15/05/2015	800	-	893,201	0.65
	22/05/2015	40,215	0.03	933,416	0.68
	05/06/2015	(14,842)	(0.01)	918,574	0.67
	12/06/2015	915	-	919,489	0.67
	19/06/2015	(1,250)	-	918,239	0.67
	26/06/2015	38,292	0.03	956,531	0.70
	30/06/2015	50,000	0.04	1,006,531	0.74
	03/07/2015	48,000	0.03	1,054,531	0.77
	10/07/2015	24,445	0.01	1,078,976	0.78
	17/07/2015	56,507	0.04	1,135,483	0.82
	31/07/2015	4,609	-	1,140,092	0.82
	07/08/2015	(26,880)	(0.02)	1,113,212	0.80
	14/08/2015	(524)	-	1,112,688	0.80
	21/08/2015	31,600	0.02	1,144,288	0.82
	28/08/2015	25,892	0.02	1,170,180	0.84
	04/09/2015	5,168	-	1,175,348	0.84
	11/09/2015	(25,900)	(0.02)	1,149,448	0.82
	25/09/2015	(10,300)	(0.01)	1,139,148	0.81
	02/10/2015	(29,600)	(0.02)	1,109,548	0.79
	09/10/2015	(7,200)	-	1,102,348	0.79
	16/10/2015	13,225	0.01	1,115,573	0.80
	23/10/2015	18,814	0.01	1,134,387	0.81
	30/10/2015	50,647	0.04	1,185,034	0.85
	06/11/2015	11,043	0.01	1,196,077	0.86
	13/11/2015	8,800	0.01	1,204,877	0.87
	20/11/2015	600	-	1,205,477	0.87
	27/11/2015	800	-	1,206,277	0.87
	04/12/2015	(10)	-	1,206,267	0.87
	11/12/2015	(62,610)	(0.05)	1,143,657	0.82
	18/12/2015	(67,200)	(0.05)	1,076,457	0.77
	25/12/2015	(61,702)	(0.04)	1,014,755	0.73
	31/12/2015	8,500	0.01	1,023,255	0.74
	08/01/2016	83,300	0.06	1,106,555	0.80
	15/01/2016	2,800	-	1,109,355	0.80
	22/01/2016	(1,200)	-	1,108,155	0.80
	05/02/2016	39,612	0.03	1,147,767	0.83
	12/02/2016	2,278	-	1,150,045	0.83
	19/02/2016	2,200	-	1,152,245	0.83
	26/02/2016	(3,875)	-	1,148,370	0.83
	04/03/2016	(34,413)	(0.03)	1,113,957	0.80
	11/03/2016	18,000	0.01	1,131,957	0.81
	18/03/2016	23,689	0.02	1,155,646	0.83
	25/03/2016	22,422	0.02	1,178,068	0.85
	31/03/2016	(11,927)	(0.01)	1,166,141	0.84
	At the end of the year			1,166,141	0.84

Sl No.	Shareholders Name	Shareholding at the beginning of the year (As on 01st April 2015)		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
9	**Vanguard International Explorer Fund**				
	At the beginning of the year	895,498	0.64	895,498	0.64
	15/05/2015	116,486	0.08	011,984	0.72
	05/02/2016	(50,785)	(0.03)	961,199	0.69
	12/02/2016	(21,044)	(0.01)	940,155	0.68
	At the end of the year			940,155	0.68
10	**Fidelity Securities Fund Fidelity Blue Chip Growth Fund**				
	At the beginning of the year	936,371	0.67	936,371	0.67
	At the end of the year			936,371	0.67

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

(v) Shareholding of Directors and Key Managerial Personnel

Sl No.	Name	Shareholding at the beginning of the year (As on 01st April 2015)		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	DIRECTORS				
1	**Dr. Prathap C Reddy**				
	At the beginning of the year	5,445,464	3.91	5,445,464	3.91
	At the end of the year			5,445,464	3.91
2	**Smt. Preetha Reddy**				
	At the beginning of the year	2,193,915	1.58	2,193,915	1.58
	At the end of the year			2,193,915	1.58
3	**Smt. Suneeta Reddy**				
	At the beginning of the year	3,381,590	2.43	3,381,590	2.43
	24th April 2015 (Market Purchase)	57	-	3,381,647	2.43
	01st May 2015 (Market Purchase)	48	-	3,381,695	2.43
	At the end of the year			3,381,695	2.43
4	**Smt. Shobana Kamineni**				
	At the beginning of the year	2,239,952	1.61	2,239,952	1.61
	At the end of the year			2,239,952	1.61

Sl No.	Name	Shareholding at the beginning of the year (As on 01st April 2015)		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
5	**Smt. Sangita Reddy**				
	At the beginning of the year	2,432,508	1.75	2,432,508	1.75
	At the end of the year			2,432,508	1.75
6	**Shri. Habibullah Badsha**				
	At the beginning of the year	10,806	0.01	10,806	0.01
	At the end of the year			10,806	0.01
7	**Shri. Rafeeque Ahamed**				
	At the beginning of the year	55,900	0.04	55,900	0.04
	At the end of the year			55,900	0.04
8	**Shri. N. Vaghul**				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
9	**Shri. Deepak Vaidya**				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
10	**Shri. Rajkumar Menon**				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
11	**Shri. G. Venkatraman**				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
12	**Shri. Sanjay Nayar**				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
13	**Shri. Vinayak Chatterjee**				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
	KEY MANAGERIAL PERSONNEL				
14	**Shri. Krishnan Akhileswaran**				
	At the beginning of the year	4	-	4	-
	At the end of the year	-	-	4	-
15	**Shri. S.M. Krishnan**				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-

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

V INDEBTEDNESS

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

(₹ in million)

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year					
i)	Principal Amount	14,785.08	1,700.97	339.27	16,825.32
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	160.05	-	1.64	161.69
Total (i+ii+iii)		14,945.13	1,700.97	340.91	16,987.01
Change in Indebtedness during the financial year					
	Additions	7,881.25	1,410.00	87.64	9,378.89
	Reduction	(2,747.58)	(372.77)	(153.49)	(3,273.84)
	Net Change	5,133.67	1,037.23	(65.85)	6,105.05
	Indebtedness at the end of the financial year				
i)	Principal Amount	19,918.75	2,738.20	273.42	22,930.37
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	260.76	-	2.09	262.85
	Total (i+ii+iii)	**20,179.51**	**2,738.20**	**275.51**	**23,193.22**

(VI) Remuneration of Directors and Key Managerial Personnel

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

(₹ in million)

Sl. No	Particulars of Remuneration	Name of the MD/WTD/Manager					Total Amount
		Dr. Prathap C Reddy	Smt. Preetha Reddy	Smt. Suneeta Reddy	Smt. Shobana Kamineni	Smt. Sangita Reddy	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	102.29	48.20	48.20	49.66	46.99	295.34
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-	-	-
2	Stock option	NA	NA	NA	NA	NA	NA
3	Sweat Equity	NA	NA	NA	NA	NA	NA
4	Commission						
	as % of profit	33.90	-	-	-	-	33.90
	others (specify)	-	-	-	-	-	-
5	Others, please specify	-	-	-	-	-	-
	Total (A)	**136.19**	**48.20**	**48.20**	**49.66**	**46.99**	**329.24**

Ceiling as per the Act ₹452 million (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)

B. Remuneration to other directors:

(₹ in million)

Sl. No	Particulars of Remuneration	Name of the Directors								Total Amount
		Shri. Rajkumar Menon	Shri. Rafeeque Ahamed	Shri. Habibullah Badsha	Shri. Deepak Vaidya	Shri. N. Vaghul	Shri. G. Venkatraman	Shri. Sanjay Nayar	Shri. Vinayak Chatterjee	
1	(a) Fee for attending board committee meetings	0.70	0.20	0.25	0.55	0.30	0.55	0.15	0.25	2.95
	(b) Commission	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	10.00
	(c) Others, please specify	-	-	-	-	-	-	-	-	-
	Total (1)	1.95	1.45	1.50	1.80	1.55	1.80	1.40	1.50	12.95
	Other Non Executive Directors	Not Applicable								
2	(a) Fee for attending board committee meetings	-	-	-	-	-	-	-	-	-
	(b) Commission	-	-	-	-	-	-	-	-	-
	(c) Others, please specify.	-	-	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-	-	-
	Total (B) = (1+2)	**1.95**	**1.45**	**1.50**	**1.80**	**1.55**	**1.80**	**1.40**	**1.50**	**12.95**
	Total Managerial Remuneration									**342.19**

Overall Ceiling as per the Act. ₹497 million (being 11% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD (₹ in million)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
1	Gross Salary	CFO	Company Secretary	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	16.50	5.10	21.60
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
	Stock Option	-	-	-
2	Sweat Equity	NA	NA	NA
3	Commission			
4	as % of profit	NA	NA	NA
	others, specify	NA	NA	NA
5	Others, please specify	-	-	-
	Total	**16.50**	**5.10**	**21.60**

(VII) Penalties / Punishment / Compounding of Offences

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

Corporate Governance Report

1. The Company's philosophy on code of governance

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

Your Company reviews its corporate governance practices to ensure that they reflect the latest developments in the corporate arena 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 shareholders' wealth.

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

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

Governance Structure

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

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

With a view to have a more focused attention on various facets of business and for better accountability, the Board has constituted the following committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination

and Remuneration Committee, Risk Management Committee, Corporate Social Responsibility Committee and Investment Committee. Each of these Committees have been mandated to operate within a given framework.

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

2. Board of Directors

The Company has an Executive Chairman. As per Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), in case of an Executive Chairman, at least half of the Board should comprise of independent directors. Independent Directors constitute 61 per cent of the overall Board. The Board has a healthy blend of executive and non-executive directors, and consequently ensures the desired level of independence in functioning and decision-making. Moreover all the non-executive directors are eminent professionals, and bring the wealth of their professional expertise and experience to the management of the Company.

a) Composition and category of the Board of Directors, relationship between directors inter se and shareholding of Directors in the Company

Director	DIN	Category	Designation	Relationship with other Directors	Share holding in the Company
Dr. Prathap C Reddy	00003654	Promoter	Executive Chairman	Father of Smt. Preetha Reddy, Smt. Suneeta Reddy, Smt. Sangita Reddy & Smt. Shobana Kamineni	5,445,464
Smt. Preetha Reddy	00001871	Promoter	Executive Vice Chairperson	Daughter of Dr. Prathap C Reddy, Sister of Smt. Suneeta Reddy, Smt. Sangita Reddy & Smt. Shobana Kamineni	2,193,915
Smt. Suneeta Reddy	00001873	Promoter	Managing Director	Daughter of Dr. Prathap C Reddy, Sister of Smt. Preetha Reddy, Smt. Sangita Reddy & Smt. Shobana Kamineni	3,381,695
Smt. Shobana Kamineni	00003836	Promoter	Executive Vice Chairperson	Daughter of Dr. Prathap C Reddy, Sister of Smt. Preetha Reddy, Smt. Suneeta Reddy & Smt. Sangita Reddy	2,239,952
Smt. Sangita Reddy	00006285	Promoter	Joint Managing Director	Daughter of Dr. Prathap C Reddy, Sister of Smt. Preetha Reddy, Smt. Suneeta Reddy & Smt. Shobana Kamineni	2,432,508
Shri. Rajkumar Menon	00002897	Independent	Director		-
Shri. Rafeeque Ahamed	00013749	Independent	Director		55,900
Shri. Habibullah Badsha	00003678	Independent	Director		10,806
Shri. Deepak Vaidya	00337276	Independent	Director		-
Shri. N. Vaghul	00002014	Independent	Director		-
Shri.G.Venkatraman	00010063	Independent	Director		-
Shri. Sanjay Nayar	00002615	Independent	Director		-
Shri Vinayak Chatterjee	00008933	Independent	Director		-

(b) Board Meetings and Attendance of Directors.

Five board meetings were held during the financial year from 1st April 2015 to 31st March 2016. The dates on which the meetings were held are as follows:-

28th May 2015, 11th August 2015, 14th November 2015, 12th February 2016 and 15th March 2016.

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

Name of the Director	Number of Board Meetings held	Number of Board Meetings Attended	Last AGM attendance (Yes/No)	Number of Directorships (out of which as Chairman) other than AHEL #	Number of Memberships in Board Committees other than AHEL ##	Whether Chairman / Member
Dr. Prathap C Reddy	5	5	Yes	6(5)	-	-
Smt. Preetha Reddy	5	5	Yes	9	1	Member
Smt. Suneeta Reddy	5	5	Yes	9	1	Member
Smt. Shobana Kamineni	5	5	Yes	9	-	-
Smt. Sangita Reddy	5	5	Yes	9	2	Member
Shri. Rajkumar Menon	5	5	Yes	5	2	Member
Shri. Rafeeque Ahamed	5	3	No	-	-	-
Shri. Habibullah Badsha	5	5	Yes	2	2	Member
Shri. Deepak Vaidya	5	5	Yes	3(1)	2 2	Chairman Member
Shri. N. Vaghul	5	5	Yes	3(1)	2 2	Chairman Member
Shri. G. Venkatraman	5	5	Yes	7	4	Chairman
Shri. Sanjay Nayar	5	3	Yes	6	1	Member
Shri. Vinayak Chatterjee	5	5	Yes	4(1)	1 2	Chairman Member

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

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

As on 31st March, 2016, none of the Directors on the Board hold the office of Director in more than 10 Public Limited Companies, or Membership of Committees of the Board in more than 10 Committees and Chairmanship of more than 5 Committees, across all companies. None of the Independent Directors of the Company serve as an Independent Director in more than seven listed companies and where any Independent Director is serving as whole-time director in any listed company, such director does not serve as an Independent Director in more than three listed companies.

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

(c) Availability of Information to Board Members

The Board periodically reviews the items required to be placed before it and in particular reviews and approves quarterly/half yearly unaudited financial statements and the audited annual financial statements, corporate strategies, business plans, annual budgets, projects and capital expenditure. It monitors overall operating performance, progress of major projects and reviews such other items which require the Board's attention. It directs and guides the activities of the Management towards the set goals and seeks accountability. It also sets standards of corporate behaviour, ensures transparency in corporate dealings and compliance with laws and regulations. The Agenda for the Board Meeting covers items as prescribed under Part A of Schedule II of Sub- Regulation 7 of Regulation 17 of the Listing Regulations to the extent these are relevant and applicable. All agenda items are supported by relevant information, documents and presentations to enable the Board to take informed decisions.

The information made available to the Board includes the following:

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

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

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

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

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

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

The declaration regarding compliance with the code of conduct is appended to this report.

Code of Conduct for prevention of Insider Trading

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

(f) Familiarization Programmes for Board Members

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

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

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

Strategy Conclave

A strategy conclave, a one day event was conducted on 14th March 2016. All Board Members, Senior Business Executives and support functions were invited to this event. A detailed view of strategy was presented by all business unit heads at the conclave. This session helped Board Members familiarise themselves with strategy and future plans of the Company.

The familiarisation policy including details of familiarisation programmes attended by independent directors during the year ended March 31, 2016 is posted on the website of the Company at https://www.apollohospitals.com/apollo_pdf/board-familiariation-policy.pdf.

(g)Independent Directors' Meeting

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

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

All the Independent Directors were present at the Meeting.

3.Composition of Board Committees

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

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

1. Audit Committee

a) Composition of the Audit Committee

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

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

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

b) Meetings of the Audit Committee

The Audit Committee met five times during the financial year from 1st April 2015 to 31st March 2016. The dates on which the meetings were held are as follows:-

27th May 2015, 10th August 2015, 14th November 2015, 11th February 2016 and 15th March 2016.

Sl.No	Name of the Member	Designation	Number of Meetings Held	Number of Meetings attended
1.	Shri. Deepak Vaidya	Chairman	5	5
2.	Shri. G. Venkatraman	Member	5	5
3.	Shri. Rajkumar Menon	Member	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. Recommendation for appointment, remuneration and terms of appointment of the auditors of the company;
3. Approval of payments to the statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.

b. Changes, if any, in accounting policies and practices and reasons for the same.

c. Major accounting entries involving estimates based on the exercise of judgment by management.

d. Significant adjustments made in the financial statements arising out of audit findings.

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

f. Disclosure of any related party transactions.

g. Modified opinion(s) in the draft Audit Report.

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

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of the audit process;

8. Approval or any subsequent modification of transactions of the company with related parties;

9. Scrutiny of inter-corporate loans and investments;

10. Valuation of undertakings or assets of the company, wherever it is necessary;

11. Evaluation of internal financial controls and risk management systems;

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

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

14. Discussion with internal auditors on any significant findings and follow up there on;

15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

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

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

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

19. Approval of appointment of the CFO after assessing the qualifications, experience and background, etc. of the candidate;

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

The Audit Committee shall mandatorily review the following information.

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

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

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

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

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

and such other matters as prescribed.

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

2. Nomination & Remuneration Committee

a) Composition and Scope of the Nomination & Remuneration Committee

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

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

b) Meetings of the Nomination & Remuneration Committee

One meeting was held on 28th May 2015 during the financial year from 1st April 2015 to 31st March 2016.

Attendance details of the Members of the Committee

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

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

1. The Committee shall formulate the criteria for determining the qualification, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

2. The Committee shall identify persons who are qualified to become directors and who may be appointed in senior management positions in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.

3. The Committee shall ensure that the level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets performance benchmarks, and involves a balance between fixed and incentive pay.

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

5. Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board. In reviewing the overall remuneration of the Board of Directors and Senior Management, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short term and long term objectives of the Company.

6. Filling up of vacancies in the Board that might occur from time to time and appointment of additional Non-Executive Directors. In making these recommendations, the Committee shall take into account the special professional skills required for efficient discharge of the Board's functions.

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

8. To determine and recommend to the Board from time to time -

   a) the amount of commission and fees payable to the Directors within the applicable provisions of the Companies Act, 2013.

   b) the amount of remuneration, including performance or achievement bonus and perquisites payable to the Executive Directors

   c) To frame guidelines for Reward Management and recommend suitable schemes for the Executive Directors and Senior Management and

9. To determine the need for key man insurance for any of the company's personnel

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

11. To carry out any function as is mandated by the Board from time to time and /or enforced by any statutory notification, amendment or modifications as may be applicable.

d) Policy for selection of Directors and their remuneration

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

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

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

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

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

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

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

      ii. Personal, Professional or business standing;

      iii. Diversity of the Board.

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

2. **Criteria for selection of Executive Directors.**

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

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

3. **Remuneration Policy**

   a) Executive Directors

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

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

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

Base Compensation (Fixed pay)

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

Performance based incentive (Variable pay)

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

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

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

b) **Non Executive Directors**

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

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

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

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

The Board approved the payment of commission of ₹1.25 million to each Non Executive Independent Director of the Company for the year ended 31st March 2016.

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

c) **Senior Management Employees**

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

i) The relationship of remuneration and performance benchmark is clear;

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

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

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

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

e) Performance Evaluation of the Board and the Directors

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, the Board has carried out the annual performance evaluation of its own performance and the Directors individually.

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

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

f. Remuneration of Directors

The details of the remuneration paid/accrued to the Directors for the year ended 31st March 2016 is given below:

(₹in million)

Name of the Director	Remuneration paid/payable for the year ended 31st March 2016				
	Sitting Fee	Remuneration		Commission	Total
		Fixed pay	Variable Pay		
Dr. Prathap C Reddy	-	64.15	38.14	33.90	136.19
Smt. Preetha Reddy	-	29.16	19.04	-	48.20
Smt. Suneeta Reddy	-	29.16	19.04	-	48.20
Smt. Shobana Kamineni	-	29.16	20.50	-	49.66
Smt. Sangita Reddy	-	29.16	17.83	-	46.99
Shri. Rajkumar Menon	0.70		-	1.25	1.95
Shri. Rafeeque Ahamed	0.20		-	1.25	1.45
Shri. Habibullah Badsha	0.25		-	1.25	1.50
Shri. Deepak Vaidya	0.55		-	1.25	1.80
Shri. N. Vaghul	0.30		-	1.25	1.55
Shri.G.Venkatraman	0.55		-	1.25	1.80
Shri. Sanjay Nayar	0.15		-	1.25	1.40
Shri Vinayak Chatterjee	0.25			1.25	1.50

Notes:

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

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

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

(iv) Commission to the Non-Executive Directors for the year ended 31st March 2016 @ ₹1.25 million each per annum will be paid, subject to deduction of tax after adoption of accounts by shareholders at the Annual General Meeting to be held on 12th August 2016. Sitting fee also includes payment of fees for attending Board-level Committee Meetings.

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

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

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

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

3. Stakeholders Relationship Committee

a) Composition and Scope of the Stakeholders Relationship Committee

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

This Committee comprises of the following Directors:-

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

b) Meetings of the Stakeholders Relationship Committee

The Committee met four times during the year on 11th April 2015, 8th July 2015, 10th October 2015 and 12th January 2016.

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

Name and designation of the Compliance Officer:

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

c) Shareholders' Services

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

Sl. No.	Nature of Complaints/Requests	Received	Replied	Pending
1.	Change of Address	126	126	-
2.	Revalidation and issue of duplicate dividend warrants	167	167	-
3.	Share transfers	113	113	-
4.	Split of Shares	13	13	-
5.	Stop Transfers	-	-	-
6.	Change of Bank Mandate	106	106	-
7.	Correction of Name	1	1	-
8.	Dematerialisation Confirmation	395	395	-
9.	Rematerialisation of shares	27	27	-
10.	Issue of duplicate share certificates	25	25	-
11.	Transmission of shares	73	73	-
12.	General enquiry	245	245	-

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

d) Legal Proceedings

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

4. Corporate Social Responsibility Committee

The composition of the Corporate Social Responsbility Committee as at March 31, 2016 and the details of Members' participation at the Meetings of the Committee are as under

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

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

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

  a. Preventive Healthcare encompassing free health and medical screening camps.

  b. Education/Vocational skilling initiatives

  c. Rural Development.

During the financial year the company contributed a total of ₹86.44 million to CSR activities and constituted a team to monitor its progress. The report on CSR activities is annexed herewith as Annesure A to the Directors Report.

5. Risk Management Committee

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

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

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

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

The composition of the Risk Management Committee as at March 31, 2016 and the details of Members' participation at the Meetings of the Committee are as under:

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

6. Investment Committee

a) Composition and Scope of the Investment Committee

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

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

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

7. Share Transfer Committee

Composition and Scope of the Share Transfer Committee

The Share Transfer committee comprises of the following directors:

1. Smt. Preetha Reddy
2. Shri. Rajkumar Menon
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

4. 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
2012-2013	7th August, 2013	The Music Academy, Chennai	10.15 A.M.	a. Appointment of Smt. Sindoori Reddy as Vice President – Operations under the provisions of Section 314 of the Companies Act, 1956 b.Alteration of Articles of Association of the Company
2013-2014	25th August, 2014	The Music Academy, Chennai	10.30 A.M.	a. Payment of commission to Non-Executive Directors within the overall ceiling limit of 1% of net profit of the company for a period of five years with effect from 1st April, 2014 b. Maintenance of Register of Members and other statutory registers at a place other than the Registered Office of the Company c. Revision in the borrowing limits of the company upto a sum of ₹25,000 million. d. Mortgaging the assets of the company in favour of Financial Institutions, Banks and other lenders for securing their loans up to sum of ₹25,000 million. e. Acceptance of Unsecured/ secured deposits from the public and members. f. Offer / Invitation to subscribe to NCDs on a private placement basis.
2014-2015	11th August, 2015	The Music Academy, Chennai	10.30 A.M.	No special resolution was passed.

Postal Ballots

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

5. Means of Communication

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

The audited annual results are announced within sixty days from the end of the last quarter as stipulated under the Listing Agreement with the Stock Exchanges. For the financial year ended 31st March 2016, the audited annual results were announced on 25th May 2016. The audited annual results are taken on record by the Board of Directors and are communicated to the Stock Exchanges where these results are communicated by way of a Press Release to various news agencies/analysts and are also published within 48 hours in two leading daily newspapers - one in English and one in Tamil. The audited financial results form a part of the Annual Report which is sent to the Shareholders prior to the Annual General Meeting.

The quarterly, half-yearly and annual results of the Company are published in leading newspapers in India which include Economic Times, Business Standard, The Hindu Business Line and Makkal Kural. The results are also posted on the Company's website "www.apollohospitals.com". Press Release made by the Company from time to time are also posted on the Company's website. Presentations made to the institutional investors and analysts after the declaration of the quarterly, half-yearly and annual results are also posted on the Company's website.

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

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

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

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

6. Other Disclosures

a) Related Party Transactions

There were no materially significant related party transactions or pecuniary transactions or relationships between the Company and its directors, promoters or the management that may have a potential conflict with the interests of the Company at large 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. All related party transactions are negotiated on an arms length basis.

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

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

b) Vigil Mechanism/Whistle Blower Policy

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

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

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

c) Subsidiaries

Your Company does not have any Material non-listed Subsidiary Company whose turnover or networth exceeded 20% of the consolidated turnover or networth respectively of the Company and its subsidiaries in the immediately preceding accounting year.

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

d) Accounting Treatment

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

e) Internal Controls

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

f) Risk Management

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

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

g) Proceeds of Public, Rights and Preferential Issues

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

h) Management

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

i) Shareholders

1) Disclosures regarding appointment or re-appointment of Directors

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

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

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

The detailed resume of the director is provided as part of the Notice of the Annual General Meeting.

2) Investors' Grievances and Share Transfer

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

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

j) Details of Non-Compliances

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

k) Compliance with Corporate Governance Norms

(a) Mandatory Requirements

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

(b) Discretionary Requirements

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

1. The Board :

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

2. Shareholder Rights :

Details are given under the heading 'Communication to Shareholders'

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

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

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

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

5. **Reporting of the Internal Auditor**

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

7. CEO/CFO Certification

The Managing Director and Chief Financial Officer have issued a certificate pursuant to Regulation 17 of Listing Regulations certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate from Smt. Suneeta Reddy, Managing Director and Shri. Krishnan Akhileswaran, Chief Financial Officer was placed before the Board of Directors at their meeting held on 25th May 2016.

8. Auditors Report on Corporate Governance

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

9. General Shareholders' information

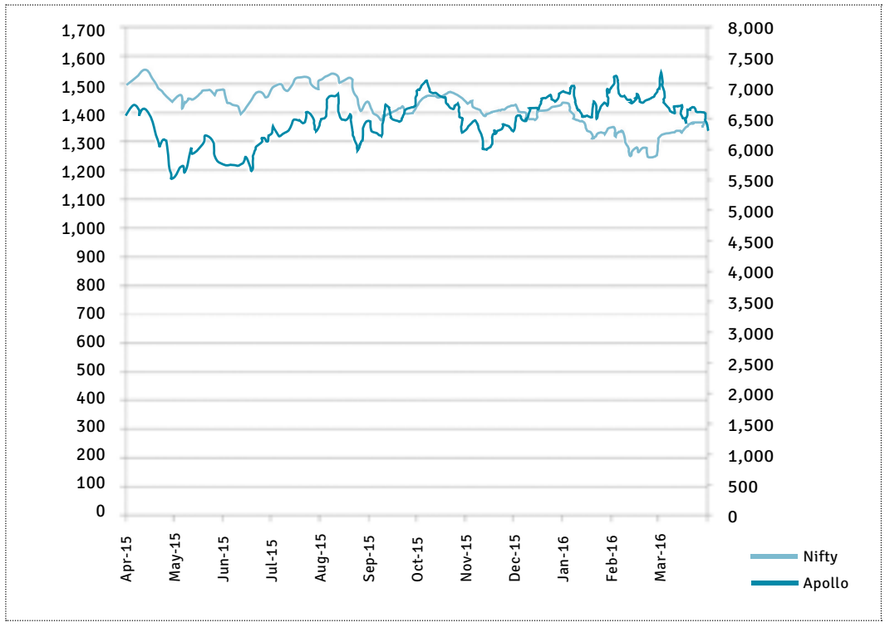
(i)	**AGM date, time and venue**	12th August 2016 at 10.15 a.m. Kamaraj Arangam, NO. 492, Anna Salai, Chennai 600 006
(ii)	**Financial Year**	1st April to 31st March
	AGM in	August
(iii)	**Dividend Payment**	The Interim dividend for the financial year ended 31st March 2016, at the rate of ₹6/- per share was paid to the shareholders on 29th March 2016
(iv)	**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 (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051 Tel : 91-22-2659 8100 - 8114 Fax : 91-22-26598237/38 Website : www.nseindia.com
	(2) GDRs	EuroMTF of Luxembourg Stock Exchange, BP 165 L-2011 Luxembourg **Traded at :Nasdaq – Portal Market**
	(3) Non Convertible Debentures	**Wholesale Debt Market Segment of** National Stock Exchange of India Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051 Tel : 91-22-2659 8100 - 8114 Fax : 91-22-26598237/38 Website : www.nseindia.com
	(4) Listing Fees	Paid for all the above stock exchanges for 2015-2016 and 2016-2017.
(v)	**Address of Registered Office**	No. 19 Bishop Gardens, Raja Annamalaipuram, Chennai – 600 028.
(vi)	**a) Stock Exchange Security Code for**	
	(1) Equity Shares	
	(i) The Bombay Stock Exchange Limited, Mumbai	508869
	(ii) National Stock Exchange of India Limited, Mumbai	APOLLOHOSP
	(2) GDRs	
	(i) Luxembourg Stock Exchange	US0376082055
	(ii) Nasdaq – Portal Market	AHELYP05
	(3) Non Convertible Debentures	
	a) National Stock Exchange of India Limited, Mumbai	APOL 17, APOL20, APOL21, APOL28
	b) Corporate Identity Number (CIN) of the Company	L85110TN1979PLC008035
	c) Demat ISIN Numbers in NSDL & CDSL for Equity Shares	INE437A01024
	d) ISIN Numbers of GDRs	Reg.S GDRs - US0376082055 Rule 144a GDRs – US0376081065

e) ISIN Numbers of Debentures	INE437A07062 INE437A07070 INE437A07088 & INE437A07093
f) Overseas Depositary for GDRs	The Bank of New York Mellon New York, NY 10286 101 Barclay Street, 22W
g) Domestic Custodian for GDRs	ICICI Bank Limited Securities Markets Services 1st Floor, Empire Complex, 414, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 Tel. +91-22-6667 2026 Fax +91-22-6667 2779/2740
h) Trustee for Debenture Holders	Axis Trustee Services Limited 2nd floor, Axis Bank Building, Bombay Dyeing, Pandurang Bhudkar Marg, Worli, Mumbai - 400025 Tel. +91-22- 24255212 Fax +91-22-6667 2779/2740

(vii) **Monthly High and Low quotations along with the volume of shares traded in NSE & BSE during the year 2015-16**

Month	National Stock Exchange (NSE)			The Bombay Stock Exchange (BSE)		
	High	Low	Volume	High	Low	Volume
	(₹)		Numbers	(₹)		Numbers
Apr-2015	1,429.80	1,130.00	5,601,735	1,428.15	1,131.80	190,085
May-2015	1,333.00	1,143.00	4,615,940	1,335.00	1,136.15	283,294
Jun-2015	1,326.00	1,150.00	4,668,332	1,327.00	1,150.00	285,763
Jul-2015	1,404.40	1,280.60	5,006,824	1,403.55	1,285.00	197,803
Aug-2015	1,476.20	1,195.00	5,114,001	1,475.00	1,196.50	322,432
Sep-2015	1,455.00	1,242.05	3,532,403	1,455.65	1,245.00	437,819
Oct-2015	1,515.90	1,301.55	3,767,655	1,515.70	1,302.00	207,274
Nov-2015	1,374.00	1,213.00	4,008,131	1,370.00	1,213.35	227,771
Dec-2015	1,471.15	1,311.00	4,117,695	1,461.00	1,315.95	213,010
Jan-2016	1,497.70	1,330.80	4,187,765	1,497.00	1,330.00	315,284
Feb-2016	1,525.00	1,340.00	3,767,498	1,524.65	1,340.50	325,658
Mar-2016	1,544.90	1,292.00	5,612,507	1,544.00	1,294.55	297,792

(viii) **Apollo Price Vs Nifty**



(ix) **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

(x) **1. Share Transfer System**

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

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

	2015-2016	2014-2015
	(face value of ₹5/-)	(face value of ₹5/-)
Shares Transferred	26,079	4,69,688
Total No. of Shares as on 31st March	139,125,159	139,125,159
% on Share Capital	0.02	0.34

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

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

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

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

During the year, the Company has transferred a sum of ₹2.40 million as unclaimed dividend 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.

(4) Distribution of Shareholdings as on 31st March 2016

No. of Equity Shares		Shares				Holders			
		Physical		Electronic		Physical		Electronic	
		Nos.	%	Nos.	%	Nos.	%	Nos.	%
1	500	845,192	0.60	1,817,686	1.31	5,552	15.48	27,095	75.58
501	1,000	369,186	0.27	721,827	0.52	490	1.37	942	2.63
1,001	2,000	395,538	0.28	663,119	0.48	232	0.65	428	1.19
2,001	3,000	283,956	0.20	393,861	0.28	106	0.30	156	0.44
3,001	4,000	300,820	0.22	316,872	0.23	84	0.23	89	0.25
4,001	5,000	69,454	0.05	278,053	0.20	15	0.04	60	0.17
5,001	10,000	606,437	0.44	1,049,870	0.75	76	0.21	143	0.40
10,001	above	438,429	0.32	130,574,859	93.85	17	0.05	362	1.01
Total		3,309,012	2.38	135,816,147	97.62	6,572	18.33	29,275	81.67
Grand Total				139,125,159					35,847

5) Categories of shareholders as on March 31, 2016

Category code	Category of Shareholder	No. of Shaerholders	Total number of shares	Percentage to total no. of shares
(A)	**Shareholding of Promoter and Promoter Group**			
1	**Indian**			
(a)	Individuals/ Hindu Undivided Family	20	20,555,635	14.77
(b)	Bodies Corporate	3	27,237,924	19.58
	Sub Total (A) (1)	23	47,793,559	34.35
	Total Shareholding of Promoter and Promoter Group	23	47,793,559	34.35
(B)	**Public shareholding**			
1	**Institutions**			
(a)	Mutual Funds/ UTI	20	143,343	0.10
(b)	Financial Institutions / Banks	12	16,118	0.01
(c)	Central Government/ State Government(s)	1	323,708	0.23
(d)	Insurance Companies	4	871,548	0.63
(e)	Foreign Institutional Investors	449	62,960,810	45.25
(f)	Others			
	Foreign Bank	1	4,117	-
	Sub-Total (B)(1)	487	64,319,644	46.23
B 2	**Non-institutions**			
(a)	**Bodies Corporate**	590	788,670	0.57
(b)	**Individuals**			
	i. Individual shareholders holding nominal share capital up to ₹1 lakh	32,940	6,131,662	4.41
	ii. Individual shareholders holding nominal share capital in excess of ₹1 lakh.	8	1,052,318	0.76
(c)	**Any Other (Specify)**			
	Trusts	24	139,291	0.10
	Directors and their relatives	6	91,606	0.07
	Foreign Nationals	2	750	-
	Non Resident Indians	1,135	1,374,999	0.99
	Overseas Corporate Bodies	1	16,199	0.01
	Clearing Member	90	113,605	0.08
	Hindu Undivided Families	531	117,249	0.08
	Foreign Corporate Bodies	4	16,384,259	11.78
	Sub-Total (B)(2)	**35,331**	**26,210,608**	**18.84**
(B)	**Total Public Shareholding (B)= (B)(1)+(B)(2)**	**35,818**	**90,530,252**	**65.07**
	TOTAL (A)+(B)	**35,846**	**138,323,811**	**99.42**
(C)	Global Depository Receipts (GDRs)			
(1)	**Promoter and Promoter Group**	Nil	Nil	Nil
(2)	**Public**	1	801,348	0.58
(C)	**Total Public Shareholding (C)= (C)(1)+(C)(2)**	**1**	**801,348**	**0.58**
	Grand Total (A)+(B)+(C)	**35,847**	**139,125,159**	**100.00**

6) Top Ten Shareholders(other than Promoters) as on 31st March 2016.

S. No.	Name	No. of Shares	%
1	Integrated (Mauritius) Healthcare Holdings Limited	15,093,860	10.85
2	Oppenheimer Developing Markets Fund	12,014,785	8.64
3	Schroder International Selection Fund Asian Total Return	2,729,259	1.96
4	Munchener Ruckversicherungsgesellschaft Akliengesellschaft in Munchen	2,397,380	1.72
5	Fidelity Investment Trust - Fidelity Diversified International Fund	1,724,846	1.23
6	Mirae Asset Asia Great Consumer Equity Fund	1,414,209	1.02
7	International Finance Corporation	1,290,149	0.93
8	Copthall Mauritius Investment Limited	1,166,141	0.84
9	Vanguard International Explorer Fund	940,155	0.68
10	Fidelity Securities Fund - Fidelity Bluechip Growth Fund	936,371	0.67
	Total	**39,707,155**	**28.54**

GDRs :

The details of high / low market prices of the GDRs at The Luxembourg Stock Exchange and Rule 144 A GDRs at Portal Market of NASDAQ during the financial year 2015-2016 are as under

Month	Reg. S			Rule 144 - A		
	High ($)	Low ($)	Closing ($)	High ($)	Low ($)	Closing ($)
Apr-2015	22.68	17.90	$17.90	22.47	17.92	17.92
May-2015	20.61	18.19	18.99	20.64	18.25	19.06
Jun-2015	20.67	18.33	20.67	20.59	18.34	20.07
Jul-2015	21.63	20.47	21.21	21.71	20.55	21.37
Aug-2015	22.64	18.80	20.16	22.51	18.74	20.20
Sep-2015	21.96	19.74	21.96	22.04	19.06	22.04
Oct-2015	22.92	20.09	20.09	22.90	20.08	20.08
Nov-2015	20.86	18.88	19.73	20.97	18.89	19.87
Dec-2015	22.17	20.14	22.17	22.11	20.21	22.11
Jan-2016	22.04	19.99	21.70	22.05	19.83	21.69
Feb-2016	22.09	20.59	21.39	22.08	20.52	21.50
Mar-2016	22.16	19.90	20.07	22.31	19.97	20.23

Note : 1 GDR = 1 equity share.

(xi) 1) Dematerialization of Shares

As on 31st March 2016, 97.62% of the Company's paid up equity capital was held in dematerialized form. Trading in equity shares of the Company is permitted only in dematerialized form as per a notification issued by the Securities and Exchange Board of India (SEBI).

2) Reconciliation of Share Capital Audit Report

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

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

i) Pursuant to the resolution passed by the members in an Extraordinary General Meeting held on 24th May 2005, the Company had issued 9,000,000 Global Depositary Receipts (GDRs) and the details of GDRs issued and converted and outstanding (after adjusting the split of face value of 5/- per share) as on 31st March 2016 are given below :

Particulars	Nos.	Nos.
Total GDRs issued		18,000,000
Add : Equity Shares converted into GDRs during		
2011-2012	7,689,329	
2012-2013	10,949	
2013-2014	439,944	
2014-2015	400	
2015-2016	22,114	8,162,736
Less : GDRs converted into underlying equity shares		
2005-2006	4,415,068	
2006-2007	2,346,712	
2007-2008	1,515,600	
2008-2009	347,020	
2009-2010	49,600	
2010-2011	6,263,200	
2011-2012	5,396,660	
2012-2013	4,597,869	
2013-2014	147,449	
2014-2015	22,354	
2015-2016	259,856	25,361,388
Outstanding GDRs as on 31st March 2016		801,348

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

(xiii)Equity Shares in the unclaimed suspense account:

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

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

The voting rights on the shares outstanding in the suspense account as on 31st March 2016 shall remain frozen till the rightful owner of such shares claims the shares.

Aggregate Number of Shareholders relating to the shares lying in the unclaimed suspense account	1,626
Aggregate Number of the outstanding equity shares lying in the unclaimed suspense account	416,748
Number of shareholder who approached the Company for transfer of shares from the unclaimed suspense account during the financial year 2015-2016	37
Number of shares transferred from the unclaimed suspense account during the financial year 2015-2016	7,950
Aggregate Number of Shareholders relating to the shares lying in the unclaimed suspense account at the end of the financial year 2015-2016	1,557
Aggregate Number of the outstanding equity shares lying in the unclaimed suspense account at the end of the financial year 2015-2016	408,798

(xiv) Investors Correspondence

a. **For queries relating to shares**

Shri. Suresh Babu, Sr. 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

(xv) Hospital Complexes

Apollo Hospitals Group

Chennai	No. 21 & 24 Greams Lane, Off. Greams Road, Chennai – 600 006 Tel : 044 2829 3333/ 28290200
	320 Anna Salai, Nandanam, Chennai – 600 035 Tel : 044 2433 1741, 2433 6119, 4229 1111
	No. 646 T.H. Road, Tondiarpet, Chennai – 600 081. Tel : 044 2591 3333, 2591 5858
	Apollo First Med Hospital, No.159 E.V.R. Periyar Salai, Chennai – 600 010. Tel : 044 2821 1111, 2821 2222
	Apollo Children Hospital, 15-A Shafi Mohammed Road, Chennai – 600 006 Tel : 044 2829 8282, 2829 6262
	Apollo Royal Women Hospital, Shafi Mohammed Road, Chennai – 600 006 Tel :044 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
	2/319 Rajiv Gandhi Salai (OMR), Karapakkam, Chennai – 600 097 Tel : 044-24505700
	No.5/639, Old Mahabalipuram Road, Kandanchavadi, Chennai – 600 096 Tel : 044-2496 3697
Madurai	Lake View Road, K.K.Nagar, Madurai–625 020 Tel : 0452 – 2580 199/2580 892/ 893
	Apollo First Med Hospital, No.484, B-West First Street, Near District Court, KK Nagar, Madurai – 625 020. Tel : 0452-2526810
Karur	Apollo Hospital, No. 163, Allwyn Nagar, Kovai Road, Karur – 639 002. Tel. : 04324 - 241900
Karaikudi	Managiri Sukkanenthal Village, Thalakkavur Panchayat Kallal Panchayat Union, Karaikudi – 630 001 Tel.045 65223700
Tiruchirappalli	Varaganeri Village, Chennai Madurai Bypass Road, Tiruchirappalli, Tel: 0431 3307777
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
Nellore	H.No. 16-111-1133, Muthkur Road, Pinakini Nagar, Nellore – 524 004., Tel.0861 2301066/2321077
Karim Nagar	Apollo Reach Hospital, H.No.G.P.No.4-72, Subhash Nagar, Theegalgutta Pally, G.P.Arepally Rev. Village, Karim Nagar – 505 001. Tel. No.0878 220 0000
Visakapatnam	No.10-50-80 Waltair Main Road, Visakapatnam – 530 002 Tel.No.0891-272 7272, 252 9619
	APIIC Health City, Near Hanumanthvaka Junction Visakhapatnam - 530 040, Tel. No. 0891 - 2867777
Kakinada	H-No. 13-1-3 Surya Rao Peta, Main Road, Kakinada – 533 001 Tel.No. 0884 – 2345 700/800/900
Mysore	Apollo BGS Hospitals, Adichunchanagiri Road, Kuvempu Nagar, Mysore – 570 023, Tel. No. 0821 – 256 6666, 256 8888
Bilaspur	Lingiyadi Village, Bilaspur – 495 001, Chattisgarh Tel : 07752–240390 /243300-02
Bhubaneswar	#251, Sainik School, Unit 15, Bhubaneswar – 751 003 Tel.0674 6661016/1066/0413
Nashik	Swamy Narayan Nagar, Off Mumbai Agra Highway, Near Lunge Mangal Karyalaya, Panchavati, Nashik – 422 003, Tel : 0253-2510350/0510450
Navi Mumbai	Plot # 13, Sector 23, Parsik Hill Road, Off Uran Road, CBD Belapur, Navi Mumbai, 400 614, Tel : 022-3350 3350
Indore	Scheme No. 74C, Sector D, Vijay Nagar, Indore - 452 010 Madhya Pradhesh Tel. No. 0731 - 2445566
Bangalore	154/11 Bannerghatta Road, Opp. IIM, Bangalore – 560 076 Tel. No. 080-4030 4050
	#1533, 9th Main Road 3rd Block, Jayanagar, Bangalore – 560 011 Tel. No. 080-4020 2222
	New No. 1, old No. 28 Platform Road, Seshadripuram, Bangalore – 560 020 Tel. No.080-4668 9999/8888
Lavasa	7th Dasve Circle, Darve Village Post, Mulshi Lalukka, Pune - 412 112 Tel. No. 020 - 6677 1111, 6611 1000
Assam	Lotus Towers, 175 GS Road, Guwahati – 781 005 Tel. No. 0361-2347700-03/7135005
Ahmedabad	Plot No.1A, GIDC Estate, Bhat Village, Gandhi Nagar, Gujarat – 382 428, Tel : 079-6670 1800
Kolkata	No.58, Canal Circular Road, Kolkata – 700 054, Tel : 033-2320 3040
New Delhi	Sarita Vihar, Delhi Mathura Road, New Delhi – 110 044 Tel. No. 011-2692 5858
Other Health Centres	Woodhead Tower, No. 12 CP Ramaswamy Road Alwarpet, Chennai – 600 018, Tel. No. 044-04672200/24988866
Apollo Heart Centre	# 156, Greams Road, Chennai – 600 006 Tel : 044 2829 6923
Apollo Medical Centre	Plot No. C-150, 6th Cross, Thillai Nagar, Trichy – 620 018 Tel. No.0431-2740864
Apollo Emergency Centre	Rajiv Gandhi International Airport, Samshabad Hospital. Tel.:040-2400 8346
Apollo Gleneagles Clinic	48/1F, Leela Roy Sarani, Ghariahat, Kolkata – 700 019, Tel : 033 2461 8028
	City Center, 1 Tulsibaug Society, Opp. Doctor House, Ellisbridge, Ahmedabad – 380 006 Tel. No. 079 6630 5800
Apollo Clinic	KR 28, VIP Road, Port Blair, Andaman 744 101 Tel : 03192 233550

Declaration under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding adherence to the Code of Conduct

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

For APOLLO HOSPITALS ENTERPRISE LIMITED

Suneeta Reddy
Managing Director

Place : Chennai
Date : 25th May 2016

Auditors' Report on Corporate Governance

To
The Members,
Apollo Hospitals Enterprise Limited

We have examined the compliance of regulations of Corporate Governance by Apollo Hospitals Enterprise Limited for the year ended 31st March 2016, as stipulated in regulations Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of regulations 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 regulations 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 regulations of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

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
Dated: 25th May 2016

For S. VISWANATHAN LLP
Chartered Accountants

V.C. KRISHNAN
Partner

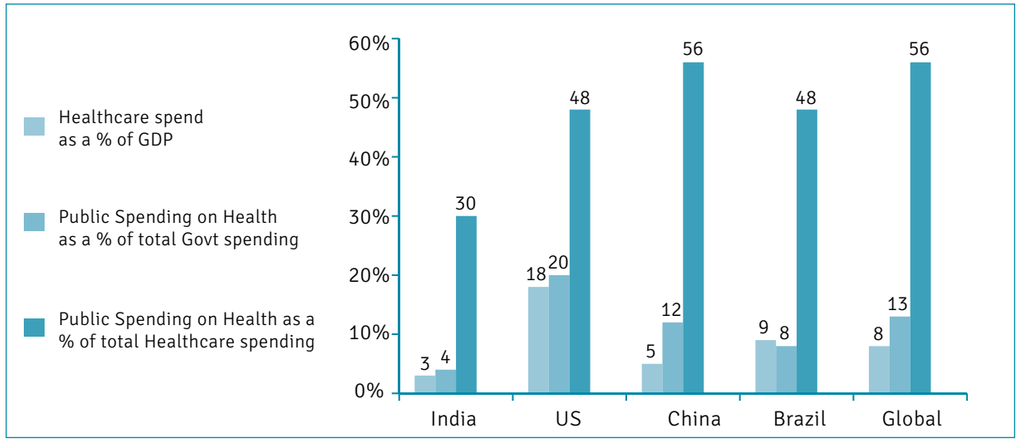
Management Discussion and Analysis

Industry Structure & Developments

General Overview – The Healthcare Ecosystem in India

India has progressed on several parameters since economic liberalisation started in 1991. However, even as the country has made giant strides in manufacturing, services, research & development and in developing a vibrant economic landscape, it continues to progress slowly on several social indicators.

In India, the under-development of healthcare infrastructure is largely attributed to under investment by the public sector. India lags far behind as far as healthcare spending is concerned in comparison to the global average. In India, healthcare spend as a percent of total GDP stands at 3.8% as compared to the global average of 8.6%.The per capital healthcare expenditure in India stands at $58 as compared to $1,025 which is the global average.



Source: WHO 2015

Bed availability in India stood at 7 per 10,000 in 2015 which was significantly lower than the global average of 27 beds for a population of 10,000. In terms of availability of medical staff, the number of doctors and nurses available for every 10,000 population was at 7 and 17.1 in India compared to the global average of 13.9 doctors and 28.6 nurses per 10,000 population. The relatively lower penetration of Medical Insurance has resulted in high out-of-pocket health expenditure at 86% as compared to 52% which is the norm globally.

Major Infrastructure Indicators	India	US	China	Brazil	Global
Beds per 10,000 population	7	38	23	29	27
Doctors per 10,000 population	7	14.9	18.9	24.5	13.9
Nurses per 10,000 population	17.1	16.6	76	NA	28.6
Dentists per 10,000 population	1	NA	12.2	-	2.8

Source: WHO 2015

Due to the large deficit in investment in healthcare in India and the lack of emphasis by the public healthcare sector on elevating socio economic indicators, there has been a significant gap in the supply of healthcare services of an acceptable standard leading to a significant emergence of private healthcare service providers in the country.

Today, the private healthcare sector in India has evolved into a vibrant industry accounting for around 70% of the country's total healthcare expenditure. Large investments by the private sector players are likely to contribute significantly to the development of the sector which is poised to reach $280 billion by 2020, witnessing a compounded annual growth rate (CAGR) of 22.9 per cent during 2015-20. This is mainly due to the prevalence of favourable dynamics which are expected to sustain the demand for healthcare.

Having seen the private sector deliver outstanding results with limited resources, the bar has been raised for standards of healthcare for citizens of the country. The public sector has recalibrated its focus and accelerated its effort and outlay towards the sector. The Government of India in the 12th five year plan (2012-17) has focused on providing universal healthcare, strengthening healthcare infrastructure, promoting R&D and enacting strong regulations for the healthcare sector. The NITI (National Institution for Transforming India) Aayog has allocated $55 billion under the 12th Five-Year Plan to the Ministry of Health and Family Welfare, which is about three times the actual expenditure under the 11th Five-Year Plan.

Additionally, the Government of India has also been actively integrating other landmark legislation to support the evolution of the healthcare ecosystem in the country. The initiative to leverage the Aadhar Card to provide Healthcare under the Primary Health Centre (PHC) plan is an encouraging move. Under the PHC Plan, the Government plans to have 1 PHC for a population of 5,000 people in the rural centres and 1 PHC for every 10,000 people in the urban areas.

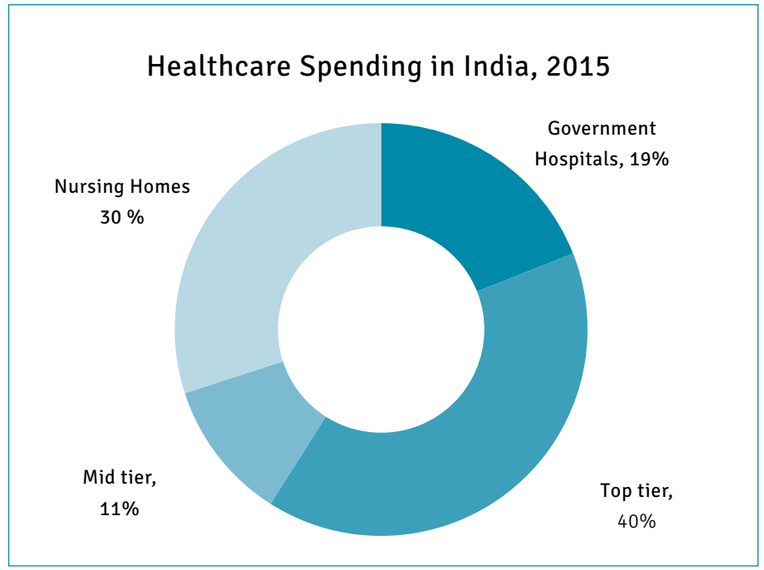
An increased healthcare spend as a percentage of GDP, enhancing legislation to encourage growth of the sector, rapid adoption of technology, easing the flow of capital into the sector and incentivizing the development of required skills to address the shortage of medical personnel while simultaneously enhancing workforce utilization are key areas of focus which will fuel the next stage of growth in the sector. The Government and the private sector will need to collaborate in order to address the large and dynamic challenges that the country is facing today in the healthcare sector.

The Healthcare Services delivery landscape in India

The Healthcare sector in India is categorized under Hospitals, Pharmaceutical companies, Standalone Pharmacies, Medical Insurance,Retail Healthcare, Medical Tourism and Telemedicine.

While the retail healthcare formats like of primary healthcare centers, day care and short stay surgery centers and home healthcare are gaining significance in recent years, Hospitals stills remain the predominant outpost for the delivery of healthcare services in India.

Within hospitals, the private sector accounts for a majority of the total healthcare expenditure in India. In India, the public health expenditure as a percent of total health expenditure has been increasing over the last few years. This expenditure increased from 27 percent in 2011 to 30 percent by 2014.



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

There have been some important initiatives undertaken by the Government of India to improve the availability and accessibility to Healthcare while ensuring improvement in Human Development Measures. The eradication of polio, notable reduction in HIV / AIDs incidence, encouragement of traditional healthcare systems and practices and initiatives to reduce pre-natal mortality rates have been significant initiatives showing up as green shoots across the healthcare landscape. There have been endeavours to leverage private sector efficiencies and capacities through the Public Private Partnerships (PPPs) model.

The inconsistency in the distribution of healthcare services across the country is a major concern which needs to be addressed. Existing infrastructure in the rural areas does not make it conducive for quality healthcare to sustain, causing inadequacies in meeting the ever growing needs of a major portion of the Indian population. The urban areas on the other hand, which account for a smaller proportion of the population, has been enjoying better availability of healthcare infrastructure.

None-the-less, the private healthcare sector in India, is gearing up to match global healthcare delivery models. The growth of the private sector is expected to continue going forward. They possess technical and managerial skills, and are innovative and flexible in the deployment of resources. They are perceived to provide personalised quality services with greater efficiency than public hospitals. The private healthcare sector is expected to grow consistently

with support of macro-economic policies that recognize the healthcare sector as an industry and provides for stimulus to private sector investment through tax concessions. Additionally, the willingness of the people to pay for health services, along with support from the government aimed at de-bottlenecking the sector will add impetus to the growth of the private sector.

The hospital and diagnostic centers space attracted foreign direct investment (FDI) worth $3,074.01 million or ₹ 163.14 billion between April 2000 and March 2015, according to data released by the Department of Industrial Policy and Promotion (DIPP). This industry is growing at a tremendous pace owing to its extended coverage, range of services and increasing expenditure by public as well private players.

Large investments by private sector players are likely to contribute significantly to the development of India's hospital industry, as they already represent around three-fourths of the healthcare services market.

Some of the key characteristics of the healthcare sector in India are as follows –

Population growth, demographics & rising per capita income

Nearly 8 per cent of the Indian population was above the age of 60 years in 2011. This proportion is expected to climb to 12.5 per cent by 2026. Given this, India is faced with the dual challenge of making good the current deficiency in healthcare infrastructure as well as in planning for future requirements. While it is considered as a country with a large proportion of population below the age of 30, the country will have a significant population of middle-aged persons leading to a corresponding increase in demand for healthcare delivery systems and services.The per capita income in India has grown by 60% from $797 in 2006 to $1,262 in 2014 and with a growing younger population this growth in per capita is expected to rise further leading to a rise in the demand for healthcare delivery and better infrastructure in the future.

Gap in Health Infrastructure between urban and rural areas

The per capita income is higher in the urban cities as compared to the rural areas and supported with a better infrastructure, the concentration of private healthcare service providers has been largely towards urban areas. These areas are now home to a wide variety of healhcare facilities offering single specialty, multi-specialty,primary care, quaternary care alongwith personalised value added services. On the other hand a historically low public spend, lack of infrastructure and the focus of private players on urban areas has left rural India far behind in the healthcare space. Thus there is a vast disparity in offerings between the metros and urban centers vis-a-vis the semi-urban and rural areas in the country.

Business Models Innovated for better outcomes

The last two decades have seen the emergence and growth of private hospital chains, single specialty chains and boutique healthcare centers in India. Unlike the traditional standalone hospital offerings, today private players are adapting their health care service delivery models to cater to the growing needs of young India. The idea is to create an awareness of the importance of healthcare and make it more conducive to the needs of the people. These business models have proven effective in increasing efficiencies through higher volumes resulting in reduced costs and at the same time delivering comparable quality standards and success rates. The services of most hospitals at a single location are being replaced by multiple touch points such as Standalone clinics, diagnostic centers and pharmacies.

Rapid emergence of Medical Tourism

India is highly cost competitive compared to the developed countries and certain Asian countries and hence constitutes a very attractive destination for foreign patients which has given rise to the medical tourism industry. According to an MTA (Medical Tourism Arrivals) patient survey report, nearly 80% of the demand for medical tourism is driven by cost savings and the table below gives a very good representation of the same.

Sample Treatments	India	Thailand	Singapore	Malaysia	Mexico	Costa Rica	South Korea
Hip Replacement	84%	73%	73%	78%	69%	74%	77%
Knee Replacement	79%	76%	69%	80%	64%	74%	71%
Spiral Fusion	77%	61%	32%	56%	45%	58%	56%
Heart Valve Replacement	94%	93%	91%	94%	80%	80%	72%
Gastric Bypass	62%	33%	25%	56%	39%	39%	31%
Face-lift	72%	57%	30%	57%	58%	64%	52%
Rhinoplasty	53%	31%	23%	44%	55%	44%	23%
Heart Bypass	95%	92%	86%	93%	80%	82%	77%

% savings in other countries vs United States Source: Grant Thornton

Superior quality healthcare, coupled with low treatment costs in comparison to other countries, is benefiting Indian medical tourism which has, in turn, enhanced the prospects of the Indian healthcare market. Treatment costs for major surgeries in India are approximately 20 per cent of that in developed countries. As per a recent KPMG Report, the size of the medical tourism market was estimated to be around $3.6 billion in 2015 which is expected to reach $10.6 billion by 2019 representing a CAGR of 30%.

India has developed a strong presence in providing advanced healthcare services, for example, organ transplants and cardiovascular procedures with success rates comparable to that developed countries. Moreover, reduced waiting time in hospitals for admissions and treatment makes the country an attractive destination for medical tourism.

The role of the government towards supporting the medical tourism industry has also been increasing. The government has introduced a separate category of medical visa: M-visa which can be extended for an additional 12 months beyond the one year issue period. A faster clearance process has been initiated for medical tourists at the airports. Moreover, ease of connectivity combined with well-developed infrastructure (medical and non- medical) in several regions has enabled growth in medical tourism. Good connectivity to several GCC countries and a possible extension to other countries in Africa and South East Asia regions would help in tapping a large volume of medical patients in these regions who seek better medical facilities.

Increasing influence of Technology in healthcare delivery

The market for medical technology in India is small at present, but rapidly expanding. It is important for healthcare players to understand the importance of the medical technology landscape and keep upgrading their technological know how to keep pace with their global peers. The Government of India, in its endeavour to contribute towards this space, has rightly taken certain initiatives to bring about improvement in the healthcare sector. One such initiative is the launch of 'Sehat" in 2015, – a telemedicine initiative. Telemedicine can provide access for basic, specialty

and super-specialty requirements to the rural population. Telemedicine has enormous potential in meeting the challenges of healthcare delivery to rural areas. Technology is advancing rapidly and the ability of the physician to take decisions regarding their patients condition is much greater now. The government also offers income tax incentives for domestically manufactured medical technology products.

Increasingly robotic technologies are being utilized in functions such as medication distribution, surgery and even diagnosing patients. Robotic Surgery has been developed to overcome both the limitations of Minimally Invasive Surgery (MIS) and enhance the capabilities of surgeons performing open surgeries. Greater adoption of Robotic surgeries would provide an impetus to the growth of medical tourism in India.

A shortage in the number of doctors and medical practitioners poses constraints on the quality of treatment provided by hospitals and nursing homes. This situation is compounded manifold in rural regions which don't have access to tertiary healthcare facilities .The initiative that has been introduced to combat the shortage of doctors in distant areas is to link up these centres with a central command center of a well-equipped hospital -usually in urban areas, through a facility called as an eICU. Simply put, an eICU facilitates the real time monitoring of a patient's vital parameters and condition - from a remote location, through doctors located in a different place known as the command center. Such initiatives have proven to be a blessing for patients who need immediate assistance and do not have access to specialists, surgeons etc.

Digital Health Knowledge Resources, Electronic Medical Record, Mobile Healthcare, Electronic Health Record, Hospital Information System are some of the technologies gaining wide acceptance in the sector.

Standalone Pharmacies

Although largely fragmented, standalone pharmacy stores comprise a major chunk of the overall market. This sector has delivered a CAGR growth of 19.4% during 2010-15 and is projected to exhibit a CAGR of over 14.22% during 2015 – 2020. This is attributed to the robust expansion plans of the Standalone Pharmacy players coupled with increasing health awareness amidst consumers. There has been competition amongst stores and consolidation among private players. Moreover, introduction of private label brands is further anticipated to boost the overall Standalone Pharmacy market in the coming years.

The Industry continues to be fragmented in nature due to the overwhelming presence of the unorganized segment or stand-alone units. However, organized players are gaining increased acceptability amongst the Indian consumers and have been gradually expanding their market share. With a specialized focus on the quality of retail services they have brought customer centricity to the fore.

The market for Standalone Pharmacies is likely to be enhanced with the increase in government spending on the health care sector along with initiatives taken to increase health related awareness in rural regions of the country. Additionally, the increasing disposable income of the Indian population has contributed significantly to the growth of the market due to the rising need for personal healthcare. Emerging health trends are also the main causes observed as the key growth drivers of the Standalone Pharmacy market in India as they drive the sale of medicines. This trend has developed due to a huge increase in the scale of urbanization and working population in the country. The growth of the Indian OTC market has been one of the fastest in the world.

The concept of the online pharmacies which has changed the global pharmaceutical distribution chain quite significantly is yet to meaningfully emerge in India. According to market sources, it is expected that the online pharmacy model could account for 5 to 15 per cent of the total pharma sales in India, largely by attracting discerning customers and enhancing access to a part of the under-served population. With the Indian population getting more tech savvy, private players will soon have to cater to this growing need of their customers. The online pharmacy stores market in India is primarily developing in metro cities and large urban areas across the country.

Health Insurance

The past few decades have seen insurance come a full circle. Together with banking services, insurance services add about 7% to the country's GDP. A-well developed and evolved insurance sector is a boon for economic development as it provides long-term funds for infrastructure development, and at the same time strengthens the risk taking ability of the country. The general insurance business in India is currently at ₹780 billion in terms of Gross Written Premiums and it is growing at a health rate of 17%.

Health insurance is one of the fastest growing segments of general insurance. There is no doubt that health insurance is an indispensable healthcare financing tool. Over the last few years, awareness and acceptance of health insurance has increased manifolds especially amongst the urban Indian population. Also, health insurance premiums have been registering a significant CAGR of 24.6% in the preceding 10 years.

Having said that, health insurance penetration remains well below global standards. Today almost 80% of the Indian population is still not covered under any public or private health insurance scheme to support health expenditure. This provides a significant opportunity for development of the health insurance market in India.

It can be noted that premium collection in health segment continued to surge ahead, registering a growth of 22.4% from ₹202.56 billion in FY 2014-15 to ₹247.84 billion in FY 2015-16. Also, the market share of health segment in the non-life segment in FY 2015-16 is 27.8% registering a marginal increase form the preceding year's share of 26.73%.

During FY 2015-16, stand-alone health insurers contributed 16.01% of total health insurance premiums, which increased by 2.07% over the previous year's market share.

Future scope of health insurance

With about 28% market share in the non-life industry at present, the health insurance segment in India has a significant role to pay in covering various sections of the population who are not covered under any health insurance scheme.

According to an IRDA report, with a projected insurable population of about 1 billion for health insurance by 2025, the average life expectancy is expected to reach 74 years by 2020 (from the existing 66 years). Healthcare needs are also expected to witness a significant reduction from out-of-pocket spends, which currently represent around 86% of payments to healthcare service providers.

The healthcare sector is growing at a 15% CAGR and from a market size of ₹5,100 billion achieved in 2012, it is expected to touch a size of ₹10,300 billion by 2017. Hence there is an immense potential for health insurance to grow.

Retail Healthcare

The Retail Healthcare business is emerging as a significant opportunity in the healthcare landscape and is providing sizable untapped avenues which will further drive the penetration of Indian healthcare service providers across the landscape going forward. They include Primary Care Clinics, specialised birthing centers single specialty clinics, primary health centers and diagnostic chains, apart from Dental, Daycare and Home Healthcare formats.

The delivery format being fairly new, the market remains fragmented given the uneven distribution of income, poor infrastructure facilities, lack of awareness among under privileged patients etc. However, with increasing government involvement in promoting healthcare and newer players entering this space, the trend is changing opening up a universe of opportunities for operators in this space. The retail healthcare industry in India is likely to increasingly contribute to enhancing the penetration of the healthcare sector. The popularity of single specialty healthcare centers over the past few years is offering significant opportunities for not only emerging healthcare businesses across a gamut of sub specialties but also tertiary multi-specialty hospitals to foray into the sector. Under this format, a patient can access services for all healthcare requirements focusing on a specific speciality under one roof. Having met with significant initial success, this model is being followed across various treatment categories with areas such as fertility, maternity, ophthalmology, dental health, dialysis and diabetic care.

SWOT Analysis

Strengths

Brand Salience: AHEL a leading private sector healthcare player in India was set up an era when there was a huge gap between the need for quality healthcare and healthcare services. Since its inception, the Company has setup several pioneering developments in healthcare in the country and has carved several milestones in its journey. Today brand 'Apollo' is associated with excellence in patient care, rapid technological adoption and best-in-class health care services. The benefits of this recognition and position clearly translate into making us the most preferred choice for both local and international patients as well as medical professionals.

Large and growing Network: With 69 hospitals, 2,326 pharmacies and 172 clinics / retail healthcare centers across the country, 'Apollo' is truly a pan-India player. Despite its size, it remains amongst the fastest growing in the healthcare space in India. The large network offers advantages through multiple touch points and enhanced reach, benefits of scale, ability to incubate new businesses, elevation of capabilities due to the sheer volumes of medical procedures and a rich resource bank of medical professionals.

Integrated offering: The sub-brands under Apollo Clinic include Apollo Sugar, Apollo Diagnostics, Apollo White and Apollo Dialysis. AHLL also runs specialty hospitals Apollo Cradle and Apollo Spectra Hospitals as part of its portfolio. Over the years the group has managed to garner its presence in GCC, West Asia and African countries as well. This allows it to participate in multiple stages of the patient care processes resulting in better outcomes and an enhanced value proposition both for the patient as well as the service provider.

Deep expertise: One of the most respected healthcare providers in the world, Apollo specializes in cutting-edge medical procedures. Apart from being the preferred service provider in India, there are an increasing number of international patients who select Apollo on the basis of quality of care and healthcare outcomes thereby validating the standard of operations not just in India but even globally.

Weaknesses

Regulatory intensity: With the number of licenses and approvals required to set up a hospital it causes a huge barrier for private players in India to think of expansion.There are multiple rules and regulations for importing medical equipment to setting up parking facilities at hospitals or adding or reducing staff. The lack of co-ordination between various regulatory departments and absence of proactive and forward looking regulation has resulted in loss of some potential opportunity for the healthcare sector. At the same time, lack of agility in unearthing unscrupulous practices as well as failure to halt unfair trade practices by certain participants in the sector has also harmed the perception about service providers in the sector.

Shortage of Healthcare Human capital poses a challenge: India is a country with manpower in abundance, given the sheer size of its population. However, what the country lacks is good education for majority of this population or better training institutes for skilled manpower .The healthcare services industry is highly manpower intensive. Skilled manpower includes doctors, nurses and para-medicalstaff comprising lab-technicians, radiographers and therapists all of whom are in short supply in India. The overall requirement for resources makes it challenging to set up and profitably run a hospital in India.

Technology obsolescence: Today 'Technology' is at the helm of any growing industry and it has to keep getting upgraded due to the high risk of obsolescence. One of the biggest problems faced by Indian players is availability of good technology and at reasonable costs. We however, use the latest treatment technologies in our hospitals to provide top quality healthcare services.

Heterogenous Markets: With the growing population the need for healthcare has been on the rise in India. There are different requirements even in markets which are reasonably proximate. Every market has a unique set of circumstances with variance in demographics, disease profiles, customer attitudes, seasonal variations,price sensitivity and so on. Even hospitals in two different cities in the same state will not be subject to identical operating circumstances. This requires a higher degree of customization and increases the level of monitoring required. Merely having all of the necessary resources is not a guarantee to success. Due to the complexities involved, significant management overview is required in sustaining clinical standards, balancing case mix, ensuring adequate volumes and regularly upgrading technology.

Opportunities

Deeper Value of offerings: There is significant scope to enhance the value offering for patients by leveraging on technology. This need not necessarily be cost led but can also include faster recovery, lower trauma, more comprehensive offerings from service providers and higher quality of care with better outcomes. Those providers who are able to elevate their offerings on multiple parameters will have an advantage compared to other service providers.

NCDs on the rise: The rising number of Non-communicable diseases (NCD) patients suffering from diabetes, cardiovascular diseases and cancer in India is directly proportionate to the changing lifestyle patterns of the working population . This is a huge challenge for the Indian healthcare service providers who will need to address the rising incidence of NCDs. At the same time, it presents an opportunity for service providers.

Under served and poorly served markets: There is a world of difference between the quality of healthcare services available in metro cities and large urban areas compared to some of the semi-urban areas in the country. Patients in such semi-urban areas have the ability and the willingness to pay for good quality healthcare services, however, due to lack of options end up travelling to the cities in search of appropriate treatment. Healthcare service providers who are able to offer services of the desired quality in these areas will benefit from a ready demand for their services.

Changing Lifestyles: Given the steady increase in disposable incomes and growing health awareness, there has been a manifold expansion in demand for elective or planned surgeries as well as cosmetic surgeries. Patients are now willing to undergo discretionary and electric treatments to elevate their standard of living and pursue a lifestyle of their choice. This is steadily developing into a deep and lucrative segment of the healthcare services market.

Population on the rise: As India crosses the 100 million mark of its ageing population and is expected to be the home for around 143 million elderly by 2020, this fact will also contribute to the increasing demand for healthcare services.

India is an ideal Medical Value Travel destination: The Indian Healthcare Industry is well poised to address the billion dollar medical tourism opportunity, with several accredited facilities is witnessing a large development boom of private medical healthcare facilities. Additionally, the inherent cost advantage with prevalence of quality healthcare services makes India a preferred destination among emerging markets. The opportunity is large and the country will have to take appropriate steps to improve procedural efficiency and enhance marketing of services to garner a sizeable share.

Threats

Heightened competitive intensity : The increasing trend of entrepreneurs and business hourses to enter into the healthcare business has resulted in a spike in setting up of greenfield facilities , JVs and acquisitions. There are even pockets of over capacity in certain metros. In order to make these ventures viable after investing significantly, there is a possibility that some of these players could resort to irrational pricing in order to gain market share.

Increasing cost of resources : The emergence of several domestic hospital chains combined with the entry of international players is leading to an increased number of competitors chasing finite resources such as land, quality medical professionals and potential acquisition targets. Demand growth is expected to outpace improved supply of these resources. A failure to acquire resources at fair and reasonable rates will impact the ability to suitably grow and expand our operations . Further, increases in operating costs can impact the Company's operations and financials.

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

Potential loss on the Medical Tourism Opportunity : Several countries in the Asia-Pacific region have realized the opportunity of attracting medical value travelers . These countries provide a number of incentives to domestic service providers in the form of subsidized capital, ease in permissions and tax benefits, given this fact coupled with their enhanced infrastructure and simplified visa norms, makes them well positioned to gain a larger share of the opportunity.

Withdrawal of tax incentives : Since fiscal 2011, we have benefited from the tax deduction of 150% given in respect of capital expenditure incurred on setting up new hospital projects. The resultant deferment of tax helped us to improve our immediate cash flows allowing us more resources to fund growth. This has now been reduced to 100% with effect from the financial year ending March 31, 2017. Any further reduction of tax incentives would result in reduced returns to the business.

Industry outlook

The healthcare market in India has witnessed a substantial transformation in the last few years. The industry is now growing at a tremendous pace owing to its strengthening coverage, services and increasing expenditure by public as well private players.

The country today is faced with two kinds of disease burden communicable and non-communicable, diseases, giving rise to a new pool of patients who demand different types of medical services. As India crosses the 100 million mark of its ageing population and is expected to be the home for around 143 million elderly people by 2020, giving rise to the increasing demand for healthcare facilities, there is a huge potential for healthcare players to service these rising numbers.

Moreover, increasing government focus, rising awareness and insurance penetration among the populace are expected to drive this growth in future. Additionally, factors such as attractive investment opportunities, growing innovation and entrepreneurship are expected to increase the market size, thereby increasing the contribution of healthcare to the country's GDP.

Large investments by private sector players are likely to contribute significantly to the development of the sector. In India, private healthcare accounts for almost 70 per cent of the country's total healthcare expenditure. Private sector's share in hospitals and hospital beds is estimated at 74 per cent and 40 percent respectively. The main factor contributing to rising medical tourism in India is presence of a well-educated, English-speaking medical staff in state-of-the art private hospitals and diagnostic facilities.

Going forward, apart from M&A deals, Private Equity and Venture Capital funding will be a strong investment driver for the Indian healthcare sector. The sector is expected to be one of the most attractive investment targets with attractive valuations. The sector has attracted close to $1billion into hospital assets from both domestic and foreign financing companies. PE investments have nearly quadrupled from 2011 to 2013 for investments into hospitals and diagnostic chains. Further, the sector has seen close to 100 domestic and inbound M&A deals, with an average deal size of $30 million, totaling to $3 billion since 2010.

At present there still exists an increasing gap between the expectations of patients and the offerings of traditional models of healthcare delivery. In the wake of these growing concerns and with an urgent need to accommodate the rising healthcare requirements and expectations, an emerging and organized healthcare sector is in play. Moreover, with increasing demand for affordable and quality healthcare, penetration of health insurance is poised to grow exponentially in the coming years

Company Overview

Apollo Hospitals Enterprise Limited (AHEL), a leading private sector healthcare provider, is the pioneer of corporate healthcare services delivery in India. Promoted by Dr. Prathap C Reddy as a public limited company in 1979, AHEL started as a comprehensive 150-bed hospital with an emphasis on tertiary healthcare at Chennai. From that humble beginning it has emerged as the pre-eminent healthcare services provider in Asia.

The Group's healthcare framework operates within a three level architecture-primary, secondary, and tertiary health care facilities. The tertiary care hospitals provide advanced levels of care in over 55 specialties, including cardiac sciences, oncology, neurosciences, critical care, orthopedics, radiology, gastroenterology, and transplants. Its presence includes 9,554 beds across 69 locations, 2,326 pharmacies, 172 primary care & diagnostics clinics, and 148 telemedicine units across 13 countries. To enhance our service to our customers and complement our business, we also provide various other services such as project consultancy services, health insurance services, education and training programs and research services.

We are setting up the first Proton Therapy Unit in the Asia-Pacific Region which will be located at a specialized facility in Chennai, India.

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

Healthcare Services

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

Hospitals

As of March 31, 2016 we had a capacity of 9,554 beds in 69 hospitals located in India and overseas. Of the 9,554 beds, 7,620 beds own in 42 hospitals, 160 beds in 7 cradles, 340 beds in 12 day care / short surgical stay centers and 1,434 beds are in 8 hospitals under our management through operations and management contracts

	31.03.2016	31.03.2015
Number of owned hospitals at end of period	61	44
Number of owned beds at end of period	8,120	7,207
Number of operating beds at end of period	6,724	6,321
In-patient discharges	373,851	353,547
Adjusted discharges	533,598	498,134
Average length of stay (days)	4.17	4.43
Average daily census	4,262	4,294
Bed occupancy rate (%)	63%	68%
Average revenue per occupied bed per day	28,036	25,381

Clinical Excellence

Clinical Excellence is the edifice around which our healthcare operations are structured. The Apollo Hospitals group diligently adheres to meet the highest standards of clinical outcomes which it has set for itself in various specialties. These standards are constructed with a view to benchmark internal excellence against the best in the world.

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. This is supplemented by the Rocket ACE program which is a balanced scorecard for Centres of Excellense ("CoEs") evaluating outcomes based on complication rates, mortality rates, infection rates and related parameters .

These are supplemented by the Mortality Review and Incident Reporting systems. We also implement the AQP or Apollo Quality programme which is a 20 parameter reporting dashboard for standardization of processes.

Due to this steadfast focus on Clinical Excellence, the Group has an impeccable track record and high success rates even in surgeries of high complexity such as transplants, cardiac care and oncology. This unwavering focus on clinical excellence enables Apollo Hospitals to continuously assess the quality of care provided to patients and allows it to objectively measure the consistency and success of healthcare delivery services.

Training & Continuing Medical Education

In addition to the focus on clinical excellence, Apollo ensures that its medical professionals and other staff are periodically trained on the newest techniques and procedures in the medical field on a periodic basis. The Group also partners with some of the most renowned institutes in the world for knowledge sharing and to build its repository of medical knowhow and literature.

We have signed a MoU with Health Education England to promote interaction in healthcare education between India and England establishing a platform to train the healthcare workforce . Additionally, we have also signed a MoU with U.S based Varian Medical Systems, an educational partnership to introduce a program that will help train radiation technologists in the country. This is going to be the first radiotherapy partnership of its kind in India.

Accreditations

Six of our hospitals have received accreditations from the Joint Commission International, USA ("JCI") for meeting international healthcare quality standards for patient care and management. JCI is the world's premier accreditation body for evaluation of healthcare facilities. Our Hospitals at Chennai, Bengaluru, Delhi, Dhaka, Hyderabad, and Kolkata have the accreditation which reiterates that the operational protocols are in line with global best practices.

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. 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.

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

Strategy

The Company remains focused on growth with the objective of simultaneously improving operating efficiencies and clinical outcomes. We aim to achieve this through :

Strengthening our presence in key strategic markets

We believe we have a dominant share of the hospital beds available in Chennai, New Delhi, Kolkata, Hyderabad, Bengaluru, Ahmedabad, Pune, Bhubaneshwar, Madurai and Mysore. We intend to continue to strengthen our presence and increase our market share in these key strategic markets by establishing new healthcare facilities, including retail healthcare centres and increasing bed capacity at our existing hospitals. Currently, we have hospitals located in three (Chennai, New Delhi and Kolkata) out of India's four key metropolitan cities and are of establishing a new hospital in Mumbai in the 2nd Quater of FY 17. We believe that these key metropolitan cities will continue to have a strong demand for high quality tertiary care services such as cardiac surgeries, oncology services and orthopedic surgeries. By strengthening our presence in these markets, we intend to increase our market share for such tertiary care services. The plans to establish new healthcare facilities are at various stages of implementation and are expected to be completed over the next three years. We expect to increase the bed capacity by around 1,045 beds upon the completion of these projects. We are constantly evaluating new opportunities in our existing and new markets. Our evaluation criteria include location, demographics, revenue potential, and the cost of setting up new facilities.

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

We have developed and are in the process of establishing a network of hospitals under the "Apollo REACH" with the objective of making high quality healthcare services and advanced medical technology available in semi-urban and rural areas. Hospitals established under this initiative will have a capacity of around 100 to 200 beds, and will be located in Tier II and Tier III cities in India.

These hospitals will be a combination of new or acquired facilities as well as expansion of some existing facilities. These hospitals will allow us to expand our network and penetrate different markets in the Tier II and Tier III cities.

We have identified a number of Tier II and Tier III cities across the country which are currently under-served in terms of healthcare services but have a sizable population accross the large catchment area with spending potential.

Based on our experience, capital costs per hospital bed in a Tier II or Tier III city are generally lower compared to a Tier I city. As income levels in these markets rise, purchasing power will accordingly increase; therefore, we expect our revenues generated from providing healthcare services in these markets to increase further. We have already established Apollo REACH hospitals in Tier II cities, including Kakinada, Karaikudi, Karimnagar, Bhubaneswar, Karur, Madurai, Trichy, Vanagaram, Nellore and Nashik. .

Focus on continued growth in stand-alone pharmacies

We have grown the number of stand-alone pharmacies in our network to 2,326 as of March 31, 2016 with the revenues from our stand-alone pharmacy segment contributing 38% of our consolidated revenues in the Financial Year ended 31st March, 2016.

We intend to increase the revenues generated by our existing stand-alone pharmacies through:

- Improving the profitability of our existing stand-alone pharmacies by introducing in-house brand (private label) products which have superior profit margins and increasing sales through the bulk distribution of medical supplies and consumables to hospitals and other healthcare providers.
- Improving operating efficiencies by implementing a centralised database and inventory management system to track inventory and revenue collections across our stand-alone pharmacy network.
- Improving our supply chain management by standardising prices across our network and consolidating our vendors.
- Monitoring the performance of our stand-alone pharmacies on an on-going basis and closing loss-making and low-growth pharmacies.

Increasing patient touch points by way of multiple formats:

We aim to increase our presence and reach across all markets through our retail healthcare subsidiary – Apollo Health and Lifestyle Limited. We recognise the necessity of and have made concerted efforts to build additional formats for healthcare services delivery through this subsidiary which includes primary clinics, lifestyle birthing centers, sugar clinics & short stay surgery centers.

We additionally have a strong presence in standalone pharmacies, health insurance, medical education, telemedicine and projects & consultancy services. We have covered the entire spectrum of the healthcare services business enabling higher points of interactions with patients, better brand equity and referrals into our main hospital.

Focus on a portfolio of high value clinical specialties

We believe that a combination of factors, including changing demographics, increasing affluence of the Indian population, greater health awareness, an increase in lifestyle-related diseases such as heart disease and diabetes, increasing health insurance coverage and a growing medical tourism market, will lead to an increase in demand for quality healthcare services, particularly tertiary healthcare services. We have therefore identified cardiology, oncology, neurology, orthopedics, critical care and transplants as our key focus areas of our tertiary care hospitals. We internally designate these focus areas as "Centers of Excellence".

To maximise our market share of the tertiary care procedures performed in each Center of Excellence, we plan to undertake a number of initiatives to ensure that we provide high quality healthcare services and improve our clinical outcomes, including:

- Strengthening each Center of Excellence through the addition of experienced and skilled surgeons and physicians.

- Expanding each Center of Excellence practice area to provide comprehensive sub-specialties and treatment services.
- Continually investing in the latest medical technology and equipment so as to offer high quality healthcare services to our patients such as construction of the Comprehensive Oncology Center in Chennai which would be equipped with the Proton Beam Therapy, which would be the first of its kind covering South Asia and Africa.
- Establishing well-defined clinical guidelines and protocols with a strong focus on clinical outcomes.
- Integration of our network of hospitals to enable knowledge sharing and the adoption of best practices for each Center of Excellence across the network through dedicated service line managers.

Focus on life enhancing procedures and elective surgeries

We believe that with increasing disposable incomes and health awareness, there is a growing demand for elective or planned surgeries. Apart from our focus on Centers of Excellence, we also plan to focus on elective procedures to capture this growing market and build a strong presence in the elective and life enhancing procedures market. Our hospitals are well-equipped to offer various elective procedures like knee replacements, hip replacements, cosmetic surgeries, dental services and other similar procedures. We intend to increase the volume of such procedures performed in our hospitals by creating specialised centers for such procedures, recruiting more surgeons specialising in such procedures and investing in the latest medical technology to improve our clinical outcomes in these areas.

Improve operating efficiencies and profitability

We believe that maximising operating efficiencies and profitability across our network is a key component of our growth strategy. We intend to focus on the following key areas to improve our operating efficiencies and profitability:

- Improve average revenue per occupied bed per day

We seek to improve the average revenue per occupied bed per day through a combination of initiatives, including:
Increase focus on high growth tertiary care areas. We continually focus on investing in the latest medical technology, attracting skilled physicians and surgeons and developing our expertise in high growth tertiary care areas to serve the increasing demand for sophisticated clinical care and procedures. By implementing our strategy to focus on high growth Centers of Excellence and other technology and specialist skill-driven clinical areas, we intend to improve our case mix and increase revenues per occupied bed per day.

- Reduction in Average Length of Stay (“ALOS”). As a significant portion of in-patient revenues are derived from medical services provided in the initial two to three days of a patient’s stay in the hospital, we plan to reduce the ALOS at our hospitals, thereby increasing patient turnover rate and the revenue per occupied bed per day, by capitalising on improvements in medical technology and focusing on minimally invasive surgeries, which reduces surgical trauma to patients and patient recovery time.

- Maximise efficiencies through greater integration, better supply chain management and human resource development

We plan to maximise efficiencies at our hospitals and pharmacies through greater integration across our network. Our hospitals and pharmacies are large consumers of drugs and medical consumables like stents, implants, sutures and other surgical materials. To minimise costs and leverage on economies of scale, we intend to focus on standardising the type of medical and other consumables used across our network, optimising procurement costs, consolidating our suppliers and optimising the use of medical consumables by establishing guidelines for medical procedures across our network.

To improve the productivity of our employees, we plan to place greater emphasis on training our employees in best practices and implement programs to provide incentives for performance. We have also introduced an initiative to encourage our doctors to be more involved in administrative matters such as scheduling surgeries and in the management of the hospitals as we believe that this will help to improve clinical outcomes and service standards.

Optimisation of asset utilisation in mature facilities and compressing time-to-maturity of new facilities

We have specific plans in our mature facilities to further deepen our presence in Cardiology, Neurosciences and Oncology. We have created value differentiators and set service standards for enhancing patient satisfaction in terms of time-to- serve. We will also leverage on our personalised health checks and tertiary care OP services to target superior topline contribution from out patients. This will ensure higher market share in select acute care services.

Our focus will be to stabilise and compress time-to-maturity at the new facilities. We plan to recruit specialist consultants for the Centers of Excellence at our new hospitals to ensure a superior specialisation mix from the very beginning and driving higher revenues. The phased commissioning of the additional beds linked to occupancy levels at new facilities will keep the fixed costs lower to achieve our objective.

Focus on medical value travelers

According to CRISIL, India is fast emerging as a major medical tourist destination. We believe that India is highly competitive in terms of healthcare costs compared to other developed and developing countries, such as the United States, the United Kingdom and Singapore. A number of our facilities have been accredited by various Indian and international accreditation agencies such as the JCI, the NABH and the NABL, which we believe helps us to attract medical value travelers. We intend to focus on attracting more medical value travelers from select markets including those in the Middle East, Africa and Southeast Asia by increasing our marketing efforts in these regions. We believe that medical value travelers will help to contribute to higher revenues per bed day and increase our profitability.

Expansion Plans

Concurrent to our stated strategy of initiating capacity creation, we are executing a multi-pronged expansion plan. In addition to a strong base of 9,554 beds across 69 hospitals as on March 31, 2016, we plan to add another 1,045 beds in the coming 3 years across 3 hospitals which will expand the overall network of hospitals to 72. During the year, we completed the acquisition of a 51% majority equity stake in Guwahati based Assam Hospitals Ltd. Assam Hospitals runs a 220 bedded tertiary care hospital which recorded a turnover of ₹869 million and a profit of

₹18 million for the year ended March 31, 2016 .

Our focus now is to concentrate on operationalising the new capacities added and growing and consolidating our leadership position in these markets.

Capital Expenditure

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

Our Board has approved a capital expenditure of around ₹15,204 million for our expansion plans stated above. Of this ₹5,841 million has already been invested and the balance will be invested in a calibrated manner over the next three years. This will be financed from existing funds, internal accruals as well as through debt funds. Capital expenditure primarily relates to expansion activities. The amount and purpose of these expenditures may change in accordance with business requirements.

Apollo Reach Hospitals

The Apollo "REACH" Hospitals initiative is aimed at setting up a network of secondary care facilities with around 100 to 200 beds each in Tier II and Tier III cities in India. This will serve patients from these areas at their home locations and eliminate the need for travel in search of healthcare.

This model aims to improve access to the healthcare for larger segments of the population while simultaneously extending the Apollo Brand to more corners of the country. The REACH model also allows for moderation of capital intensity when setting up a hospital as it only undertakes primary and secondary care in the initial stages. A reduction in the capital deployment and the break even point allows operational flexibility.

Further, several of these hospitals are eligible for tax benefits which enhance the economic viability and schedule for cash deployment. We have REACH hospitals in Tier II cities including Kakinada, Karaikudi, Karimnagar, Bhubaneswar, Karur, Madurai, Trichy, Nellore, Nashik and Vanagaram, a suburb of Chennai.

Medical Tourism

Realizing the importance and growing need for medical tourism in the country the group has taken certain initiatives towards boosting medical tourism while putting India on the world map as far as healthcare services is concerned. The Group undertakes several camps in overseas markets to build the doctor connect for patients.

Apollo Hospitals has served patients from over 120 countries and offers a wide range of services including preventive health checks, Organ transplantation (kidney, liver and cornea transplantation), Robotic Surgery, Cancer Treatment, Joint Replacement Surgery, cosmetic procedures, eye procedures, Brain & spine surgeries etc of a high standard at its accredited facilities.

Apollo Health City, Hyderabad, for the third time has been adjudged as the 'Best Medical Tourism Facility' in India by the Government of India during 2013-14.Earlier the Hospital was conferred the award in the years 2009-2010 and 2011-2012.

The Indian Railway Catering and Tourism Corporation (IRCTC) has partnered with AHEL to offer hassle-free travel for people who travel for medical care. IRCTC is also looking to expand the service to neighboring countries such as Sri Lanka and Bangladesh in collaboration with certain airline services. Under the memorandum of understanding (MoU) with Apollo, IRCTC will operate a chartered coach from Kolkata to Chennai every 14 days and integrate its offerings with the preventive health check-up packages of Apollo Hospitals to offer a comprehensive package to travelers.

Standalone Pharmacies

Apollo has been strategically present in the Standalone pharmacy business for over 2 decades. Upon attaining critical mass, it has driven growth at an accelerated pace which resulted in a phenomenal performance in the last few years. The pharmacy business has grown at a CAGR of around28% over the last four years on the back of consistent addition of new pharmacies and timely closure of non-performing pharmacies. As of March 31, 2016 the pan-India network of stores stands at 2,326 stores.

Our product mix has also seen a favourable trend with the introduction of wellness and self-branded products. When we started our operations, we were primarily selling pharmaceutical products which has now evolved to include wellness products.

We also tailor our product mix for each pharmacy. The product mix and display in pharmacies will differ from region to region. Apart from this, 40-45% of our business is from repeat customers. We have a cluster analysis mechanism and each cluster is managed by an independent manager. We have standardised our systems for tracking the viability of each store in terms of its real estate costs, supply chain, cost-benefit ratios and various other operating metrics.

The acquisition of the Hetero Pharmacy chain has helped us consolidate our market position, especially in and around the states of Andhra Pradesh, Telengana and Tamilnadu. This move has helped us in ramping up our revenues and operational synergies.

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

The business holds tremendous potential given the fragmented nature of the industry and the window to gain market share through differentiated and value added offerings. As the largest and most profitable chain of stores, Apollo has created a unique and distinctive position that will be hard to replicate.

Accolades, Achievements & Partnerships

In a rare honour, the Government of India issued a commemorative stamp in recognition of our contribution, the first for a healthcare organisation. During the year, the Group was awarded The CIO 100 awards from IDG which recognizes organizations that exemplify the highest level of operational and strategic excellence in information technology. The award was conferred on Apollo Hospitals Enterprise Ltd (AHEL) recognizing it as the Versatile 100 & CIO100 Innovation Architect Special Awardee 2015.

Apollo has recently entered into a tie-up with Google for providing health information as part of the search engine's launch of the Health Card in India. This feature will provide credible information to help people understand facts about common illnesses. The aim is to empower people with accurate, appropriate and easy to understand information so as to support them and provide a framework based on which they can have a better conversation with their doctor

Projects & Consultancy

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

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

Medical Insurance – Apollo Munich Health Insurance

Apollo Munich Health Insurance came into existence through an alliance between the Apollo Hospitals Group and Munich Health, which is one of the leading insurance companies globally.

Apollo Munich has been able to grow ahead of industry growth rates and its insurance products are rated very highly by market participants. Further, it enjoys one of the best claims ratios in the industry as well as strong customer loyalty. It has also been awarded for innovative product offerings. Apollo Munich was able to grow its gross written premium (GWP) from ₹ 8,611 million in FY 2014-15 to ₹11,078 million in FY 2015-16. Apollo Munich now has over 101 branches pan India and enjoys a 10% share of the retail health insurance market.

Apollo Munich has crossed the 10 billion mark in GWP reflecting a growth of around 29% year-on-year and is committed to deliver high-quality services to its customers through innovative and expert products, integrity in processes and uncomplicated services. Apollo Munich is the fastest insurance company to reach a break-even point and made marginal profits in the last two years. The company achieved an impressive growth rate over last five years, a CAGR of 46%.

The Government of India had, in March 2015, increased the foreign direct investment limit in the insurance sector to 49% from 26%. Munich Health, the joint venture partner in Apollo Munich Health is increasing its stake to 49%.

The increased shareholding will strengthen the companies' position and ensure sustainable and profitable growth in the years ahead. Apollo Munich Health Insurance is committed to making quality healthcare easy and accessible and redefining the approach to health insurance in the country.

Retail Healthcare - AHLL

Apollo Clinics

The Apollo Clinic is a trusted neighborhood healthcare partner for family medicine and primary care. It creates the bridge between patients and Apollo Hospitals. The Apollo Clinics will become a platform to address future healthcare challenges in India, particularly the growth of non-communicable diseases. Finally, we believe that the low penetration of preventive healthcare is a key area to address, driving adoption of preventive health checks and vaccination.

Apollo Clinics is building a 2 pronged growth plan with owned clinics being established in hospital centric clusters, eg Chennai, Hyderabad, Bangalore, Delhi, Pune. Franchise clinics will be established in Tier 2 / 3 towns where only 1-2 clinics per town are feasible. These will act as feeder markets for the tertiary care hospitals. These franchisees will be created using a 'smart' franchisee model – centralised IT system, tele-medicine unit, quality audit system, centralised service tracking.

Apollo Diagnostics

The Diagnostics market represents a significant opportunity though it is a fragmented market with 85% still in the unorganized sector with the overall market growing over 30% per annum and at an estimated size of ₹140 billion.

Apart from being a large market, there is a strong synergy with the Apollo Clinics – 70% of clinical decisions are based on pathology inputs.

Currently, the focus is on building a pathology lab business with a B2C model. The model would be to create owned labs with a front end franchisee collection centre model and building networks in the Top 4-5 towns per state. The aim would be to build a network of around 2,000 collection points in 5 years.

Apollo Cradle

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

The maternal care industry is expected to have a CAGR growth of 15% per annum and is estimated to touch a size of ₹480 billion in the next five years.

One of the path breaking Initiatives taken up by Apollo Cradles was to promote Natural Child Birth. Further, the clinical services have been enhanced by focusing on minimal access (Key Hole) Gynecology Surgery. The coming year will see lot of activities to promote Fetal medicine and Uro Gynecology.

Apollo Sugar Clinics

India has the distinction of being the Diabetes Capital of the World. With an aim to offer care for diabetes by touching more patient lives, we have steadily grown our network and ended FY 2015-16 at 42 Clinics. Apollo Sugar as a brand has made rapid in roads and is now a prominent name in the field of diabetes care. This year we have been able to integrate clinical pathways to our health care delivery system and publish clinical data on the positive impact we have had on the health of patients through our focused delivery model. Diabetes being a life style disorder needing long term monitoring, we have structured our care delivery program with a view to treating patients holistically by enrolling them on to long term packages. The package model has shown better clinical outcomes and has generated a great deal of interest amongst patients. Our call centers supplement our primary disease management program and ensure that patients follow the diet and fitness regimen as prescribed by doctors ensuring adherence to the care protocols.

Apollo Spectra Hospitals

In India, the concept of specialty care is new and gaining gradual acceptance, with 43% surgeries being conducted as day care / short stay surgeries currently. These ambulatory surgeries do not require overnight hospital stay whereas short stay surgeries require a lower length of stay (LOS).

It is anticipated that an increasing number of surgeries would be conducted in India as day care / short stay surgeries over the coming years and in line with global figures of 60%. The Indian market is expected to grow at 10-year CAGR of 15% to reach US$ 12 billion by 2022. Short stay surgeries are conducted across multiple healthcare delivery formats –tertiary care multi-specialty hospitals, nursing homes, single-specialty hospitals and multiple specialty surgical centers. Improved patient convenience due to faster treatment and early discharge, less costly surgeries due to lower LOS, reduced susceptibility to hospital-acquired infections and improved insurance coverage are the various factors driving this demand. Given the immense potential and the need for quality healthcare delivery closer to the patient's home, AHLL expanded its reach to 12 such surgical Spectra centers across 8 cities in India.

We believe the format has strong potential to witness growth over the next few years.

Apollo Dialysis

"Apollo Dialysis Clinic"is a brand operated under the corporate entity "Apollo Dialysis Private Limited", which has the vision of extending dialysis treatment in places convenient to the patients, and providing quality care with a strong focus on patient services and treatment outcomes.

Apollo Dental

Operating under the brand name of "Apollo White Dental", oral dental care services are provided in two formats: 7 star Dental Spas "Apollo WHITE Dental SPA" and Dental Clinics "Apollo WHITE Dental Clinic" with a vision to light up billions of smiles across India, making it glow on the world map as a nation free of dental problems and pain. It currently operates at 71 locations at present in India.

Discussion on Consolidated Financial Performance and Results of Operations

The following table present summaries of results of operations for the years ended March 31, 2015 and 2016:

(₹ in million)

	31.03.2016		31.03.2015	
Operating Revenues	60,856		51,785	
Add: Other Income	267		368	
Add: Profit on sale of equity	-		-	
Total Income	61,123	100.00	52,152	100.00
Operative expenses	30,558	49.99	25,812	49.49
Salaries and benefits	10,242	16.76	8,600	16.49
Administration & other expenses	12,233	20.01	10,026	19.22
Financial expenses	1,685	2.76	1,179	2.26
Depreciation and amortization	2,533	4.14	2,117	4.06
Profit before Income Tax – Exceptional & Extraordinary items	3,872	6.33	4,419	8.47
Exceptional items	(292)	(0.48)	147	0.28
Extraordinary item	-	-	(282)	(0.54)
Profit before tax	4,164	6.81	4,554	8.73
Provision for taxation	1,002	1.64	1,300	2.49
Profit after Tax	3,162	5.17	3,254	6.24
Less: Minority interest	(73)	(0.12)	(51)	(0.10)
Profit after minority interest	3,235	5.29	3,305	6.34
Add: Share in associates	75	0.12	94	0.18
Profit after share in associates	3,310	5.42	3,399	6.52

For the years ended March 31, 2016 and 2015

Revenues

The total operating revenue grew 18% from ₹51,785 million in FY15 to ₹60,856 million in FY16 with healthcare revenues growing by 10% from ₹33,331 million to ₹36,736 million as a result of 7% growth in volumes and 3% growth in case mix and inflation at existing facilities as well as contribution of new facilities. Revenues at existing hospitals were also supported by case mix improvements and pricing. The standalone pharmacy business witnessed 31% revenue growth from ₹17,726 million to ₹23,237 million in FY16. The number of stores within the network of Standalone Pharmacies was 2,326 as at March 31, 2016 as compared to 1,822 stores as at March 31, 2015. In the others segment the proportionate share of revenues from Apollo Munich Health Insurance where we hold a 10% stake, grew by 15%.

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

Year Ended March 31, 2016

(₹ in million)

	31.03.2016	31.03.2015	₹increase (Decrease)	% Increase (Decrease)
Discharges	373,851	353,547	20,304	6
Revenues per inpatient (₹)	95,173	92,273	2,900	3
Average length of stay (days)	4.17	4.43	(0.26)	(6)
Out-patients	3,372,053	3,203,279	168,774	5
Revenue per bed day (₹)	28,036	25,381	2,655	10

Expenses

Salaries and Benefits

Our salaries and benefits expense of ₹8,246 million during 2015 increased by 20% to ₹9,890 million in 2016. This increase was a result of annual compensation increases for our employees, plus the impact of an increasing number of employed physicians within our hospitals and pharmacists for the SAPs and also the compensation increases for our employees during the year.

	31.03.2016 (₹ in million)	% of Revenue	31.03.2015 (₹ in million)	% of Revenue	₹increase (Decrease)	% Increase (Decrease)
Salaries, wages and benefits (excluding managerial remuneration)	9,890	16.2	8,246	15.8	1,644	19.94
No. of employees	43,557	-	40,065	-	-	-

Operative Expenses

During 2016, our material cost of ₹30,558 million increased 18%, as compared to ₹25,812 million in 2015. The increase in material cost was in line with the growth in operating revenues.

Administrative Expenses

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

Year Ended March 31, 2016

	31.03.2016 (₹ in million)	% of Revenue	31.03.2015 (₹ in million)	% of Revenue	₹ Increase (Decrease)	% Increase (Decrease)
Repairs and maintenance	1,735	2.84	1,427	2.76	308	21.60
Rents and leases	2,141	3.50	1,744	3.37	397	22.80
Outsourcing expenses	1,392	2.28	975	1.88	417	42.70
Marketing and advertising	1,964	3.21	1,555	3	409	26.30
Legal and professional fees	690	1.13	465	0.9	225	48.40
Rates & taxes	127	0.21	122	0.24	5	4.40
Provision for doubtful debts & Bad debts written off	260	0.43	268	0.52	(8)	(2.90)
Other administrative expenses	3,924	6.42	3,470	6.70	454	13.10
Total	12,233	20.01	10,026	19.36	2,207	22.00

Depreciation and Amortization

Our depreciation and amortization expense increased to ₹2,533 million during 2016, as compared to ₹2,117 million during 2015. The increase is largely due to capital improvement projects completed during the year and normal replacement costs of facilities and equipment.

Financial Expenses

Our financial expenses increased to ₹1,685 million during 2016, compared to ₹1,179 million during 2015. The increase is largely due to interest on funds deployed in commissioning of new hospital projects .

Provision for Income Taxes

The provision for taxes during the year ended March 31, 2016 is ₹1,002 million compared to ₹1,300 million in the previous year ended March 31, 2015.

Liquidity

Our primary sources of liquidity are cash flows generated from our operations as well as long-term borrowings. We believe that our internally generated cash flows, amounts invested in liquid funds and our approved and proposed debt will be adequate to service existing debt, finance internal growth and deploy funds for capital expenditure.

Capital Expenditure

In addition to the continued investments in new facilities, we also undertook the acquisition of a majority stake in a hospital at Guwahati. There have also been investments made in new clinics, cradles and dental care centres. This has been supplemented by refurbishing of older facilities and periodic upgradation of medical equipment. These investments should assist in our efforts to attract and retain physicians and to make our hospitals more appealing to potential patients.

Summary of Cash flow statement is given below:

	2015 - 2016	2014 - 2015
Cash and cash equivalents at beginning of the year	3,859.23	2,741.47
Net cash from operating activities	4,231.53	4,699.46
Net cash used in Investing activities	(6,840.00)	(7,590.70)
Net cash from financing activities	2,724.92	3,923.10
Net increase in cash and cash equivalents	116.45	1,031.86
Cash and cash equivalents at the end of the year	3,975.68	3,773.33

Cash Flow from Operating Activities

Net cash of ₹4,231 million was generated from operating activities by the Company in FY16 compared to ₹4,699 million in FY15.

(₹ in million)

	2015- 2016	2014- 2015
Operating profit before working capital changes	7,975.52	7,302.45
Effect of working capital changes	(2,316.93)	(1,608.28)
Foreign Exchange loss	(22.68)	8.10
Taxes paid	(1,404.38)	(1,002.81)
Net cash provided by operating activities	4,231.53	4,699.46

Cash Flow from Investing Activities

(₹ in million)

	2015- 2016	2014- 2015
Purchase of fixed assets	(8,305.93)	(8,654.73)
Sale / (Purchase) of investments	1,171.12	669.54
Interest and Dividend received	294.81	112.66
Extraordinary Item	-	281.83
Net cash used in investing activities	(6,840.00)	(7,590.70)

The group commissioned 2 hospitals in FY16 at Vizag and Malleshwaram, Bangaluru. Besides funds were invested in ongoing projects at Navi Mumbai & Chennai due for commencement in the coming years.

Cash Flow from Financing Activities

(₹ in million)

	2015- 2016	2014- 2015
Issues from share capital	206.08	417.49
Proceeds from Borrowings	10,572.34	6,653.48
Repayment of finance/lease liabilities	(4,752.29)	(1,172.19)
Interest and Dividend paid	(3,301.21)	(1,975.69)
Net cash from financing activities	2,724.92	3,923.10

Cash provided by financing activities totaled ₹2,725 million in FY16 as compared to ₹3,923 million in FY15. Cash provided by financing activities in FY16 resulted primarily from loans borrowed from Bankers and Institutions. We used part of the proceeds from financing activities to repay loans of ₹4,752 million in FY16. We paid interest and dividend of ₹3,301 million in FY16.

Risks and Concerns

The increase in scale and reach of operations increases the overall complexity and results in an intensified risk profile. Business Risk Evaluation and management of such risks is an ongoing process within the organization. To mitigate such risks, your Company has devised and implemented a comprehensive risk management system that has been implemented to ensure that risks are contained within manageable levels.

Since it is the primary responsibility of the Board of Directors to ensure that Internal Financial Controls are in place it has constituted a Risk Management Committee, headed by the Managing Director, which will identify, assess, prioritize, manage, monitor and communicate suitable measures to manage such risks.

The principal risks and uncertainties that might affect the Company's business are identified below-

- New entrants to the market leading to higher competition to impact sustainability could cause a drop in market share
- Obsolescence of technology and treatment methods
- Inflationary pressures and other factors affecting demand
- Increasing cost of resources such as material cost along with transportation and storage
- Lack of adequate human capital is another key factor which is of great concern including the need for retention of key staff including medical professionals and
- Increased compliance challenges in the regulatory framework

Strategic risks are overseen by the Senior Management team which reports to the Board of Directors periodically on the assessment and minimization of such risks. Operational risks are managed through close monitoring of various units on the basis of specific metrics such as patient volumes, patient occupancy levels, ARPOB or average Revenue per Occupied Bed , ALOS or Average Length of Stay, key consultant attrition levels and asset utilization levels.

While the scope of work in the business is large, the strategy is centered on strengthening our presence in key strategic markets with the right balance of risk-reward. However, there may be other risks and uncertainties that may affect the Company's performance and ability to achieve its objectives which may be deemed immaterial.

Internal Control

Your company has over the last few years been growing organically and inorganically. Hence it is very important that the internal systems are robust and reviewed periodically to ensure that all assets are safeguarded and protected. Your company places considerable emphasis on organization and environment management, control and management of operational performance and information technology system. An extensive budgetary control review mechanism is also put in place for timely review of comparison of actual performance with the forecasted performance.

These systems enable the company to comply with internal policies, procedures, standard guidelines and local laws to help protect the company's assets and also guard against divulging of any confidential information. In addition, it provides for adequate checks and balances meant to ensure that all transactions are authorized, recorded and reported correctly.

Also, due to the enhanced reporting responsibilities laid down by the Companies Act your company has made it a point to evaluate the financial and operational components by an internal and it external audit and periodic review by the management from time to time and ensure that they are aligned with the desired structure.

The implementation of the above helps in setting up a robust governance framework including consideration of outsourced processes, assessment of key risks, detailed documentation of risks and mitigating controls strong information technology systems, periodic reviews etc.

Finally, the system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives and to provide reasonable assurance of effectiveness.

Human Resources

The Human Resource strategy of Apollo is based on the firm belief that our people are our Core strength and is focused on shaping our talent for tomorrow. As on March 31, 2016, the Apollo Group comprises a total employee strength of 43,557 (including our subsidiaries, joint ventures and associates).

A holistic approach to People Strategy which includes an Overarching talent management plan and is supported by well-defined Engagement, Rewards & Regonition and Leadership development frameworks is in place to ensure that we continue to excel and provide our Customers an experience that is unmatched. Apollo firmly believes that motivation, engagement and development of our people are the key factors behind our growth.

A multi pronged engagement strategy has been developed for all employees. We provide them multiple forums and channels for providing their feedback and sharing their views. Apart from this through our Employee Satisfaction Surveys and Consultant Satisfaction Surveys, we identify challenges faced by our associates and improvise our HR practices for ensuring better engagement. Effective communication channels have been developed so that the employees' feedback reaches the relevant teams and Leadership so that actionables are driven directly from the top.

The future is going to be driven by Technology and data and Apollo has made rapid strides in using technology to manage Human Resources. With the implementation of You-r-HR, (our Human Capital Management system) across Hospitals, our entire HR Management Systems are now digitized. This is the largest cloud based HCM implementation in Asia and exemplifies our commitment to the digital revolution.

The competition for attracting talent is severe than ever in the Healthcare space. In order to attract the best talent in the country and across the globe, we have created the Apollo Career Website and integrated the same with our online recruitment platform. This has yielded rich dividends in terms of getting the right people for the Organization and has also helped in seamless talent mobility within the Organisation.

As always we continue to believe that rewarding and recognizing performance is essential to build a stronger Apollo. A newly defined Performance Management system which is robust and has higher linkage to measurable outcomes has been put in place. We have now moved into an Online Goal & Performance Management (through You-r-HR) which is efficient, effective, transparent, and makes the process employee friendly.

Our organizational success depends on the high level of skills, commitment and professionalism of our people. Continuous education is imbibed in our DNA and this has been the central theme of our growth story. This year we launched the Apollo Medical Development Programme (AMDP), a structured soft skill and clinical competencies development programme covering more than 1500 Junior Medical Staff (Doctors) across the Group. The Nursing Continuous Education Programmes in each unit have been modified to become more valuable and impactful. The Nursing Leadership Development Programme has been executed for 2nd level nursing leaders to hone their skills and competencies and prepare them to take up higher responsibilities. We have continued to work on the Chairman's Club, our unique integrated Leadership Development and Succession Planning Programme which has been expanded to include AHLL as well.

Being the pioneer in health care service delivery, Apollo Hospitals Human Resource function aim is to go beyond everyday rigour and create an environment where our associates collectively feel a sense of belonging, purpose and are aligned with the Organization's values and mission. We also consistently endeavor to create a culture of innovation and collaboration to sustain our leadership position in the Healthcare space. Thanks to our consistent efforts we have been recognized for the Best Use of Technology for Recruiting (You-R-HR-Recruit), Best Talent Management practice for the Apollo Medical Development Programme and Best Workplace Practices for Apollo Wellness by the Employer Branding Institute and Global Talent Acquisition & RASBIC (Recruiting and Staffing Best in Class) and the Best Career Website by a Corporate HR team at the HR Asia Recruitment Awards 2016 at Singapore. We also won the prestigious International Service Excellence Award in the 2015 Australian Service Excellence Awards for our high standards of management, training and commitment to excellence.

We have an exciting road map ahead of us and we look forward to improving our capabilities & strengths, and empowering ourselves to touch more lives as we look forward to this journey of Excellence in Human Care!!

Cautionary Statement

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

Clinical Governance

The Apollo Standards of Clinical Care

Apollo Hospitals Group has established standards of clinical care that ensure that all its hospitals deliver safe and quality clinical care to all its patients, irrespective of the location and size of the hospital. The Apollo Standards of Clinical Care (TASCC) consist of a set of process requirements and outcome measures that underlie the Apollo Hospitals approach to clinical care.

ACE 1,earlier known as ACE@25, was institutionalized in the year 2008. ACE 2 was initiated in 2011. Apollo Quality Program (AQP), Apollo Incident Reporting System (AIRS), Apollo Mortality Review (AMR) and Apollo Critical Policies Plans and Procedures (ACPPP) were implemented in January 2012.

ACE 1 and ACE 2 are clinical balanced scorecards incorporating 25 clinical quality parameters each, involving complication rates, mortality rates, hospital acquired infection rates, one year survival rates and average length of stay after major procedures with international benchmarks.

AQP is a program for the standardization of processes for clinical handovers, medication safety, surgical safety, patient identification, verbal orders, hand washing compliance and falls prevention across Apollo Hospitals. Compliance is measured through a monitoring dashboard of 20 parameters.

AIRS provides a mechanism of tracking of all incidents that pose a safety risk to patients.

ACPPP are 25 policies covering clinical care, nursing care, managerial processes and infrastructural requirements like restraints, consents, critical test results, disaster rcovery policy, that are implemented by all hospitals.

ACE 1

ACE 1 is a clinical balanced scorecard incorporating 25 clinical quality parameters involving complication rates, mortality rates, one year survival rates and average length of stay after major procedures like liver and renal transplant, CABG, TKR,THR, TURP, PTCA, endoscopy, large bowel resection and MRM covering all major specialities. Also included are hospital acquired infection rates, pain management and medication errors. Parameters have been benchmarked against the published bench marks of the world's best hospitals including Cleveland Clinic, Mayo Clinic, National Healthcare Safety Network, Massachusetts General Hospital, AHRQ US, Columbia University Medical Center and US Census Bureau. There are weighted scores for outcomes colour coded green, orange and red. The cumulative score achievable is capped at 100.The numerators, denominators and inclusions and exclusions are defined lucidly and methodology of data collection is standardized. Data is uploaded online every month through a unique login ID and password. Action taken reports for parameters falling in red are submitted quarterly by all hospitals and reviewed by the board. A quarterly, half yearly and annual analysis of the trends is done. The collective data for all locations can be viewed by the Group leadership at any point in time. There is an ACE 1 Champion Award for the hospital with the highest score.

ACE 2

ACE 2 earlier known as RACE, for centers of excellence; Cardiac Sciences, Oncology, Transplantation, Neuro sciences and Orthopedics. denotes a set of 25 clinical parameters other than those covered under ACE@25, to assess the outcomes relating to all the parameters are bench marked against the published outcomes of the world's best institutions.

Mortality Review

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

TASCC scores have shown a steady increase from 233 in FY 2012-2013 to 301 in FY 2015-2016 validating increasing standardisation of processes and improving outcomes.

Apollo Clinical Audit Team (ACAT)

In assessing the clinical excellence of a hospital, the sanctity of the data, methodology and the definitions followed by each location cannot be overemphasized. A team of auditors from various Apollo Hospitals, carry out an audit across the Group hospitals to validate the data, methodology and definitions used by each of the participating hospitals. ACAT audits are conducted at each Apollo Unit every six months using a detailed audit guide.

Checklists

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

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

Apollo Innovation and Quality Awards

Apollo Innovation and Quality Awards provides a platform to highlight the distinctive initiatives, and unrelenting efforts, undertaken at each of our hospitals, for improving quality and safety for our patients. Nominations for Apollo Innovation and Quality Awards, each year, are invited from all locations in six categories.156 nominations were received for the awards in 2015. The nominations are judged by an esteemed panel of independent jury members. The top three winners in each category are felicitated on the Founders' Day, every year.

The 5th International Congress on Patient Safety

To bring a transformational change in patient safety, Apollo Group continuous to endeavour to build a safe healthcare ecosystem. The focus has expanded from delivering advanced treatment to safe treatment, and reducing medical errors.

The 5th International Patient Safety Congress 2015 was held in association with highly reputed professional organizations including WISH, JCI, ICHOM, NABH, Royal College, as knowledge partners. After the phenomenal success of the congress in earlier years, in 2015, the venue for the event was the IT capital of India - Bengaluru.

The theme was Cultural Transformation on Patient Safety through Education, Engagement and Empowerment of Staff and Patients. This international event served as a platform where global healthcare leaders shared their experiences and exchanged knowledge, expertise and innovations in patient safety. More than 1,800 delegates from across 20 countries participated in the event, of which 706 were practicing doctors, 633 were hospital administrators and healthcare executives and 350 were nurses, making it one of the biggest conferences of its kind in the field of Patient Safety and Healthcare Quality in Asia.

There were 150 speakers more than 100 nominations for the Patient Safety Awards were received from 20 countries.

Awards

The Apollo Hospital Group has been recognised and awarded for exemplary work at various fora.

In September 2015, Apollo Hospitals, captured the Asian Hospital Management Healthcare Excellence Awards, held at Yangon, Myanmar, winning 7 awards in 6 categories. There were 361 entries from 101 hospitals in 12 countries, vying for these HMA Awards in 2015.

The Week - Nielsen Best Hospital Survey, 2015, recognized Apollo Hospitals, Chennai as the best corporate multispecialty hospital in India and Indraprastha Apollo Hospitals, Delhi the third best. Apollo Speciality Hospitals, Teynampet, Chennai won the FICCI Healthcare Excellence Award in the Patient Safety category.

Apollo Hospitals Group won the Australian Service Excellence Award 2015 for the category Division of a Large Business – International. The award showcases the highest achievement in customer excellence. Porter Prize for Value Based Healthcare was awarded to the Apollo Hospitals Group.

Apollo Hospitals won three prestigious awards from Employer Branding Institute on 16th February 2015, cementing the Apollo Hospitals Group position as one of the most reputed employers in the industry and in the country. These accolades were - Best Employer of the Year, Award for Talent Management and Award for Excellence in HR through Technology.

The Hon'ble President of India, Shri Pranab Mukherjee presented the Best Medical Tourism Facility Award, to Apollo Health City, Hyderabad in September 2015, at Vigyan Bhawan, New Delhi. This was the third consecutive time that the hospital got this prestigious award.

Apollo Hospitals, Chennai won the prestigious award at the 23rd National CII Quality Summit held in Bangalore on Nov 5th, 2015 in three categories – Excellence in Operations, Excellence in Customer Management and Excellence in People Management.

Apollo Hospitals Group also won the ASSOCHAM India-Africa Champion at the Biz Awards 2015 for its outstanding contribution in the African Healthcare sector.

CIMS Healthcare Excellence Awards 2015 were won by Apollo Hospitals, Chennai, for the category 'Best Tourism Facility',Indraprastha Apollo Hospitals, Delhi for the category 'Best Hospital of the Year', Apollo Speciality Hospital, Chennai– Teynampet, for 'Highest Standard in Patient Care'. Apollo White Dental bagged the award for 'Best Dental Clinic Network Award'.

National Award for Health Care Excellence - CMO Asia, was presented to Apollo Gleneagles, Kolkata, for the category 'Innovation in Quality of Service Delivery'. Dr Rupali Basu, CEO, Apollo Gleneagles, Kolkata, won the 'Women Leadership Award in Healthcare'- CMO Asia. Apollo Gleneagles, Kolkata, also won the Asia Healthcare Excellence Awards.

Medical Healthcare Innovation Awards was conferred to Apollo Hospitals, Hyderabad which won the Medical Award for the project Superman Killer – Reduction of Infected bedsores under the category of Clinical and Surgical practices.

Indraprastha Apollo Hospitals, Delhi won the KoAwatea International Excellence in Healthcare Improvement Awards 2015, for their nomination 'Raising the Bar Creating a Culture of Safety', for the category, 'Improving Patient Safety'.

Apollo Hospitals, Chennai won the first prize in the CII Southern Region KAIZEN Competition in the Large Scale / Service category. The CII ITC Sustainability Awards for Corporate Excellence was presented to Apollo Gleneagles Hospitals, Kolkata.

Apollo Hospitals, Chennai was awarded the prestigious Frost and Sullivan India Healthcare Excellence Awards 2015 for being the 'Comprehensive Neurosciences Service Provider Company of the Year'.

Apollo Speciality Hospitals, Vanagaram, Chennai was conferred the 'Golden Peacock Business Excellence Award' for the year 2015, at Dubai.

The World Hypertension League (WHO Partner) selected Apollo Hospitals, Jubilee Hills, Hyderabad, to set up its South Asia Office. This is yet another milestone achieved by the Apollo Hospitals Group as a national and international leader in healthcare with global recognition.

Apollo Speciality Hospital, Vanagaram, Chennai won four awards from the Association of Overseas Technical Scholarship Awards for Best Kaizen Projects 2015, for the mistake proofing efforts implemented in delivering healthcare.

Accreditation

Accreditation has helped us to embark on a highly structured approach to clinical excellence and quality. Today, six of our hospitals are accredited by the Joint Commission International (JCI) and 14 hospitals have been accredited by the National Accreditation Board for Hospitals & Healthcare Providers (NABH).

JCI Accredited Hospitals

- Indraprastha Apollo Hospitals, New Delhi
- Apollo Hospitals, Hyderabad
- Apollo Hospitals, Chennai
- Apollo Hospitals, Bangalore
- Apollo Gleneagles Hospitals, Kolkata
- Apollo Hospitals, Dhaka

NABH Accredited Hospitals

- Apollo Hospitals, Ahmedabad
- Apollo Hospitals, Bilaspur
- Apollo Speciality Hospitals, Madurai
- Apollo BGS Hospitals, Mysore
- Apollo Jehangir Hospital, Pune

- Apollo Hospitals, Bhubaneswar
- Apollo Hospitals, Secunderabad
- Apollo Hospital, Hyderguda, Hyderabad
- Apollo Specialty Hospitals, Vanagaram, Chennai
- Apollo Hospitals, Kakinada
- Apollo Hospitals Noida
- Apollo Specialty Hospitals, Nandanam, Chennai
- Apollo Hospitals, Bhilai
- Apollo Hospitals, Trichy

DNB/ FNB Program at Apollo Hospitals

DNB/FNB programs for 38 specialities are being conducted. There are 348 DNB/FNB seats and 662 trainees are pursuing the DNB/FNB programs in 15 Apollo Hospitals.

Adjunct titles of Professorships and Associate Professorships of Apollo Hospitals Educational & Research Foundation

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

Seventy Consultants have been conferred with Adjunct Title of Professor and Associate Professor of AHERF in various specialities covering Anaesthesiology, Biochemistry, Cardiology, Critical Care Medicine, Dermatology, Endocrinology and Diabetology, ENT and Head and Neck Surgery, Gastroenterology and Hepatology, Minimal Access surgery, Gynecology, Head and neck oncology, Hematology, Infectious Disease, Internal and Hyperbaric Medicine, Interventional Cardiology, Liver Transplant, Internal Medicine, Nephrology, Neuro-anesthesia, Neurology, Oncology, Orthopedics, Orthopedic and Joint Replacement Surgery, Pediatric Neurosurgery, Pediatric Cardiology, Pediatric Cardiac Surgery, Pediatric Surgery, Paediatric Intensive Care, Radiology, Respiratory Medicine, Emergency Medicine, Rheumatology, Surgical Gastroenterology, Transfusion Medicine, Urology and Transplant surgery.

Recognition of Published Papers

Apollo Hospitals encourages staff to undertake research activities and recognizes their achievements in publishing research papers. Conferences, symposia and continuing medical education programs, are organized regularly to help keep the staff abreast with the latest developments.

In 2015, 163 papers were received for recognition from Apollo Hospitals Group consultants and 140 papers were recognized with cash awards along with a citation from the Chairman.

Independent Auditors' Report

To the Members of Apollo Hospitals Enterprise Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Apollo Hospitals Enterprise Limited (the Company), which comprise the Balance Sheet as at March 31, 2016, and the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation 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 the Company's directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;

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

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

Report On Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 ("The Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Companies Act 2013 , we report that:

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

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

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

d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of written representations received from the directors as on March 31, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164(2) of the Companies Act, 2013.

f) With respect the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'B".

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 28 to the financial statements;

(ii) The Company is fully hedged for all long term derivative contracts and there are no material foreseeable losses on long term contracts for which any provision is required

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

New No. 17, Bishop Wallers Avenue (West),
Mylapore, Chennai – 600 004

For **S Viswanathan LLP**
Chartered Accountants
FRN: 004770S/S200025

V C Krishnan
Partner
Membership No: 022167

Place: Chennai
Date :25th May 2016

Annexure A to Independent Auditors' Report

The Annexure referred to in paragraph 1 of our Report of even date to the members of Apollo Hospitals Enterprise Limited, on the accounts of the Company for the year ended March 31, 2016.

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

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

(b) The fixed assets have been physically verified by the management at reasonable intervals; according to the information and explanation given to us, no material discrepancies were found on such verification.

(c) The title deeds of immovable properties owned by the Company are held in the name of the Company. The title deeds of immovable property in the form of building constructed on leasehold land are held in the name of the Company. Also refer to note no: 11 in notes to accounts.

ii. Stock of medicines, stores, spares, consumables, chemicals, lab materials and surgical instruments have been physically verified at reasonable intervals by the management. According to the information and explanation given to us no material discrepancies were noticed.

iii. According to the information and explanation given to us and on the basis of our examination of the books of accounts, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Consequently the provisions of clauses 3(a) and 3(b) are not applicable.

iv. The Company has not provided any loan or investments or Guarantees or Securities which falls under the purview of Sec 185 and Sec 186 of the Companies Act, 2013.

v. In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and Companies (Acceptance of Deposits) amended Rules, 2015 with regard to deposits accepted from the public including unclaimed deposits matured in earlier years that are outstanding during the year. To the best of our knowledge and according to the information and explanations given to us, no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any other Court or any other Tribunal on the Company in respect of the aforesaid deposits.

vi. We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub-section 1 of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

vii. (a) According to the information and explanations given to us, the Company is regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service tax, Customs Duty, Cess, and other statutory dues applicable to it. To the best of our knowledge and according to the information and explanations given to us, there are no arrears of outstanding statutory dues as at March 31, 2016 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. The particulars of Sales tax, Service Tax, Customs duty and Income tax which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (₹in million) 31.03.2016	Period to which the amount relates	Forum where dispute is pending
Customs Act, 1962	Customs duty	99.70	1996, 1997	Assistant Collector of Customs (Chennai, Hyderabad & Customs duty)
Service Tax	Service tax	29.63	2007-12, 2012-13, 2013-14	CESTAT, Delhi
Value Added Tax Act, 2004	Value Added Tax	24.88	2008-09 2009-10 2010-11	Deputy Commissioner of Commercial Tax (Enforcement), Chennai
Income Tax Act, 1961	Income Tax	49.12	Assessment Year 1996-1997, 1997-1998, 1998-1999, 1999-2000, 2000-2001 2001-2002	Department has filed appeal before Madras High Court
		142.66	Assessment Year 2010-2011 2011-2012, 2012-2013	CIT (Appeals)
		136.76	Assessment Year 2000-2001	Honourable Supreme Court
Total		**482.75**		

Refer Clause (i) (c) Note 28- Notes forming part of Accounts

viii. 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.

ix. In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer (including debt instruments) and hence this clause is not applicable.

x. 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.

xi. The managerial remuneration paid by the Company is as per Sec 197 of the Companies Act, 2013 and Schedule V of the Companies Act, 2013.

xii. The Company is not a Nidhi Company and hence this clause is not applicable.

xiii. All the transactions mentioned are in compliance with Sec 177 and Sec 188 of the Companies Act, 2013 and are disclosed as required under the applicable Accounting Standards.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence this clause is not applicable.

xv. According to the information and explanation given to us, the Company has not entered into non cash transactions with directors or persons connected with them which will come under the purview of Sec 192 of the Companies Act, 2013.

xvi. As the Company is not in non banking financial services, this clause is not applicable.

New No. 17, Bishop Wallers Avenue (West),
Mylapore, Chennai – 600 004

For **S Viswanathan LLP**
Chartered Accountants
FRN: 004770S/S200025

V C Krishnan
Partner
Membership No: 022167

Place: Chennai
Date :25th May 2016

Annexure – B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Apollo Hospitals Enterprise Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S Viswanathan LLP**
Chartered Accountants
FRN: 004770S/S200025

V C Krishnan
Partner
Membership No: 022167

Place: Chennai
Date : 25th May 2016

Balance Sheet

As at 31st March 2016

(₹ in million)

Particulars	Note	31.03.2016	31.03.2015
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	2	695.63	695.63
(b) Reserves and Surplus	3	33,605.68	30,915.08
2 Non-Current Liabilities			
(a) Long-term borrowings	4	19,489.50	14,608.02
(b) Deferred Tax Liabilities (Net)	5	4,769.13	4,019.46
(c) Other Long term Liabilities	6	2.56	1.47
3 Current Liabilities			
(a) Short-term Borrowings	7	1,530.12	557.81
(b) Trade Payables	8	4,012.78	3,201.00
(c) Other Current Liabilities*	9	3,747.12	2,896.75
(d) Short-term Provisions	10	531.73	1,304.37
TOTAL		**68,384.25**	**58,199.59**
II. ASSETS			
1 Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11	28,241.08	24,138.60
(ii) Intangible Assets	12	1,075.17	136.85
(iii) Capital Work-in-Progress	13	5,790.99	5,121.59
(b) Non-Current Investments	14	8,424.49	5,988.59
(c) Long-term Loans and Advances	15	7,024.10	5,850.63
2 Current Assets			
(a) Current Investments	16	673.21	1,141.62
(b) Inventories	17	4,221.53	3,325.04
(c) Trade Receivables	18	6,151.09	5,495.45
(d) Cash and Cash Equivalents	19	2,557.56	2,492.28
(e) Short-term Loans and Advances	20	3,724.50	4,199.15
(f) Other Current Assets	21	500.53	309.79
TOTAL		**68,384.25**	**58,199.59**
III. NOTES FORMING PART OF ACCOUNTS	1-42		

* includes a portion of Long term borrowings of ₹ 1,895.81 (₹ 1,644.56) million payable within the next 12 months.

As per our Report annexed

For **S. Viswanathan LLP**
Chartered Accountants
Firm Registration No. 004770S/S200025

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

Place : Chennai
Date : 25th May 2016

For and on behalf of the Board of Directors

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
Vice President - Finance
& Company Secretary

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Executive Vice Chairperson

Suneeta Reddy
Managing Director

Statement of Profit and Loss

for the year ended 31st March 2016

(₹ in million)

Particulars	Note	31.03.2016	31.03.2015
I. REVENUE FROM OPERATIONS	22	54,090.71	45,927.94
II. OTHER INCOME *	23	688.93	452.68
TOTAL		**54,779.64**	**46,380.62**
III. EXPENSES			
(a) Cost of materials consumed during the year	24	11,110.34	10,690.78
(b) Purchase of Stock-in-Trade		18,442.17	14,041.45
(c) Changes in Inventories of stock-in-trade		(776.06)	(492.68)
(d) Employee Benefits Expense	25	8,455.15	7,209.58
(e) Finance Costs	26	1,335.79	832.88
(f) Depreciation and Amortization Expense		1,981.29	1,580.41
(g) Other Expenses	27	9,452.93	7,698.03
TOTAL		**50,001.61**	**41,560.45**
IV. PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX		4,778.03	4,820.17
V. EXCEPTIONAL ITEMS#		256.78	146.88
VI. PROFIT BEFORE TAX		4,521.25	4,673.29
VII. TAX EXPENSE			
(a) Current Tax (MAT)		979.21	922.20
(b) Less MAT Credit Entitlement		902.01	445.74
(c) Net Current Tax (a-b)		77.20	476.46
(d) Deferred Tax		749.66	730.88
VIII PROFIT / (LOSS) FOR THE PERIOD		3,694.39	3,465.95
IX EARNINGS PER EQUITY SHARE OF FACE VALUE OF ₹5/- EACH			
(1) Basic (₹)		26.55	24.91
(2) Diluted (₹)		26.55	24.91
X NOTES FORMING PART OF ACCOUNTS	1-42		

* Other Income includes profit on sale of investments amounting to ₹467.72 million.

Include diminution in the value of investments amounting to ₹112.30 million and arrears of bonus amounting to ₹ 144.48 million.

As per our Report annexed

For **S. Viswanathan LLP**
Chartered Accountants
Firm Registration No. 004770S/S200025

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

Place : Chennai
Date : 25th May 2016

For and on behalf of the Board of Directors

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
Vice President - Finance
& Company Secretary

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Executive Vice Chairperson

Suneeta Reddy
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, 2013.

B. Inventories

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

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

3. Surgical instruments, linen, crockery and cutlery are valued at cost and are subject to 1/3 write off wherever applicable applying FIFO method. The net realisable value is not applicable in the absence of any further modification/alteration before being consumed in-house. Cost of these inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location.

4. Imported inventories are accounted for at the applicable exchange rates prevailing on the date of transaction.

C. Prior Period Items and Extraordinary Items

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

D. Depreciation and Amortisation

i. Depreciation has been provided on straight line method at rates specified in Schedule II of the Companies Act, 2013 on single shift basis.

ii. 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 their disposal.

iv. 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.

The cost of land and building taken on lease by the Company from Rigid Hospitals Pvt Limited, Chennai will be amortized over a period of 30 years.

The cost of land and building taken on lease by the Company situated at Old Mahabalipuram Road, Karapakkam, Chennai will be amortised over a period of 30 years.

This is in conformity with the definition of lease term as per Clause 3 of AS 19 'Leases' as notified under the Companies (Accounting Standards) Rules, 2006.

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

E. Revenue Recognition

a. Income from Healthcare Services is recognised on completed service contract method. The hospital collections of the Company are net of discounts, payments to doctors. Revenue also includes the value of services rendered pending final billing in respect of in-patients undergoing treatment as on 31st March 2016.

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 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 amounts expended on development/acquisition of Fixed Assets that are not yet ready for their intended use at the Balance Sheet Date. Expenditure during construction period directly attributable to the projects under implementation is included under Capital work- in –progress, pending allocation to the assets.

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

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

G. Transactions in Foreign Currencies

a. Monetary items relating to foreign currency transactions remaining unsettled at the end of the year are translated at the exchange rates prevailing at the date of the Balance Sheet. The difference in translation of monetary items and the realised gains and losses on foreign exchange transactions are recognised in the Statement of Profit and Loss in accordance with Accounting Standard 11 – 'The Effects of Changes in Foreign Exchange Rates (Revised 2003)', as notified under the Companies (Accounting Standards) Rules, 2006 (Also refer Note 23 (a) in the Notes forming part of Accounts).

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

H. Investments

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

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

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

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

d. In case of foreign investments
   i. The cost is the rupee value of the foreign currency on the date of investment.
   ii. The face value of the foreign investments is shown at the face value reflected in the foreign currency of that country.

I. Employee Benefits

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

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

Defined Contribution Plan

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

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

Defined Benefit Plans

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

a. Gratuity

The Company makes annual 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 are recognised as an expense. The Scheme provides for lump sum payment to vested employees at retirement, death while in employment, or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service, or part thereof in excess of six months. Vesting occurs upon completion of five years of service. The Company restricts the payment of gratuity to the employees below the rank of General Managers to the limits specified in the payment of Gratuity Act, 1972. However the Company complies with the norms of Accounting Standard 15.

b. Leave Encashment Benefits

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

J. Borrowing Cost

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

K. Segment Reporting

Identification of Segments

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

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

Segment Policies

The accounting policies adopted for segment reporting are in line with the accounting policies adopted in 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. Lease

Operating Lease

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

M. Earnings per Share

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

N. Taxation

i. Income Tax

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

ii. Deferred Tax

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

O. Impairment

The carrying amounts of assets are reviewed at each Balance Sheet date to ascertain if there is any indication of impairment based on internal/external factors. An asset is treated as impaired based on the cash generating concept at the year end, when the carrying cost of assets exceeds the 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	%
0-1 years	0
1-2 years	25
2-3 years	50
Over 3 years	100

Q. Intangible Assets

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

R. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are not provided for unless a reliable estimate of probable outflow to the Company exists as at the Balance Sheet date. Contingent assets are neither recognised nor disclosed in the financial statements.

S. Derivative Financial Instruments

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

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

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

2. Share Capital

(₹ in million)

Particulars	31.03.2016	31.03.2015
Authorised		
200,000,000(2014-15 : 200,000,000) Equity Shares of ₹5/- each	1,000.00	1,000.00
1,000,000(2014-15 : 1,000,000) Preference Shares of ₹100/- each	100.00	100.00
	1,100.00	**1,100.00**
Issued		
139,658,177 (2014-15 : 139,658,177) Equity Shares of ₹5/- each	698.29	698.29
Subscribed and Paid up		
139,125,159 (2014-15 :139,125,159)Equity Shares of ₹5/- each fully paid up	695.63	695.63

Reconciliation of the number of shares

Particulars	31.03.2016 Equity Shares		31.03.2015 Equity Shares	
	Number	Amount ₹ in million	Number	Amount ₹ in million
Shares outstanding at the beginning of the year	139,125,159	695.63	139,125,159	695.63
Shares outstanding at the end of the year	**139,125,159**	**695.63**	**139,125,159**	**695.63**

Rights, preferences and restrictions attached to shares

Equity shares: The Company has one class of equity shares having a par value of ₹5 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Shareholders holding more than 5% of total paid up capital

Name of the Shareholder	31.03.2016 Equity Shares		31.03.2015 Equity Shares	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
PCR Investments Limited	27,223,124	19.57	27,223,124	19.57
Integrated (Mauritius) Healthcare Holdings Limited	15,093,860	10.85	15,093,860	10.85
Oppenheimer Developing Markets Fund	12,014,785	8.64	12,086,295	8.69

The Company had issued 9,000,000 Global Depository Receipts of ₹10 (now 18,000,000 Global Depository Receipts of ₹5) each with two way fungibilty during the year 2005-06. Total GDR's converted into underlying Equity Shares for the year ended on 31st March 2016 is 259,856 (2014-15 : 22,354) of ₹5 each and total equity shares converted back to GDR for the year ended 31st March 2016 is 22,114 (2014-15 : 400) of ₹5 each. Total GDR's converted into equity shares up to 31st March 2016 is 25,361,388 (2014-15: 25,101,532) of ₹5 each.

3. Reserves and Surplus

(₹ in million)

Particulars	31.03.2016	31.03.2015
a. **Capital Reserves**		
Opening Balance	18.26	18.26
Closing Balance	**18.26**	**18.26**
b. **Capital Redemption Reserve**		
Opening Balance	60.02	60.02
Closing Balance	**60.02**	**60.02**
c. **Securities Premium Account**		
Opening Balance	17,138.52	17,138.52
Closing Balance	**17,138.52**	**17,138.52**
d. **Debenture Redemption Reserve**		
Opening Balance	1,297.50	812.50
(+) Current Year Transfer	-	485.00
Closing Balance	**1,297.50**	**1,297.50**
e. **General Reserve**		
Opening Balance	9,256.85	7,756.85
(+) Current Year Transfer	2,000.00	1,500.00
Closing Balance	**11,256.85**	**9,256.85**
f. **Surplus**		
Opening balance	3,143.93	3,165.47
(+) Net Profit/(Net Loss) for the current year	3,694.39	3,465.95
(-) Proposed Dividend on Equity Shares for the year	-	799.97
(-) Dividend Distribution Tax on proposed dividend on Equity Shares	-	163.79
(-) Interim Dividend	834.77	-
(-) Dividend Distribution Tax on Interim Dividend	169.02	-
(-) Transfer to Reserves	2,000.00	1,500.00
(-) Transfer to Debenture Redemption Reserve	-	485.00
(-) Amount charged off in accordance with transitional provisions of Schedule II to the Companies Act, 2013	-	538.73
Closing Balance	**3,834.53**	**3,143.93**
Total	**33,605.68**	**30,915.08**

4. Long Term Borrowings

(₹ in million)

Particulars	31.03.2016	31.03.2015
Secured		
(a) Non-convertible Debentures		
1,000 (2014-15: 1,000) 10.30% Debentures of ₹ 1,000,000/- each	1,000.00	1,000.00
940 (2014-15: 940) 10.15% Debentures of ₹ 1,000,000/- each	940.00	940.00
Nil (2014-15: 1,250) 9.80% Debentures of ₹ 1,000,000/- each	-	1,250.00
2,000 (2014-15: 2,000) 10.20% Debentures of ₹ 1,000,000/- each	2,000.00	2,000.00
(b) Term loans		
From Banks		
HDFC Bank Limited	325.00	585.00
HDFC Bank Limited	2,000.00	-
Axis Bank	2,700.00	1,000.00
Bank of India	3,000.00	1,160.00
IDFC Bank Limited	500.00	250.00
ICICI Bank Limited	1,100.00	-
From Other Parties		
IFC Loan (External Commercial Borrowings)	-	750.75
IFC Loan (External Commercial Borrowings)	1,169.34	1,403.08
HSBC Limited	1,000.00	1,000.00
HSBC (External Commercial Borrowings)	867.20	1,084.00
HSBC (Bills Payable)	421.39	636.81
IDFC Infra Debt Fund Limited	1,000.00	-
Total	**18,022.93**	**13,059.64**
Unsecured		
(i) Deposits		
Fixed Deposits	138.37	220.18
(ii) Other Loans		
Bank of Tokyo Mitsubishi UFJ (External Commercial Borrowings)	1,328.20	1,328.20
Total	**1,466.57**	**1,548.38**
Total	**19,489.50**	**14,608.02**

a. 10.30% Non Convertible Debentures

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

b. 10.15% Non Convertible Debentures

The Company issued 1,000 Nos. 10.15% Non Convertible Redeemable Debentures of ₹1 million each on 22nd March 2012 to multiple parties with an option to re-purchase/re-issue some or all of its debentures in the secondary market or otherwise, at any time prior to the specified date of redemption of 22nd March 2017. The Company had redeemed debentures amounting to ₹60 million during the FY 2012-13 as per the terms and conditions of the issue and the residual debentures for a value of ₹940 million are outstanding as of 31st March 2016.

c. 9.80% Non Convertible Debentures

The Company issued to First Rand Bank Limited, 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 after expiry of a term of 3 years from the date of issue with the specified date of redemption being 11th July 2017.

During the year the Company has redeemed the entire debentures on 10th July 2015.

d. 10.20% Non Convertible Debentures

The Company issued to Kotak Mahindra Bank Limited 1,150 Nos. and to NPS Trust A/c LIC, 850 Nos.10.20% Non Convertible Redeemable Debentures of ₹1 million each on 22nd August 2014 with an option to re-purchase/re-issue some or all of its debentures in the secondary market or otherwise at any time prior to the specified date of redemption of 22nd Aug 2028.

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

e. HDFC Bank Limited

i) The Company availed a Rupee Term Loan of ₹1,300 million from HDFC Bank Limited, which is repayable in twenty quarterly instalments commencing from September 2012 with interest payable being linked to HDFC Bank's Base rate. During the year, four installments of ₹65 million each were repaid. The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the Company ensuring atleast a cover of 1.25 times the value of the outstanding principal amount of the loan.

ii) During the year the Company was sanctioned an additional Rupee Term Loan of ₹3,500 million from HDFC, out of which ₹2,000 million has been availed on 9th March 2016. This loan is repayable in 22 half yearly installments (with a moratorium period of 4 years from the date of the first disbursement) commencing from 9th September 2020 with interest payable being linked to HDFC Bank's Base rate. The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the Company ensuring atleast a cover of 1.25 times the value of the outstanding principal amount of the loan.

f. Axis Bank Limited

During the year the Company availed an additional loan amount of ₹1,700 million from the Bank, with the total quantum availed aggregating to ₹2,700 million, against the sanctioned amount of ₹3,000 million, which is repayable in 40 quarterly installments (with a moratorium of 4 years from the date of 1st disbursement)

commencing from 15th December 2018 with interest payable being linked to Axis Bank's Base rate. The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the Company ensuring atleast a cover of 1.25 times the value of the outstanding principal amount of the loan.

g. **Bank of India**

During the year the Company availed an additional loan amount of ₹1,840 million from the Bank, with the total quantum availed aggregating to ₹3,000 million, against the sanctioned amount of ₹3,000 million. This loan is repayable in 40 quarterly installments (with a moratorium of 4 years from the date of 1st disbursement) commencing from 30th September 2018 with interest payable being linked to Bank's of India's Base rate. The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the company ensuring atleast a cover of 1.25 times the value of the outstanding principal amount of the loan.

h. **HSBC**

The Company has availed a Rupee Term Loan of ₹1,000 million from HSBC Limited, which is repayable in 16 semi annual installments commencing from 2nd March 2017 with interest payable being linked to HSBC's Base rate. The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the company ensuring atleast a cover of 1.25 times the value of the outstanding principal amount of the loan.

i. **International Finance Corporation (External Commercial Borrowings)**

The Company was sanctioned a sum of US$ 35 million by the International Finance Corporation, Washington by way of External Commercial Borrowings (ECB). The Company had availed the full loan amount of US$ 35 million as of 31st March 2012. 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. During the year, the Company prepaid the entire principal amount outstanding on the loan on 11th September 2015.

The Company was granted an additional ECB of US$ 30 million in the year 2012-13. This ECB is also secured by way of pari passu first ranking charge on the fixed assets of the company ensuring at least a cover of 1.25 times the value of the outstanding principal amount of the loan. The loan is repayable in 14 semi-annual installments starting from 15th September 2015. During the year, two installments of US$ 2,142,000 each were paid on 14th September 2015 and 15th March 2016.

The Company entered into a Currency cum Interest Rate Swap(CCIRS) with HDFC Bank Limited covering LIBOR and foreign currency fluctuation risk. The tenure of this derivative contract matches with the tenure of the loan outstanding as of 31st March 2016.

j. **HSBC (External Commercial Borrowings)**

The company has drawn a loan of US$ 25 million from HSBC in the year 2012-13. The Company entered into a Currency Cum Interest Rate Swap (CCIRS) with HSBC Bank Limited in Indian Rupee for interest rate and foreign currency fluctuation risk. The ECB loan is secured by way of pari passu first ranking charge on the fixed assets of the company. The loan is repayable in 22 quarterly installments starting from July 2014. During the year four installments of US$0.5 million each were repaid on 4th April 2015, 4th July 2015, 4th October 2015 and 4th January 2016.

k. **HSBC Buyer's Line of credit**

The Company has availed a buyer's line of credit of US$ 10.78 million (US$ 10.68 million) from HSBC for the import of medical equipments. The loan is secured by first pari passu ranking charge on entire existing and future movable fixed asset of the company ensuring atleast a cover of 1.25 times the value of the outstanding principal amount of the loan.

l. **IDFC Bank Limited**

During the year, the Company availed an additional loan amount of ₹250 million from the Bank, with the total quantum availed aggregating to ₹500 million, against the sanctioned amount of ₹1,500 million. This amount is repayable in 44 quarterly installments commencing from 15th October 2016 and interest payable being linked to IDFC Bank's Base rate. The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the company ensuring atleast a cover of 1.25 times the value of the outstanding principal amount of the loan.

m. **IDFC Infra Debt Fund Limited**

During the year, the Company availed a loan amount of ₹1,000 million from IDFC Infra Debt Fund , which is repayable in 3 annual installments of 20% at the end of the 14th year (December 2029), 40% at the end of the 15th year (December 2030) and balance 40% at the end of the 16th year (December 2031) from the date of first disbursement with Interest payable being 9.60% on outstanding amount of loan. The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the company ensuring atleast a cover of 1.25 times the value of the outstanding principal amount of the loan.

n. **ICICI Bank Limited**

During the year, the Company has availed a Rupee Term Loan of ₹1,100 million from ICICI Bank Limited against the sanctioned amount of ₹3,500 million, which is repayable in 60 quarterly installments (with a moratorium of 3years from the date of 1st disbursement) commencing from 30th June 2019 with interest rate being linked to ICICI Bank's Base rate. The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the Company.

o. **Bank of Tokyo – Mitsubishi UFJ (External Commercial Borrowings)**

Bank of Tokyo has granted an unsecured loan of US$ 20 million on 11th September 2013. The Company entered into a Currency Cum Interest Rate Swap (CCIRS) with HSBC covering LIBOR and foreign currency fluctuation risk. The loan is repayable in 3 annual instalments starting from the end of the 5th year from the date of advance.

5 Deferred Tax Liabilities

Additional net deferred tax liability of ₹749.66 million (₹730.88 million) for the period has been recognized in the Statement of Profit and Loss.

(₹ in million)

Particulars	Deferred Tax Liability as at 31.03.2016	Current year charge /(credit)	Deferred Tax Liability as at 31.03.2015
Deferred Tax Liability on account of Depreciation	699.06	(285.14)	984.19
Deferred Tax Liability on account of Deferred Revenue Expenditure (Also refer note 39 of Notes forming part of accounts)	48.07	(1.09)	49.16
Deferred Tax Liability on account of 35 AD	4,022.00	1,035.89	2,986.11
Total	**4,769.13**	**749.66**	**4,019.46**

6. Other Long Term Liabilities

(₹ in million)

Particulars	31.03.2016	31.03.2015
Other Deposits	2.56	1.47
Total	**2.56**	**1.47**

7. Short Term Borrowings

(₹ in million)

	Particulars	31.03.2016	31.03.2015
	Secured		
(i)	**Loans repayable on demand from banks**		
	Canara Bank	-	73.72
	State Bank of Travancore	-	7.15
	Unsecured		
(i)	**Loans repayable on demand from banks**		
	HDFC Bank Limited	1,250.00	-
	HSBC	-	372.77
(ii)	**Deposits**		
	Fixed Deposits	120.12	104.17
(iii)	**Loans from Subsidiaries**	160.00	-
		1,530.12	**557.81**

Note: The Cash Credit availed from Banks is secured by way of Stock-in-Trade, less unpaid Creditors and Receivables.

8. Details of Trade payables are based on the information available with the Company, regarding the status of Suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006. The amount due to Micro, Small and Medium Enterprises for the financial year ended 31st March 2016 is ₹254.70 million (₹210.92 million). No interest in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 or otherwise has either been paid or payable or accrued and remaining unpaid as at 31st March 2016.

9. Other Current Liabilities

(₹ in million)

	Particulars	31.03.2016	31.03.2015
(a)	Current maturities of long-term debt	1,895.81	1,644.56
(b)	Interest accrued but not due on borrowings	260.76	160.05
(c)	Unpaid dividends	49.33	28.41
(d)	Unpaid matured deposits and interest accrued thereon	17.03	16.57
(e)	Other payables		
	Sundry Creditors Others	417.04	153.72
	Retention Money on Capital Contracts	0.18	0.27
	Inpatient Deposits	105.45	238.54
	Rent Deposits	26.33	25.80
	Other Deposits	8.17	14.91
	Tax Deducted at Source	119.36	146.72
	Outstanding Expenses	847.66	467.20
	Total	**3,747.12**	**2,896.75**

During the year, the amount transferred to the Investors Education and Protection Fund of the Central Government as per the provisions of Section 205 (A) and 205 (C) of the Companies Act, 1956 is ₹2.40 million (₹2.34 million) as unpaid dividend.

10. Short Term Provisions

(₹ in million)

	Particulars	31.03.2016	31.03.2015
(a)	**Provision for employee benefits**		
	Bonus	425.18	198.89
	Gratuity & Earned Leave	106.55	141.72
	Total	**531.73**	**340.61**
(b)	**Others**		
	For Dividend - Equity Shares	-	799.97
	For Dividend Distribution Tax - Equity Shares	-	163.79
	Total	**-**	**963.76**
	Total	**531.73**	**1,304.37**

11. Tangible Assets

(₹ in million)

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at April 1, 2015	Additions	Deletions	Balance as at March 31, 2016	Balance as at April 1, 2015	Depreciation charge for the year	On disposals	Balance as at March 31, 2016	Balance as at March 31, 2016	Balance as at April 1, 2015
Tangible Assets										
Land	2,557.53	436.57	-	2,994.10	-	-	-	-	2,994.10	2,557.53
Buildings	7,466.14	2,565.01	0.15	10,031.00	730.73	204.27	-	935.00	9,096.00	6,735.41
Leasehold Improvements	3,048.63	670.29	976.15	2,742.77	297.35	40.99	-	338.34	2,404.43	2,751.28
Plant and Equipment										
Medical Equipment & Surgical Instruments	10,578.12	1,173.53	19.55	11,732.10	3,263.19	529.33	6.75	3,785.77	7,946.33	7,314.93
Air Conditioning Plant & Air Conditioners	1,899.74	845.91	15.41	2,730.24	851.63	379.24	7.69	1,233.18	1,507.06	1,048.11
Furniture and Fixtures	2,662.64	770.90	47.04	3,386.50	986.91	299.73	19.95	1;266.69	2,119.81	1,675.73
Vehicles	499.62	69.02	14.60	554.04	193.18	61.54	9.37	245.35	308.69	306.44
Office equipment	1,036.08	210.90	3.88	1,243.10	685.95	175.11	3.02	858.04	385.06	350.13
Others										
Electrical Installations & Generators	1,640.97	217.83	6.10	1,852.70	443.24	160.48	3.50	600.22	1,252.48	1,197.73
Fire fighting Equipment	131.06	8.20	-	139.26	11.08	1.63	-	12.71	126.55	119.98
Boilers	3.50	-	-	3.50	1.19	-	-	1.19	2.31	2.31
Kitchen Equipment	56.82	13.88	-	70.70	11.78	1.01	-	12.79	57.91	45.04
Refrigerators	46.57	9.60	0.70	55.47	12.59	2.83	0.30	15.12	40.35	33.98
Wind Electric Generator	26.85	-	-	26.85	26.85	-	-	26.85	.	.
Total	**31,654.27**	**6,991.64**	**1,083.58**	**37,562.33**	**7,515.67**	**1,856.16**	**50.58**	**9,321.25**	**28,241.08**	**24,138.60**
Previous Year	26,334.07	6,492.36	1,172.16	31,654.27	6,574.95	1,517.71	576.99	7,515.67	24,138.60	19,759.12

12. Intangible Assets

(₹ in million)

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at April 1, 2015	Additions	Deletions	Balance as at March 31, 2016	Balance as at April 1, 2015	Amortization for the year	Deletions	Balance as at March 31, 2016	Balance as at March 31, 2016	Balance as at April 1, 2015
Computer Software	357.28	36.96	-	394.24	223.18	77.83	-	301.01	93.24	134.10
Goodwill	6.30	1,023.35	-	1,029.65	3.55	44.16	-	47.71	981.93	2.75
Total	**363.58**	**1,060.31**	**-**	**1,423.89**	**226.73**	**121.99**	**-**	**348.72**	**1,075.17**	**136.85**
Previous Year	295.05	122.55	54.02	363.58	167.17	59.56	.	226.73	136.85	127.88

13 Capital Work-in-Progress of ₹5,790.99 million (₹5,121.59 million) comprises, amount spent on assets under construction and directly related pre-operative expenses. The amount of interest included in capital work in progress is ₹857.38 million (₹667.24 million)*.

* Includes interest on borrowings capitalised for the year ended 31st March 2016 of ₹694.93 million (₹620.00 million).

14. Non Current Investments

(₹ in million)

Particulars	31.03.2016	31.03.2015
Trade Investments (Refer Table A below)		
(a) Investment in Equity instruments	6,707.77	5,357.77
(b) Investments in Preference Shares	1,087.90	130.40
Total (A)	**7,795.67**	**5,488.17**
Other Investments (Refer B below)		
(a) Investment in Equity instruments	464.71	462.20
(b) Investment in Preference Shares	232.00	22.00
(c) Investments in Debentures or Bonds	35.00	10.00
(d) Investments in Government or Trust securities	0.17	0.17
Total (B)	**731.88**	**494.37**
Grand Total (A + B)	**8,527.55**	**5,982.54**
Less : Provision for diminution in the value of Investments	112.30	-
Advance for Investment	9.24	6.05
Total	**8,424.49**	**5,988.59**

(₹ in million)

Particulars	31.03.2016	31.03.2015
Aggregate amount of quoted investments (Market Value ₹1,056.89 million (2014-15: ₹1,134.06 million)	428.72	403.72
Aggregate amount of unquoted investments	7,986.53	5,578.82
Advance for Investments	9.24	6.05
Total	**8,424.49**	**5,988.59**

Contents

A) Details of Trade Investments

Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	Face Value	No. of Shares / Units as at 31.03.2016	No. of Shares / Units as at 31.03.2015	Quoted / Unquoted	Partly Paid / Fully paid	Amount as at 31.3.2016 (₹ inmillion)	Amount as at 31.3.2015 (₹ inmillion)	Whether stated at Cost Yes/No
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Investment in Equity Instruments									
Apollo Home Healthcare (I) Limited (Formerly known as Unique Home Healthcare Limited)	Subsidiary	10	29,823,012	29,823,012	Unquoted	Fully Paid	297.40	297.40	Yes
Apollo Home Healthcare Limited	Subsidiary	10	7,187,500	-	Unquoted	Fully Paid	100.00	-	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	26,950,496	26,950,496	Unquoted	Fully Paid	1,272.62	1,272.62	Yes
Apollo Hospitals (UK) Limited	Subsidiary	1£	5,000	5,000	Unquoted	Fully Paid	0.39	0.39	Yes
Apollo Health & Lifestyle Limited	Subsidiary	10	63,278,029	41,969,726	Unquoted	Fully Paid	1,911.76	1,272.52	Yes
Apollo Nellore Hospital Limited	Subsidiary	10	1,109,842	1,109,842	Unquoted	Fully Paid	53.96	53.96	Yes
Alliance Medicorp (India) Limited	Subsidiary	10	-	6,783,000	Unquoted	Fully Paid	-	67.83	Yes
Alliance Dental Care Limited	Subsidiary	100	-	10,364,763	Unquoted	Fully Paid	-	103.65	Yes
Sapien Biosciences Pvt Limited	Subsidiary	10	10,000	10,000	Unquoted	Fully Paid	0.10	0.40	Yes
Apollo Hospitals International Limited	Joint Venture	10	22,840,266	17,840,629	Unquoted	Fully Paid	405.42	355.42	Yes
Apollo Gleneagles Hospitals Limited	Joint Venture	10	54,675,697	54,675,697	Unquoted	Fully Paid	393.12	393.12	Yes
Apollo Gleneagles PET CT Private Limited	Joint Venture	10	8,500,000	8,500,000	Unquoted	Fully Paid	85.00	85.00	Yes
Western Hospital Corporation Pvt Limited	Subsidiary	10	18,000,000	18,000,000	Unquoted	Fully Paid	153.66	153.66	Yes
Apollo Lavasa Health Corporation Limited	Subsidiary	10	652,393	479,701	Unquoted	Fully Paid	312.20	150.00	Yes
Indraprastha Medical Corporation Limited	Associate	10	20,190,740	20,190,740	Quoted	Fully Paid	393.72	393.72	Yes
Stemcyte India Therapautics Private Limited	Associate	1	240,196	240,196	Unquoted	Fully Paid	80.00	80.00	Yes
Apollo Rajshree Hospitals Private Limited	Subsidiary	10	11,274,901	11,351,574	Unquoted	Fully Paid	343.85	346.45	Yes
Kurnool Hospitals Enterprise Limited	Others	10	157,500	157,500	Unquoted	Fully Paid	1.73	1.73	Yes
ApoKos Rehab Private Limited	Joint Venture	10	5,750,000	5,750,000	Unquoted	Fully Paid	57.50	57.50	Yes
Assam Hospitals Limited	Subsidiary	10	4,299,233	-	Unquoted	Fully Paid	572.44	-	Yes
Apollo Health Care Technology Solutions Ltd	Subsidiary	10	50,000	-	Unquoted	Fully Paid	0.50	-	Yes
Investments in Preference Shares									
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	10	2,000,000	2,000,000	Unquoted	Fully Paid	20.00	20.00	Yes
Apollo Health Care Technology Solutions Limited	Subsidiary	100	9,575,000	-	Unquoted	Fully Paid	957.50	-	Yes
Total							**7,795.67**	**5,488.17**	

B) Details of Other Investments

Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	Face Value	No. of Shares / Units as at 31.03.2016	No. of Shares / Units as at 31.03.2015	Quoted / Unquoted	Partly Paid / Fully paid	Amount as at 31.3.2016 (₹ in million)	Amount as at 31.3.2015 (₹ in million)	Whether stated at Cost Yes/No
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Investment in Equity Instruments									
Apollo Munich Health Insurance Company Limited	Joint Venture	10	35,709,000	35,709,000	Unquoted	Fully Paid	357.09	357.09	Yes
Family Health Plan (TPA) Limited	Associate	10	490,000	490,000	Unquoted	Fully Paid	4.90	4.90	Yes
Future Parking Private Limited	Joint Venture	10	2,401,000	2,401,000	Unquoted	Fully Paid	24.01	24.01	Yes
Health Super Hiway Private Limited	Others	10	200	200	Unquoted	Fully Paid	0.002	0.002	Yes
AMG Healthcare Destination Pvt Ltd	Others	10	1,232,500	1,232,500	Unquoted	Fully Paid	12.33	12.33	Yes
Clover Energy Pvt Ltd	Others	10	1,929,250	1,659,250	Unquoted	Fully Paid	16.59	16.59	Yes
Leap Green Energy Limited	Others	10	-	-	Unquoted	Fully Paid	1.43	-	Yes
Indo Wind Power Pvt Ltd	Others	10	10,650	35,500	Unquoted	Fully Paid	0.15	0.51	Yes
Tirunelveli Vayu Energy Generation Pvt Ltd	Others	1,000	36	36	Unquoted	Fully Paid	13.61	13.61	Yes
Cureus .Inc (Stanford - US)	Others		935,000	935,000	Unquoted	Fully Paid	27.43	27.43	Yes
Total Health	Subsidiary	10	500,000	500,000	Unquoted	Fully Paid	5.00	5.00	Yes
Iris Ecopower Venture Pvt Ltd	Others	10	70,000	70,000	Unquoted	Fully Paid	0.70	0.70	Yes
Apollo Dialysis Pvt Ltd	Others	10	-	5,100	Unquoted	Fully Paid	-	0.05	Yes
Apollo Hospitals Singapore Pte Ltd	Subsidiary	1$	30,001	-	Unquoted	Fully Paid	1.47	-	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
Future Parking Pvt Ltd (Redeemable Preference shares)	Joint Venture	100	2,100,000	-	Unquoted	Fully Paid	210.00	-	Yes
Investments in Debentures or Bonds									
Optionally Redeemable Convertible Debentures									
ECL Finance	Others	1,000.00	10,000	10,000	Quoted	Fully Paid	10.00	10.00	Yes
Apollo Home Healthcare Limited	Subsidiary	10	2,500,000	-	Quoted	Fully Paid	25.00	-	Yes
Investments in Government or Trust securities									
National Savings Certificate	Others		-	-	Unquoted	Fully Paid	0.17	0.17	Yes
Total							**731.88**	**494.37**	

Note: National Savings Certificates shown under investments are pledged with the Chief Rationing Officer, Government of Andhra Pradesh.

Contents

15. Long Term Loans and Advances

(₹ in million)

Particulars	31.03.2016		31.03.2015	
a. Capital Advances				
Unsecured, considered good		926.23		644.03
b. Security Deposits				
Unsecured, considered good		1,795.59		1,482.68
c. Loans and advances to Related Parties				
Unsecured, considered good		645.80		870.15
d. Other Loans and Advances				
MAT Credit Entitlement	2,897.46		1,995.45	
Other Advances	379.16		432.63	
Advance Income Tax	379.86	3,656.48	365.42	2,793.50
Interest Receivable		-		60.27
Total		**7,024.10**		**5,850.63**

16. Current Investments

(₹ in million)

Particulars	31.03.2016	31.03.2015
(a) Investments in Equity Instruments	67.94	67.94
(b) Investments in Debentures	10.00	10.00
(c) Investments in Mutual funds	595.27	1,063.68
Total	**673.21**	**1,141.62**

(₹ in million)

Particulars	31.03.2016	31.03.2015
Aggregate amount of quoted investments	505.27	1,063.68
(Market Value ₹635.75 million (2014-15: ₹1,158.43 million)		
Aggregate amount of unquoted investments	167.94	77.94
Total	**673.21**	**1,141.62**

Details of Current Investment

Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	Face value	No. of Shares/ Units as at 31.03.2016	No. of Shares/ Units as at 31.03.2015	Quoted / Unquoted	Partly Paid / Fully paid	Amount as at 31.03.2016 (₹ in million)	Amount as at 31.03.2015 (₹ in million)	Basis of Valuation
(1)	(2)	(3)	(4)		(5)	(6)			(9)
Investments in Equity Instruments									
British American Hospitals Enterprises Limited	Others	100MUR	464,333	464,333	Unquoted	Fully Paid	67.94	67.94	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									
ICICI Prudential Short Term Regular Plan Growth Option	Others	10.00	2,139,907	2,139,907	Quoted	Fully paid	50.00	50.00	Cost
Canara Robeco Short Term Fund - Regular Growth	Others	10.00	192,148	192,148	Quoted	Fully paid	2.50	2.50	Cost
Reliance Short Term Fund - Growth Plan (ST- GP)	Others	10.00	4,681,714	4,681,714	Quoted	Fully paid	100.00	100.00	Cost
Canara Robeco Short Term Fund - Regular Growth	Others	10.00	188,206	188,206	Quoted	Fully paid	2.50	2.50	Cost
Reliance Short Term Fund - Growth Plan	Others	10.00	6,903,598	6,903,598	Quoted	Fully paid	150.00	150.00	Cost
DWS Short Maturity Fund - Regular Plan - Growth	Others	10.00	4,785,788	4,785,788	Quoted	Fully paid	100.00	100.00	Cost
ICICI Prudential Short Term -Regular Plan - Growth Plan	Others	10.00	1,375,946	1,375,946	Quoted	Fully paid	32.77	32.77	Cost
Canara Robeco short Term Fund - Regular Growth	Others	10.00	182,151	182,151	Quoted	Fully paid	2.50	2.50	Cost
Canara Robeco Short term Fund - Regular Growth	Others	10.00	183,284	183,284	Quoted	Fully paid	2.50	2.50	Cost
HDFC Debt Fund	Others	10.00	2,000,000	2,000,000	Quoted	Fully paid	20.00	20.00	Cost
SBI Magnum Insta Cash Fund	Others	10.00	-	17,546	Quoted	Fully paid	-	29.39	Cost
Reliance Liquid Fund	Others	1,000.00	-	3,38,742	Quoted	Fully Paid	-	517.85	Cost
HDFC Liquid Fund	Others	10.00	-	2,321,138	Quoted	Fully Paid	-	23.67	Cost
Canara Robeco Mutual Fund	Others	10.00	1,400,477	1,400,477	Quoted	Fully Paid	30.00	30.00	Cost
Canara Robeco Mutual Fund	Others	10.00	217,974	-	Quoted	Fully Paid	2.50	-	Cost
DHFL Pramerica Ultra Short Term Fund	Others	10.00	5,000,000	-	Unquoted	Fully Paid	50.00	-	Cost
DHFL Pramerica Banking & PSU Debt Fund (Daily dividend reinvestments)	Others	10.00	3,000,000	-	Unquoted	Fully Paid	30.00	-	Cost
SBI Ultra Short Term Debt Fund - Regular Plan Weekly Dividend	Others	10.00	2,000,000	-	Unquoted	Fully Paid	20.00	-	Cost
Total							**673.21**	**1,141.62**	

17. Inventories

(₹ in million)

Particulars	31.03.2016	31.03.2015
Inventories		
a. Medicines (Valued at Cost)	3,485.74	2,725.25
b. Stores and spares (Valued at Cost)	155.65	175.34
c. Lab Materials (Valued at Cost)	6.38	7.32
d. Surgical Instruments (Valued at Cost)	407.32	286.84
e. Other Consumables (Valued at Cost)	166.44	130.29
Total	**4,221.53**	**3,325.04**

18. Trade Receivables

(₹ in million)

Particulars	31.03.2016	31.03.2015
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	5,023.48	4,641.84
	5,023.48	**4,641.84**
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	1,127.61	853.61
	1,127.61	853.61
Total	**6,151.09**	**5,495.45**

i. Accrued patient collections constitute ₹542.51 million (₹590.24 million) of trade receivables.

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

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

19. Cash and Cash Equivalents

(₹ in million)

Particulars	31.03.2016	31.03.2015
a. Balances with banks		
Current Accounts	2,091.89	1,856.14
Fixed Deposit Accounts	113.70	316.70
Unpaid Dividend Accounts	49.33	28.41
Margin Money Deposits Account	0.10	24.28
Guarantees	158.52	154.36
	2,413.54	2,379.89
b. Cash on hand	144.02	112.39
Total	**2,557.56**	**2,492.28**

The Company's Fixed Deposit receipts amounting to ₹158.52 million (₹154.36 million) are under lien with the bankers for obtaining Bank Guarantees and Letters of credit.

20. Short Term Loans and Advances

(₹ in million)

Particulars	31.03.2016	31.03.2015
a. Advance to Suppliers	1,130.40	431.06
b. Other Advances	2,483.37	3,669.55
c. Loans and advances to employees	110.73	98.54
Total	**3,724.50**	**4,199.15**

21. Other Current Assets

(₹ in million)

Particulars	31.03.2016	31.03.2015
a. Prepaid Expenses	158.86	153.45
b. Rent Receivables	8.55	2.76
c. Interest Receivables	316.77	139.76
d. Franchise Fees Receivable	16.35	13.82
Total	**500.53**	**309.79**

22. Revenue from Operations

(₹ in million)

Particulars	31.03.2016	31.03.2015
a. Revenue from Healthcare services	30,853.76	28,202.45
b. Revenue from Pharmacy	23,236.95	17,725.49
Total	**54,090.71**	**45,927.94**

23. Other Income

(₹ in million)

Particulars	31.03.2016	31.03.2015
(a) Interest Income	175.93	100.82
(b) Dividend Income		
From Current Investment	8.94	26.96
From Long Term Investment	36.34	37.10
(c) Net gain/(loss) on sale of investments		
Long term investment	467.72	103.72
(d) Profit on divestiture of out patient diabetics clinic business to Apollo Sugar Clinics Limited (a stepdown subsidiary of the Company)	-	184.08
Total	**688.93**	**452.68**

24. Cost of Materials Consumed

(₹ in million)

Particulars	31.03.2016		31.03.2015	
	Value (₹)	%	Value (₹)	%
Indigenous Materials	11,036.72	99.34	10,636.05	99.49
Imported Materials	73.62	0.66	54.73	0.51
Total Consumption of Materials	11,110 .34	100.00	10,690.78	100.00

(Consumption relates to items used for healthcare services only)

25. Employee Benefits Expense

(₹ in million)

Particulars	31.03.2016	31.03.2015
a. Salaries and wages	6,987.50	6,104.39
b. Contribution to provident and other funds	507.43	432.21
c. Employee State Insurance	126.52	104.04
d. Staff welfare expenses	425.73	357.79
e. Staff Education & Training	7.40	12.26
f. Bonus	400.57	198.89
Total	**8,455.15**	**7,209.58**

a. As per the requirements of Accounting Standard 15 'Employee Benefits' (Revised 2005) as notified under the Companies (Accounting Standards) Rules, 2006, contribution to gratuity is determined using the projected unit credit method with actuarial valuation being carried out at each Balance Sheet date. Only the additional provision as required is charged to the Statement of Profit and Loss for the relevant year– ₹166.54 million (₹167.07million). (Also refer Note 1(I) of Notes Forming part of Accounts.

Particulars	As at 31st March 2016		As at 31st March 2015	
	Gratuity	Earned Leave	Gratuity	Earned Leave
Assumptions				
Discount Rate	8.00%	8.00%	8.00%	8.00%
Rate of Increase in Salaries	6.00%	8.00%	6.00%	8.00%
Mortality pre- retirement	Indian Assured Lives Mortality (2006-08) Ultimate			
Disability	Nil	Nil	Nil	Nil
Attrition	23.00%	23.00%	23.00%	23.00%
Estimated rate of return on plan assets	8.00%	8.00%	8.00%	8.00%
Retirement	58yrs	58yrs	58yrs	58yrs
Investment details on plan assets	100% of the plan Assets are invested on debt instruments			

Particulars	As at 31st March 2016			As at 31st March 2015		
	Gratuity	Earned Leave	Total	Gratuity	Earned Leave	Total
Present Value of Obligation as at the beginning of the year	410.02	178.47	588.49	336.08	163.57	499.65
Interest Cost	31.24	11.35	42.59	25.55	11.16	36.71
Current Service Cost	47.07	23.26	70.33	36.46	16.35	52.81
Benefit Paid	(39.13)	(73.09)	(112.22)	(33.39)	(48.06)	(81.45)
Actuarial (gain) / Loss on obligation	76.42	99.77	176.19	45.32	35.45	80.77
Present Value of Obligation end of the year	525.62	239.76	765.38	410.02	178.47	588.49
Defined benefit obligation liability as at the balance sheet date is wholly funded by the company						
Change in plan assets						
Fair Value of Plan Assets beginning of the period	336.93	110.17	447.10	256.68	58.49	315.17
Expected return on plan assets	31.16	13.08	44.24	23.74	6.75	30.49
Contributions	103.09	98.30	201.39	105.08	105.08	210.16
Benefits paid	(39.13)	(73.09)	(112.22)	(33.39)	(48.06)	(81.45)
Actuarial gain / (loss)	10.05	68.28	78.33	(15.18)	(12.09)	(27.27)
Fair Value of Plan Assets as on 31st March, 2016	442.10	216.74	658.84	336.93	110.17	447.10
Reconciliation of present value of the obligation and the fair value of the plan assets						
Fair value of the defined benefit	525.62	239.76	765.38	410.02	178.47	588.49
Fair value of plan assets at the end of the year	(442.10)	(216.74)	(658.84)	(336.93)	110.17	(226.76)
Liability / (assets)	83.52	23.02	106.54	73.09	68.30	141.39
Unrecognised past service cost	-	-	-	-	-	-
Liability / (assets) recognised in the balance sheet	83.52	23.02	106.54	73.09	68.30	141.39
Gratuity & Leave Encashment cost for the period						
Service Cost	47.07	23.26	70.33	36.46	16.35	52.81
Interest Cost	31.24	11.35	42.59	25.55	11.16	36.71
Expected return on plan assets	(31.16)	(13.08)	(44.24)	(23.74)	(6.75)	(30.49)
Actuarial (gain) / loss	66.37	31.49	97.86	60.50	47.53	108.04

Particulars	As at 31st March 2016			As at 31st March 2015		
	Gratuity	Earned Leave	Total	Gratuity	Earned Leave	Total
Past Service Cost	-	-	-	-	-	-
Net gratuity and Leave Encashment cost	113.52	53.02	166.54	98.77	68.30	167.07
Investment details of plan assets						
100% of the plan assets are invested in debt instruments						
Actual return on plan assets	41.21	81.36	122.57	8.56	(5.34)	3.22

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.

26. Finance Costs

(₹ in million)

Particulars	31.03.2016	31.03.2015
Interest expense	1,187.56	705.85
Other borrowing costs		
Bank Charges	147.97	126.70
Brokerage & Commission	0.26	0.33
Total	**1,335.79**	**832.88**

27. Other Expenses

(₹ in million)

Particulars	31.03.2016	31.03.2015
Power and fuel	850.41	725.10
House Keeping Expenses	383.82	163.38
Water Charges	108.64	89.34
Rent	1,927.20	1,487.16
Repairs to Buildings	147.37	173.79
Repairs to Machinery	504.37	430.05
Repairs to Vehicles	37.43	47.81
Office Maintenance & Others	482.81	389.31
Insurance	85.66	53.04
Rates and Taxes, excluding taxes on income	92.77	88.37
Printing & Stationery	269.31	255.35
Postage & Telegram	27.21	20.92
Director Sitting Fees	2.95	3.64
Advertisement, Publicity & Marketing	1,095.88	892.17
Pharmacy Loyalty Discount	651.50	494.73
Travelling & Conveyance	408.35	363.24
Subscriptions	13.14	6.32
Security Charges	160.15	118.98
Legal & Professional Fees	430.86	319.53
Continuing Medical Education & Hospitality Expenses	55.84	32.94
Hiring Charges	73.32	66.28
Seminar Expenses	3.52	1.76
Telephone Expenses	159.21	127.05
Books & Periodicals	9.37	10.99
Corporate Social Responsibility Expenses	86.44	77.71
Donations	11.43	25.36
Bad Debts Written off	200.18	215.42
Royalty paid	1.05	1.30
Outsourcing Expenses	1,017.78	897.71
Miscellaneous expenses	94.01	81.29
Loss on Sale of Asset	33.86	27.68
Loss on sale of investment	0.01	-
Net loss on foreign currency transactions and translation	27.08	10.31
Total	**9,452.93**	**7,698.03**

During the year the Foreign Exchange loss (the difference between the spot rates on the date of the transactions, and the actual rates at which the transactions are settled) is ₹27.08 million (2014-15: Foreign Exchange Loss is ₹10.31 million).

a. Payment to auditors as statutory auditors

(₹ in million)

Particulars	31.03.2016	31.03.2015
Audit Fees*	4.53	4.05
Tax Audit Fees*	0.97	0.84
Certification Fees*	0.58	0.84
Reimbursement of Expenses	0.40	0.37
Total	**6.08**	**6.10**

*Inclusive of Service Tax

b. Travelling and Conveyance includes directors travelling amounts to ₹36.79 million (₹50.39 million)

28. Contingent Liabilities

(₹ in million)

Particulars	31.03.2016	31.03.2015
Contingent liabilities and commitments (to the extent not provided for)		
(i) Contingent Liabilities		
(a) Claims against the company not acknowledged as debt	1,154.00	592.27
(b) Guarantees		
Bank Guarantees	128.59	262.27
Corporate Guarantees / Letters of comfort	2,871.00	1,505.00
(c) Other money for which the company is contingently liable		
Customs Duty	99.70	99.70
Income Tax	328.54	395.26
Service Tax	29.63	18.99
EPCG	3,792.60	2,412.60
Value Addded Tax	24.88	2.27
Total	**8,428.94**	**5,288.36**
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	13,460.00	10,450.00
Total	**13,460.00**	**10,450.00**
Total	**21,888.94**	**15,738.36**

29. Utilisation of Amounts from Securities Issued

During the year Nil (₹2,000 million)

30. Earnings Per Equity Share

Particulars	31.03.2016	31.03.2015
Profit before extraordinary items attributable to equity shareholders (₹ in million) (A1)	3,694.39	3,465.95
Weighted Averaged Equity Shares outstanding during the year (Nos) - (B1)	139,125,159	139,125,159
Basic Earnings Per Share before extra-ordinary item - (A1/B1) ₹	26.55	24.91
Diluted Earnings before extraordinary items attributable to equity shareholders (₹ in million) (A2)	3,694.39	3,465.95
Weighted Averaged Equity Shares outstanding for Diluted Earnings Per Share. (Nos) - (E1)	139,125,159	139,125,159
Diluted Earnings Per Share before extra-ordinary item - (A2/E1) ₹	26.55	24.91
Profit after extraordinary items attributable to equity shareholders (₹ in million) (A)	3,694.39	3,465.95
Weighted Averaged Equity Shares outstanding during the year (Nos) - (B)	139,125,159	139,125,159
Basic Earnings Per Share after extra-ordinary item - (A/B) ₹	26.55	24.91
Diluted Earnings after extraordinary items attributable to equity shareholders (₹ in million) (A3)	3,694.39	3,465.95
Weighted Averaged Equity Shares outstanding for Diluted Earnings Per Share. (Nos) - (E)	139,125,159	139,125,159
Diluted Earnings Per Share after extra-ordinary item - (A3/E) ₹	26.55	24.91

31. Expenditure in Foreign Currency

(₹ in million)

Particulars	31.03.2016	31.03.2015
a. **CIF Value of Imports**		
Machinery and Equipment	984.89	1,099.68
Stores and Spares	63.78	50.66
Other Consumables	9.84	4.08
b. **Expenditure**		
Travelling Expenses	82.20	72.32
Professional Charges	8.94	10.12
Business Promotion	1.14	-
c. **Dividends**		
Amount remitted during the year in foreign currency on account of dividends excluding the payment of dividends directly to the share-holder's Non-resident external bank account.	4.44	4.92
Non-Residents shareholders to whom remittance was made (Nos.)	174	193
Shares held by non-resident share-holders on which dividend was paid.	0.74	0.86

32. Earnings in Foreign Currency

(₹ in million)

Particulars	31.03.2016	31.03.2015
Hospital Fees	955.25	900.70
Project Consultancy Services	17.34	26.32
Pharmacy Sales*	1.31	0.60

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

33. Related Party Disclosures

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

(₹ in million)

SL.No	Name of related Parties	Nature of relationship
1	Apollo Home Healthcare (India) Limited	Subsidiary Companies
2	AB Medical Centres Limited	
3	Apollo Health and Life Style Limited	
4	Apollo Nellore Hospitals Limited	
5	Imperial Hospitals and Research Centre Limited	
6	Samudra Health Care Enteprises Limited	
7	Western Hospitals Corporation (P) Limited	
8	Apollo Hospitals (UK) Limited	
9	Sapien Biosciences Private Limited	
10	Assam Hospitals Limited	
11	Apollo Lavasa Health Corporation Limited	
12	Apollo Rajshree Hospitals Private Limited	
13	Total Health	
14	Apollo Home Healthcare Limited	
15	Apollo Healthcare Technology Solutions Limited	
16	Apollo Hospitals Singapore Pte Limited	
17	Alliance Dental Care Limited	Stepdown Subsidiaries
18	Akeso Healthcare private limted	
19	Apollo Dialysis Private Limited	
20	Apollo Sugar Clinics Limited	
21	Apollo Cosmetic Surgical Center Private Limited	
22	Apollo Gleneagles Hospital Limited	Joint Ventures
23	Apollo Hospitals International Limited	
24	Apollo Munich Health Insurance Company Limited	
25	Apollo Gleneagles PET-CT Private Limited	
26	Future Parking Private Limited	
27	Apokos Rehab Private Limited	
28	Family Health Plan (TPA) Limited	Associates
29	Indraprastha Medical Corporation Limited	
30	Stemcyte India Therapautics Private Limited	
31	Smt. Suneeta Reddy	Key Management Personnel
32	Shri Krishnan Akhileswaran	
33	Shri S M Krishnan	
34	Dr.Prathap C Reddy	Relatives of Key Management Personnel (Relative of Smt Suneeta Reddy)
35	Smt. Preetha Reddy	
36	Smt. Sangita Reddy	
37	Smt. Shobana Kamineni	
38	Apollo Mumbai Hospital Limited	Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence
39	Apollo Sindoori Hotels Limited	
40	Kurnool Hospital Enterprises Limited	
41	Lifetime Wellness Rx International Limited	
42	Apollo Hospitals Educational Trust	
43	Medihauxe International Private Limited	
44	Palepu Pharma Private Limited	
45	Vardhman Pharma Distributors Private Limited	
46	Focus Medisales Private Limited	
47	Srinivasa Medisales Private Limited	
48	Meher Distributors Private Limited	
49	Lucky Pharmaceuticals Private Limited	
50	Neelkanth Drugs Private Limited	
51	Dhruvi Pharma Private Limited	
52	Medvarsity Online Limited	
53	AMG Healthcare Destination Private Limited	
54	Faber Sindoori Management Services Private Limited	
55	Apollo Hospitals Educational and Research Foundation	
56	Keimed Private Limited	
57	P. Obul Reddy & Sons	

Related Party Transaction

(₹ in million)

S.No	Name of Related Parties	Nature of Transaction	31.03.2016	31.03.2015
1	Apollo Home Healthcare (I) Limited	Investment in Equity	297.40	297.40
		Transaction during the year	5.80	13.55
		Receivable as at year end	7.45	-
		Payable as at year end	-	2.56
		Cumulative Deposits Outstanding	11.75	11.67
		Interest payable	-	0.91
2	AB Medical Centers Limited	Investment in Equity	21.80	21.80
		Payables as at year end	28.45	23.25
		Transactions during the year	6.79	7.20
3	Samudra Healthcare Enterprises Limited	Investment in Equity	250.60	250.60
		Receivables as at year end	67.37	74.06
		Transaction during the year	69.25	70.84
		Commission on turnover	1.88	1.87
4	Apollo Hospital (UK) Limited	Investment in Equity	0.39	0.39
		Transactions during the year	0.64	-
		Receivables as at year end	3.63	2.99
5	Apollo Health and Lifestyle Limited	Investment in Equity	1,911.76	1,272.52
		Transaction during the year	510.16	185.45
		Payables as at year end	-	75.52
		Receivable as at year end	253.21	156.84
		Loan given	645.80	829.00
		Interest Income for the year	146.42	83.31
6	Apollo Home Healthcare Limited	Investment in Equity	100.00	-
		Investment in Debenture	25.00	-
		Transaction during the year	51.57	-
		Receivable as at year end	6.21	-
7	Apollo Healthcare Technology Solutions Limited	Investment in Equity	0.50	-
		Investment in Preference	957.50	-
8	Assam Hospitals Limited	Investment in Equity	572.44	-
9	Imperial Hospital & Research Centre Limited	Investment in Equity	1,272.62	1,272.62
		Transaction during the year	124.27	70.60
		Interest Income for the year	0.97	2.85
		Pharmacy Income	14.70	18.53
		Receivable as at year end	374.03	407.41
10	Apollo Nellore Hospitals Limited	Investment in Equity	53.96	53.96
		Transaction during the year	8.01	7.42
		Payable as at year end	10.94	4.83
11	Alliance Medicorp(India) Limited	Investment in Equity	-	67.83
		Transations during the year	5.16	7.87
		Payable as at year end	-	0.37
12	Alliance Dental Care Limited	Investment in Equity	-	103.65
		Receivables as at year end	0.60	2.56
		Corporates Guarantees Executed	-	475.00
		Transations during the year	28.15	47.85
13	Apollo Rajshree Hospitals Private Limited	Investment in Equity	343.85	346.45
		Receivables as at year end	33.40	21.17
		Transaction during the year	0.63	16.50
		Interest Income for the year	-	0.72
14	Apollo Sugar Clinics Limited	Transations during the year	62.28	15.59
		Payable as at year end	1.54	1.23
15	Apollo Hospitals International Limited	Investment in Equity	405.42	355.42
		Investment in Preference Shares	110.40	110.40
		Receivable as at year end	45.35	52.95
		Transactions during the year	0.88	11.65
16	Total Health	Investment in Equity	5.00	5.00
		Transactions during the year	8.34	-
17	Apollo Gleneagles Hospitals Limited	Investment in Equity	393.12	393.12
		Other Transaction during the year	152.18	61.42
		Pharmacy Income	1,046.87	61.62
		Fees	135.05	115.78
		Receivable as at year end	443.43	419.27
18	Apollo Gleneagles PET-CT Private Limited	Investment in Equity	85.00	85.00
		Payables as at year end	0.22	6.53
		Rent Received	2.12	1.88
		Deposits Refundable	20.54	20.84
		Transaction during the year	6.65	4.07
19	Western Hospitals Corporation Private Limited	Investment in Equity	153.66	153.66
		Interest paid during the year	6.49	-
		Loan Received	160.00	0.91
		Payable as at the year end	3.78	-
20	Apollo Munich Health Insurance Company Limited	Investment in Equity	357.09	357.09
		Transaction during the year	18.65	77.21
		Claim Payment	95.56	157.72
		Receivables as at year end	0.89	-

S.No	Name of Related Parties	Nature of Transaction	31.03.2016	31.03.2015
21	Apollo Lavasa Health Corporation Limited	Investment in Equity	312.20	150.00
		Transactions during the year	0.02	-
		Receivable as at year end	4.35	4.56
22	Family Health Plan (TPA) Limited	Investment in Equity	4.90	4.90
		Transaction during the year	255.26	67.85
		Receivables as at year end	38.77	29.98
23	Indraprastha Medical Corporation Limited	Investment in Equity	393.72	393.72
		Receivables as at year end	401.65	400.39
		Dividend Received	36.34	36.43
		Pharmacy Income	240.02	150.46
24	Stemcyte India Therapautics Private Limited	Investment in Equity	80.00	80.00
25	Dr.Prathap C Reddy	Remuneration Paid	136.19	152.82
26	Smt.Preetha Reddy	Remuneration Paid	48.20	49.25
27	Smt.Suneeta Reddy	Remuneration Paid	48.20	50.70
28	Smt.Sangita Reddy	Remuneration Paid	46.99	49.25
29	Smt.Shobana Kamineni	Remuneration Paid	49.66	49.97
30	Apollo Sindoori Hotels Limited	Transaction during the year	494.82	392.31
		Receivables as at year end	46.33	-
		Payables as at year end	11.11	23.50
31	Faber Sindoori Management Services Private Limited	Transaction during the year	567.98	474.83
		Payables as at year end	28.82	98.60
32	Lifetime Wellness Rx International Limited	Transaction during the year	14.87	2.19
		Receivable as at year end	13.68	6.58
33	P Obul Reddy & Sons	Receivable as at year end	12.62	15.83
		Transactions during the year	52.06	54.20
34	Keimed Private Limited	Payables as at year end	92.53	61.57
		Transactions during the year	5,146.98	4,822.80
		Advance Given	-	3.12
35	Medvarsity Online Limited	Transactions during the year	2.51	0.65
		Rent received	2.10	2.10
		Receivable as at year end	3.30	2.60
36	Apollo Mumbai Hospital Limited	Receivables as at year end	-	2.69
		Transactions during the year	-	2.80
37	Kurnool Hospitals Enterprise Limited	Investment in Equity	1.73	1.73
		Transactions during the year	3.84	-
		Receivables as at year end	5.90	-
38	AMG Healthcare Destination Private Limited	Investment in Equity	12.33	12.33
39	Future Parking Private Limited	Investment in Equity	24.01	24.01
		Investment in Preference Shares	210.00	-
		Receivables as at year end	162.23	-
		Lease Deposit	79.47	-
		Transaction during the year	163.86	0.02
40	Apollo Hospitals Educational Trust	Transactions during the year	30.13	0.63
		Receivables as at year end	288.25	337.85
41	Apollo Hospitals Educational and Research Foundation	Transactions during the year	12.30	11.90
		Receivables as at year end	155.17	149.93
42	Sapien Biosciences Private Limited	Investment in Equity	0.10	0.40
		Investment in Preferance	20.00	20.00
		Loan Given	9.00	-
		Interest Received	0.74	-
		Receivable as at year end	0.58	-
43	Palepu Pharma Private Limited	Payables as at year end	90.29	48.78
		Purchases	3,329.95	423.94
44	Medihauxe International Private Limited	Payables as at year end	20.26	-
		Purchases	430.91	-
45	Vardhman Pharma Distributors Private Limited	Payables as at year end	36.81	27.74
		Purchases	731.03	121.13
46	Focus Medisales Private Limited	Payables as at year end	21.90	15.41
		Purchases	460.49	59.68
47	Srinivasa Medisales Private limited	Payables as at year end	27.76	21.26
		Purchases	588.15	86.84
48	Meher Distributors Private Limited	Payables as at year end	15.44	11.77
		Purchases	402.22	32.10
49	Lucky Pharmaceuticals Private Limited	Payables as at year end	44.17	41.35
		Purchases	931.61	27.19
50	Neelkanth Drugs Private Limited	Payables as at year end	74.32	47.18
		Purchases	1,110.79	163.49
51	Dhruvi Pharma Private Limited	Payables as at year end	16.48	18.90
		Purchases	330.47	8.40
52	Apokos Rehab Private Limited	Investment in Equity	57.50	57.50
		Pharmacy Income	0.12	-
		Receivable as at year end	0.64	-
		Transactions during the year	0.02	-

34. Leases

In respect of Non- cancellable Operating Leases

Lease payments recognized in the Statement of Profit and Loss is ₹1,927.20 million (₹1,487.16 million)

(₹ in million)

Minimum Lease Payments	31.03.2016	31.03.2015
Not later than one year	1,256.82	542.63
Later than one year and not more than five years	8,114.32	3,634.78
Later than Five years	13,862.69	15,882.25

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

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

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

Name of the Company	Country of Incorporation	Proportion of ownership Interest (%) 31.03.2016	Proportion of ownership Interest (%) 31.03.2015
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	10.00	10.23
Future Parking Private Limited	India	49.00	49.00
Apollo Lavasa Health Corporation Limited	India	#	37.50
Apokos Rehab Private Limited	India	50.00	50.00

* Inclusive of 23%(27%) shares held by Apollo Home Healthcare (India) Limited, a 100% subsidiary of Apollo Hospitals Enterprise Limited.

During the year Apollo Lavasa Health Corporation Limited has become the Subsidiary of Apollo Hospitals Enterprise Limited.

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

(₹ in million)

Particulars	As at 31st March, 2016	As at 31st March, 2015
I ASSETS		
Non-current assets		
(a) Fixed assets		
(i) Tangible assets	2,139.92	2,202.73
(ii) Intangible assets	16.70	19.22
(iii) Capital work-in-progress	116.11	187.51
(b) Non-current investments	705.06	516.79
(c) Deferred tax assets (net)	88.37	108.73
(d) Long-term loans and advances	253.11	319.49
Current Assets		
(a) Current investments	20.00	4.11
(b) Inventories	61.71	49.24
(c) Trade receivables	475.01	347.07
(d) Cash and cash equivalents	454.61	525.24
(e) Short-term loans and advances	98.80	28.32
(f) Other current assets	74.53	102.86
II LIABILITIES		
Non-current liabilities		
(a) Long-term borrowings	523.39	601.23
(b) Deferred tax liabilities (Net)	155.08	146.47
(c) Other Long term liabilities	-	49.28
(d) Long-term provisions	6.82	6.50
Current liabilities		
(a) Short-term borrowings	91.68	156.99
(b) Trade payables	400.79	548.17
(c) Other current liabilities	1,147.69	852.38
(d) Short-term provisions	28.39	2.31
III INCOME		
(a) Revenue from operations	3,507.21	2,991.49
(b) Other income	17.56	13.96
IV EXPENSES		
(a) Material consumption, purchase of stock in trade and changes in inventories	767.03	682.32
(b) Employee benefit expenses	619.18	540.25
(c) Finance costs	74.71	108.27
(d) Depreciation and amortization expense	222.66	201.96
(e) Other expenses	1,531.83	1,267.12
Profit before tax	309.36	205.53
(a) Provision for Taxation (Including Deferred Tax Liability)	111.89	81.67
(b) Add: Deferred tax asset	1.93	6.15
Net Profit	**199.40**	**130.01**
V OTHER MATTERS		
(a) Contingent Liabilities	243.50	321.27
(b) Capital Commitments	62.83	71.83

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

37 Pursuant to section 129 of the Act and Rule 5 of companies (Accounts) Rules 2014, the financial statements for twenty one of the company subsidiaries including fellow subsidiaries, six joint ventures and three associates are furnished Form AOC 1.

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

39 Unrealised amounts on project development and pre-operative project expenses incurred at Bilaspur Hospital amounting to ₹56.62 million are included in advances and deposits account. The above expenses incurred on project will be amortised over the balance lease period of 4 years. The balance yet to be amortised as on 31.03.2016 is ₹12.58 million (₹15.73 million).

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

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

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

As per our Report annexed

For **S. Viswanathan LLP**
Chartered Accountants
Firm Registration No. 004770S/S200025

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

Place : Chennai
Date : 25th May 2016

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
Vice President - Finance
& Company Secretary

For and on behalf of the Board of Directors

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Executive Vice Chairperson

Suneeta Reddy
Managing Director

Cash Flow Statement

for the year ended 31st March 2016

(₹ in million)

		31.03.2016		31.03.2015	
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net profit before tax and extraordinary items		**4,521.27**		**4,673.29**
	Adjustment for:				
	Depreciation & Amortization	1,981.29		1,580.41	
	Profit on sale of Investment	(467.72)		(103.72)	
	Loss on sale of asset	33.86		27.68	
	Interest paid	1,335.79		832.88	
	Foreign Exchange gain / loss	27.08		10.31	
	Interest received	(175.93)		(100.82)	
	Dividend received	(45.28)		(64.06)	
	Bad debts written off	200.17	3,001.56	215.42	2,398.10
	Provision for diminution in value of Investments		112.30		-
	Operating profit before working capital changes		**7,552.83**		**7,071.39**
	Adjustment for:				
	Trade or other receivables	(855.83)		(1,026.36)	
	Inventories	(896.49)		(675.31)	
	Trade payables	811.79		713.77	
	Others	1,050.08	109.55	(1,246.07)	(2,233.97)
	Cash generated from operations		7,632.38		4,837.42
	Foreign Exchange gain / loss		(27.08)		(10.31)
	Taxes paid		(1,326.44)		(936.48)
	Cash flow before extraordinary items		6,278.36		3,890.63
	Net cash from operating activities		**6,278.36**		**3,890.63**
B	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of fixed assets		(7,725.37)		(6,847.28)
	Purchase of investments		(2,819.39)		(960.87)
	Investment in Subsidiaries & Joint Ventures & Associates		-		(211.28)
	Sale of investments		1,207.33		1,045.93
	Interest received		175.93		100.82
	Dividend received		45.28		64.06
	Cash flow before extraordinary item		(9,116.22)		(6,808.62)
	Net cash used in Investing activities		**(9,116.22)**		**(6,808.62)**

(₹ in million)

	31.03.2016	31.03.2015
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	7,630.00	5,410.00
Proceeds from short term borrowings	1,410.00	379.92
Repayment of finance/lease liabilities	(3,186.21)	(835.78)
Interest paid	(1,335.79)	(832.88)
Dividend paid	(1,615.35)	(799.97)
Net cash from financing activities	2,902.65	3,321.29
Net increase in cash and cash equivalents (A+B+C)	65.29	403.30
Cash and cash equivalents (Opening balance)	2,492.28	2,088.98
Cash and cash equivalents (Closing balance)	2,557.56	2,492.28
Component of Cash and Cash equivalents		
Cash on Hand	144.02	112.39
Balance with Banks		
1) Available with the company for day to day operations	2,364.21	2,351.48
2) Amount available in unclaimed dividend and unclaimed deposit payment accounts	49.33	28.41

Notes:

1. Previous year figures have been regrouped wherever necessary.

As per our Report annexed

For **S. Viswanathan LLP**
Chartered Accountants
Firm Registration No. 004770S/S200025
V C Krishnan
Partner
(Membership No. 022167)
17, Bishop Wallers Avenue West
Mylapore, Chennai - 600 004

Place : Chennai
Date : 25th May 2016

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
Vice President - Finance
& Company Secretary

For and on behalf of the Board of Directors

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Executive Vice Chairperson

Suneeta Reddy
Managing Director

TEN years Standalone Financial Performance at a Glance

(₹ in million)

Financial Highlights for the year ended	31st Mar 2016	31st Mar 15	31st Mar 14	31st Mar 13	31st Mar 12	31st Mar 11	31st Mar 10	31st Mar 09	31st Mar 08	31st Mar 07
Balance Sheet										
Sources										
Share Capital	695.63	695.63	695.63	695.63	672.33	623.55	617.85	602.35	586.85	516.38
Preferential issue of equity share warrants	-	-	-	-	387.05	685.07	-	-	-	-
Reserves and Surplus	33,605.68	30,915.08	28,951.61	26,580.34	22,463.28	16,413.02	14,799.93	13,106.20	11,793.51	7,016.90
Networth	34,301.31	31,610.71	29,647.24	27,275.97	23,522.66	17,721.64	15,417.78	13,708.55	12,380.36	7,533.28
Loans (including long term liabilities and provisions)	19,489.50	14,609.49	10,079.98	8,825.42	6,921.47	7,689.40	6,899.86	4,494.82	3,056.35	1,441.80
Deferred Tax Liability	4,769.13	4,019.46	3,288.58	2,394.11	1,700.85	1,071.06	751.45	626.56	589.70	570.64
Applications										
Gross Block	44,777.21	37,139.45	31,438.71	26,427.74	21,196.95	17,968.91	15,289.23	11,779.31	8,300.10	6,435.85
Accumulated Depreciation	9,669.97	7,742.41	6,742.13	5,785.31	4,827.51	3,987.44	3,314.74	2,779.92	2,348.32	1,982.88
Net Block	35,107.24	29,397.04	24,696.58	20,642.43	16,369.44	13,984.47	11,974.49	8,999.39	5,951.78	4,452.97
Investments	9,097.70	7,130.21	6,900.27	8,960.35	7,641.18	6,241.12	4,897.88	6,292.80	7,060.10	3,229.60
Long Term Loans and Advances	7,024.10	5,850.63	4,876.08	3,227.58	5,103.33	4,521.44	1,859.70	1,426.06	1,077.59	591.40
Current Assets, Loans & Advances										
Inventory	4,221.53	3,325.04	2,649.74	2,053.88	1,827.09	1,505.21	1,343.43	1,088.42	790.89	551.95
Debtors	6,151.09	5,495.45	4,684.51	4,266.09	3,537.70	2,696.43	2,055.34	1,607.35	1,261.59	978.92
Cash & Bank Balances	2,557.56	2,492.28	2,088.98	2,554.66	1,869.55	1,414.40	2,855.58	646.16	1,045.57	644.03
Loans & Advances	4,225.03	4,508.94	2,669.73	1,838.90	1,234.94	1,193.53	1,260.19	797.36	664.53	483.65

(₹ in million)

TEN years Standalone Financial Performance at a Glance

Financial Highlights for the year ended	31st Mar 2016	31st Mar 15	31st Mar 14	31st Mar 13	31st Mar 12	31st Mar 11	31st Mar 10	31st Mar 09	31st Mar 08	31st Mar 07
(A)	17,155.21	15,821.71	12,092.96	10,713.53	8,469.28	6,809.37	7,514.54	4,139.29	3,762.58	2,658.55
Current Liabilities & Provisions										
Creditors	4,012.78	3,201.00	2,487.23	1,763.42	1,709.36	1,794.01	1,781.07	750.05	725.74	557.64
Other Liabilities	3,747.12	3,454.56	1,746.51	2,130.62	2,955.67	2,593.45	839.95	776.96	677.20	696.94
Provisions	531.73	1304.37	1,316.35	1,154.35	773.22	684.04	556.50	500.60	422.70	132.22
(B)	8,291.63	7,959.93	5,550.09	5,048.39	5,438.25	5,071.50	3,177.52	2,027.61	1,825.64	1,386.80
Net Current Assets (A - B)	8,863.58	7,861.78	6,542.87	5,665.14	3,031.03	1,738.07	4,337.021	2,111.68	1,936.94	1,271.75
Miscellaneous Expenditure	-		-	-	-	-	0.12	0.45	3.07	7.80
Key Indicators										
O P M %	14.78	15.60	16.38	17.46	17.41	16.93	16.90	16.38	17.54	16.71
N P M %	6.74	7.47	8.51	9.23	8.17	7.72	8.18	7.98	8.85	11.12
Collection Growth %	18.11	19.41	15.98	18.42	20.36	26.61	25.56	28.72	27.85	25.10
OP Growth (%)	11.91	13.67	8.85	18.76	24.60	30.16	29.72	20.27	14.15	21.82
Earnings Per Share (₹) (Basic)	26.55	24.91	23.77	22.43	17.72	14.66	12.31	19.80	18.61	19.63
Capital Employed	57,216.70	48,421.10	40,442.90	36,954.47	29,693.24	25,131.74	22,317.52	18,202.93	15,433.65	8,967.28
Book value per Share	246.55	227.24	220.00	196.00	172.05	136.61	249.54	226.30	208.48	144.56
ROI (PBIT/AV.CE) %	11.09	12.39	13.10	14.42	14.63	13.83	12.83	11.33	13.52	14.95
RONW %	11.21	11.32	11.62	12.17	11.20	10.97	10.43	9.09	10.22	9.84
Employee Cost to Collections %	15.43	15.54	15.80	15.66	15.15	15.18	15.40	14.93	14.65	14.21
Debt/Equity Ratio	0.67	0.52	0.35	0.35	0.29	0.43	0.44	0.33	0.25	0.19

TEN years Standalone Financial Performance at a Glance

(₹ in million)

Profit & Loss Account	31st March 2016		31st March 2015		31st March 2014		31st March 2013		31st March 2012		31st March 2011		31st March 2010		31st March 2009		31st March 2008		31st March 2007	
		(%)		(%)		(%)		(%)		(%)		(%)		(%)		(%)		(%)		(%)
Income	54,779.64		46,380.62		38,840.00		33,488.18		28,279.20		23,495.65		18,587.45		14,803.50		11,500.66		8,995.15	
Operative Expenses	28,776.45	52.53	24,239.55	52.26	20,018.93	51.54	17,198.23	51.36	14,554.76	61.95	12,275.73	52.25	9,944.64	53.50	8,096.51	54.69	6,207.33	53.97	4,901.83	54.49
Salaries and Wages	8,455.15	15.43	7,209.58	15.54	6,102.23	15.71	5,243.99	15.66	4,285.07	18.24	3,572.00	15.20	2,863.80	15.41	2,210.51	14.93	1,684.82	14.65	1,278.70	14.21
Administrative Expenses	9,452.93	17.26	7,698.03	16.60	6,356.58	16.37	5,200.16	15.53	4,516.91	19.22	3,697.38	15.74	2,633.37	14.17	2,065.74	13.95	1,582.37	13.76	1,297.76	14.43
Operating Profit	8,095.11	14.78	7,233.46	15.60	6,363.14	16.38	5,845.80	17.46	4,922.46	20.95	3,950.54	16.81	3,145.63	16.92	2,424.94	16.38	2,017.41	17.54	1,503.48	16.71
Financial Expenses	1,335.79	2.44	832.88	1.80	870.68	2.24	726.25	2.17	636.03	2.71	551.45	2.35	377.47	2.03	223.16	1.51	198.98	1.73	164.24	1.83
Depreciation	1,981.29	3.62	1,580.41	3.41	1,290.78	3.32	1,085.20	3.24	911.28	3.88	705.85	3.00	543.06	2.92	439.20	2.97	367.46	3.19	308.01	3.42
Exceptional / Extraordinary Items	256.78	0.47	146.88	0.32	-	-	45.45	-	-	-	-	-	-	-	40.19	0.27	-	-	325.07	3.61
PBT	4,521.25	8.25	4,673.29	10.08	4,201.68	10.82	4,079.80	12.18	3,375.15	14.36	2,693.24	11.46	2,221.65	11.95	1,722.39	11.63	1,450.98	12.62	1,356.30	15.08
Tax - Current	77.20	0.14	476.46	1.03	0.00		295.45	0.88	435.46	1.85	556.45	2.37	577.12	3.10	479.79	3.24	381.12	3.31	288.16	3.20
Previous	-		-		-	-		-	-	-	-	-	-	-	-	-	13.27	0.12	33.48	0.37
Deferred	749.66	1.37	730.88	1.58	894.48	2.30	693.26	2.07	629.79	2.68	319.61	1.36	124.89	0.67	36.86	0.25	19.06	0.17	20.44	0.23
Fringe Benefit Tax	-		-		-										25.04	0.17	20.07	0.17	13.52	0.15
PAT	3,694.39	6.74	3,465.95	7.47	3,307.20	8.51	3,091.09	9.23	2,309.90	9.83	1,817.18	7.73	1,519.63	8.18	1,180.69	7.97	1,017.45	8.85	1,000.70	11.12
Dividend	1,003.79		799.97		799.97		765.19		537.87		467.67		432.49		401.60		352.11		258.18	

Form AOC-1

Statement containing salient features of the financial statements of Subsidiaries/ Associate Companies/Joint Ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014)

Part "A" Subsidiaries

(₹ in million)

Sl. No	Name of the subsidiary	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities (Excluding Capital and Reserves	Investments	Turnover	Profit before taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of share holding
1	2	3	4	5	6	7	8	9	10	11	12	13	
1	Apollo Home Healthcare (I) Limited	INR	298.23	40.85	348.20	9.12	291.21	12.53	0.11	-	0.11	-	100.00
2	AB Medical Centers Limited	INR	16.80	36.42	54.46	1.24	-	6.79	6.34	1.68	4.66	-	100.00
3	Apollo Health and Lifestyle Limited	INR	637.31	633.62	5,286.47	4,015.54	275.90	2,000.13	(68.78)	(11.92)	(56.86)	-	99.29
4	Samudra Healthcare Enterprise Limited	INR	125.00	107.12	368.07	135.95	-	266.40	(1.08)	(5.57)	4.49	-	100.00
5	Western Hospitals Corporation Pvt Limited	INR	180.00	(7.07)	176.63	3.70	-	14.44	13.97	4.37	9.60	-	100.00
6	Total Health	INR	5.00	23.61	29.09	0.48	-	8.84	(2.30)	-	(2.30)	-	100.00
7	Apollo Healthcare Technology Solutions Limited	INR	958.00	(7.82)	950.36	0.18	-	-	(7.67)	-	(7.67)	-	100.00
8	Apollo Hospital (UK) Limited	INR	0.48	(5.68)	0.48	5.68	-	-	(0.66)	-	(0.66)	-	100.00
		GBP	0.005	(0.06)	0.01	0.06	-	-	(0.01)	-	(0.01)	-	100.00
9	Apollo Hospitals Singapore Pte Limited	INR	1.47	(1.06)	0.70	0.29	-	-	(1.06)	-	(1.06)	-	100.00
		SGD	0.03	(0.02)	0.01	-	-	-	(0.02)	-	(0.02)	-	-
10	Imperial Hospital & Research Centre Limited	INR	299.50	231.10	2,455.69	1,925.09	0.50	1,839.90	130.90	69.20	61.70	-	90.00
11	Apollo Nellore Hospital Limited	INR	13.97	(8.33)	14.23	8.59	-	8.01	7.93	1.75	6.18	-	79.44
12	Apollo Rajshree Hospitals Pvt Limited	INR	196.87	(62.89)	480.78	346.80	-	201.70	(78.42)	5.45	(83.87)	-	57.27
13	Sapien Bio-Sciences Pvt Limited	INR	20.14	(29.98)	5.19	15.02	-	5.95	(10.38)	(0.01)	(10.37)	-	70.00
14	Apollo Lavasa Health Corporation Limited	INR	12.79	584.48	782.54	185.27	-	7.20	(39.45)	-	(39.45)	-	51.00
15	Apollo Home Health Care Limited	INR	88.88	(95.53)	39.10	45.75	-	59.88	(114.31)	(0.67)	(113.64)	-	80.87
16	Assam Hospitals Limited	INR	84.30	749.14	1,042.78	209.34	3.31	869.55	37.16	19.16	18.00	-	51.00
17	Akeso Healthcare Private Limited **	INR	13.70	10.54	40.59	16.35	-	45.86	(0.32)	0.30	(0.62)	-	100.00
18	Apollo Cosmetic Surgical Center Private Limited **	INR	40.98	(20.81)	21.70	1.53	5.28	12.24	(10.11)	-	(10.11)	-	100.00
19	Alliance Dental Care Limited **	INR	37.82	82.29	449.21	329.10	-	382.34	(60.59)	2.09	(62.68)	-	70.00
20	Apollo Dialysis Private Limited **	INR	37.04	(12.62)	46.60	22.18	-	49.13	(6.30)	-	(6.30)	-	70.00
21	Apollo Sugar Clinics Limited **	INR	36.68	483.16	565.89	46.05	268.61	190.46	(171.01)	-	(171.01)	-	80.00

** Subsidiaries of Apollo Health and Lifestyle Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries -
Exchange rate of GBP ₹95.44, Exchange rate of Singapore SGD ₹48.89.

Notes The following information shall be furnished at the end of the statement:

1 Names of subsidiaries which are yet to commence operations - Apollo Hospital (UK) Limited, Apollo Healthcare Technology Solutions Limited & Apollo Hospitals Singapore Pte Limited
2 Names of subsidiaries which have been liquidated or sold during the year
   a) As per the scheme of arrangement approved by Hon'ble High Court of Madras, the dialysis division of Alliance Medicorp (I) Ltd was demerged into Apollo Dialysis Pvt Ltd and the remaining undertaking was amalgamated with Alliance Dental Care Limited. Alliance Medicorp (I) Limited shall stand dissolved without being wound up.
   b) The Company has transferred its entire equity stake in Alliance Dental Care Limited and Apollo Dialysis Pvt Ltd to its subsidiary, Apollo Health & Life Style Limited
   c) Apollo Lavasa Health Corporation Limited, an erstwhile Joint Venture has now became a subsidiary of the Company due to its equity holding increasing to 51%

Part "B": Associates and Joint Ventures

Statement Pursuant to Section129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sl. No.	Name of Associates/Joint Ventures	Latest Audited Balance Sheet Date	Number of shares	Amount of Investment in Associates / Joint Venture (` in million)	Extent of Holding %	Description of how there is significant influence	Reason why the associate/joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet (₹ in million)	Profit / Loss for the year (₹ in million)	i. Considered in Consolidation (₹in million)	ii. Not Considered (₹ in million)
	Associates										
1	Family Health Plan (TPA) Limited	31st Mar, 2016	490,000	4.90	49.00	Ref Note.1	-	160.62	68.87	33.75	
2	Indraprastha Medical Corporation Limited	31st Mar, 2016	20,190,740	393.72	22.03	Ref Note.1	-	447.51	282.34	62.20	-
3	Stemcyte India Therapautics Pvt Limited	31st Mar, 2016	240,196	80.00	24.50	Ref Note.1	-	8.94	(12.72)	(3.12)	-
	Joint Ventures										
4	Apollo Gleneagles Hospitals Limited	31st Mar, 2016	54,675,697	393.12	50.00	Ref Note.1	-	1,006.53	324.20	162.10	-
5	Apollo Gleneagles PET-CT Pvt Limited	31st Mar, 2016	8,500,000	85.00	50.00	Ref Note.1	-	57.27	(14.18)	(7.09)	-
6	Apollo Hospitals International Limited	31st Mar, 2016	23,944,266	515.82	50.00	Ref Note.1	-	176.46	9.60	4.80	-
7	Future Parking Pvt Limited	31st Mar, 2016	2,401,000	24.01	49.00	Ref Note.1	-	117.51	(22.01)	(10.78)	-
8	Apollo Munich Health Insurance Company Limited	31st Mar, 2016	35,709,000	357.09	10.00	Ref Note.1	-	629.86	74.60	7.46	-
9	Apkos Rehab Pvt. Limited	31st Mar, 2016	5,750,000	57.50	50.00	Ref Note.1	-	49.15	(7.67)	(3.83)	-

Note:
1 There is a significant influence due to control over the board and % of shareholding.
2 The above statement also indicates performance and financial position of each JV/Associate.
3 Names of Associates or Joint Ventures which are yet to commence operations - Nil.
4 Names of Associates or Joint Ventures which have been liquidated or sold during the year.
Apollo Lavasa Health Corporation Limited, an erstwhile Joint Venture has now became a subsidiary of the Company due to its equity holding increasing to 51%

As per our Report annexed

For **S. Viswanathan LLP**
Chartered Accountants
Firm Registration No. 004770S/S200025

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

Place : Chennai
Date : 25th May 2016

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
Vice President - Finance
& Company Secretary

For and on behalf of the Board of Directors

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Executive Vice Chairperson

Suneeta Reddy
Managing Director

Independent Auditor's Report

to the Members of Apollo Hospitals Enterprise Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying Consolidated financial statements of APOLLO HOSPITALS ENTERPRISE LIMITED ("the Company") and its subsidiaries (The Holding Company and its subsidiaries together referred to as the "Group"), its jointly controlled entities and associate companies which comprise the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "the consolidated financial statements")

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "The Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly Controlled entities in accordance with accounting principles generally accepted in India, including the Accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules,2014. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial and statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

6. We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in the Other Matters paragraph 9, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matters

8. We draw attention to note 35 to the consolidated financial statements. Our opinion is not modified in respect of these matters.

Other Matters

9. Financial statements of three subsidiaries Note (2A) and one jointly controlled entity Note (2C) which reflect total assets of ₹ 12,277.79 million as at 31st March 2016, total revenue of ₹9,271.9 million as 31st March 2016 and net cash flows amounting to ₹479.55 million for the year ended on that date, have been audited by us.

10. We did not audit the financial statements of Thirteen subsidiaries Note (2A), and five jointly controlled entities Note (2C), whose financial statements reflect total assets of ₹13,066 million as at 31st March, 2016, total revenues of ₹6,147 million and net cash flows amounting to ₹(386) million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹78 million for the year ended 31st March, 2016, as considered in the consolidated financial statements, in respect of three associates Note (2B), whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, aforesaid, is based on the reports of the other auditors.

We did not audit the financial statements of one jointly controlled entity, whose financial statements reflect total assets of ₹104.89 million as at 31st March, 2016, total revenues of ₹2.36 millions and net cash flows amounting to ₹(41.57) million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of loss of ₹(3.12) million for the year ended 31st March, 2016, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management, In our opinion our report in terms of sub-sections (3), (3)(i) and (11) of Section 143 of the Act in so far as it relates to the aforesaid associate and joint venture cannot be given since the said financial statements are unaudited. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates incorporated inside India, is based solely on the reports of the other auditors. In respect of subsidiaries incorporated outside India, in our view the report in terms of sub section (3) of Sec 143 of the Act is not applicable.

Report on Other Legal and Regulatory Requirements

11. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

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

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group's companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls refer to our separate report in Annexure 'A".

12. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion, based on the corresponding report of the auditors of such company incorporated in India (among which one associate and one joint venture is based on the management certified accounts) and to the best of our information and according to the explanations given to us:

(i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities in accordance with the generally accepted accounting practice– Refer Note 29 to the consolidated financial statements.

(ii) The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts it is based on the corresponding report of the auditors of such company incorporated in India.

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

For **S Viswanathan LLP**
Chartered Accountants
FRN: 004770S/S200025

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

V C Krishnan
Partner
Membership No: 022167

Place: Chennai
Date : 25th May 2016

Annexure - A to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Apollo Hospitals Enterprises Limited ("the Holding Company") its Subsidiaries associate and Jointly Controlled entities (collectively referred to as "the group") as of 31 March 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its Subsidiaries and jointly controlled entity and its Associate, which are companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtainedand the audit evidence obtained by other auditors in terms of the report referred to in the other matter paragraph below , is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that :

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company;

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other matter

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to the subsidiaries and joint ventures and associates which are incorporated in India , is based on the corresponding report of the auditors of such company incorporated in India among which one associate and one joint venture is based on the management certified accounts.

For **S Viswanathan LLP**
Chartered Accountants
FRN: 004770S/S200025

V C Krishnan
Partner
Membership No: 022167

Place: Chennai
Date : 25th May 2016

Consolidated Balance Sheet

As at 31st March 2016

(₹in million)

Particulars	Note	31.03.2016	31.03.2015
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share capital	4	695.63	695.63
(b) Reserves and surplus	5	33,840.90	31,006.31
2 Minority Interest		1,303.21	730.14
Share application money pending allotment		-	11.38
3 Non-current liabilities			
(a) Long-term borrowings	6	22,956.37	17,280.58
(b) Deferred tax liabilities (Net)	7	4,977.22	4,222.32
(c) Other Long term liabilities	8	12.83	50.33
(d) Long-term provisions	9	31.89	34.48
4 Current liabilities			
(a) Short-term borrowings	10	1,820.02	857.37
(b) Trade payables		4,636.38	3,643.24
Add : Share of Joint Ventures		400.79	548.17
(c) Other current liabilities*	11	5,583.02	4,399.09
(d) Short-term provisions	12	613.38	1,315.38
TOTAL		**76,871.64**	**64,794.42**
II. ASSETS			
Non Current Assets			
1 Goodwill on Consolidation		2,120.22	1,652.45
(a) Fixed assets			
(i) Tangible assets	13	34,443.42	30,328.15
(ii) Intangible assets	14	1,683.17	460.58
(iii) Capital work-in-progress	15	5,955.75	5,326.40
(b) Non-current investments	16	1,980.25	1,650.79
(c) Deferred tax assets (net)	7	134.18	202.77
(d) Long-term loans and advances	17	7,953.40	5,784.51
2 Current assets			
(a) Current investments	18	717.21	1,455.70
(b) Inventories	19	4,432.79	3,502.63
(c) Trade receivables	20	7,019.95	6,092.74
(d) Cash and cash equivalents	21	3,975.68	3,773.33
(e) Short-term loans and advances	22	5,969.15	4,199.94
(f) Other current assets	23	486.47	364.43
TOTAL		**76,871.64**	**64,794.42**
III CONSOLIDATED NOTES FORMING PART OF ACCOUNTS 1-41			

* includes a portion of Long term borrowings of ₹2,090.47 (₹1,784.63) million payable within the next 12 months.

As per our Report annexed

For **S. Viswanathan LLP**
Chartered Accountants
Firm Registration No. 004770S/S200025
V C Krishnan
Partner
(Membership No. 022167)
17, Bishop Wallers Avenue West
Mylapore, Chennai - 600 004

Place : Chennai
Date : 25th May 2016

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
Vice President - Finance
& Company Secretary

For and on behalf of the Board of Directors

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Executive Vice Chairperson

Suneeta Reddy
Managing Director

Consolidated Statement of Profit and Loss

for the year ended 31st March 2016

(₹in million)

Particulars	Note	31.03.2016	31.03.2015
I. REVENUE FROM OPERATIONS	24	60,855.88	51,784.53
II. OTHER INCOME	25	266.91	367.52
Total Revenue		**61,122.79**	**52,152.05**
III. EXPENSES			
(a) Cost of materials consumed during the year		12,115.66	11,580.89
(b) Purchase of Stock-in-Trade		18,452.30	14,041.45
(c) Changes in inventories of stock-in-trade		(777.18)	(492.68)
Add : Share of Joint Ventures		766.94	682.32
(d) Employee benefits expense	26	10,242.25	8,600.25
(e) Finance costs	27	1,684.90	1,178.54
(f) Depreciation and amortization expense		2,532.79	2,116.51
(g) Other expenses	28	12,233.02	10,025.59
Total Expenses		**57,250.69**	**47,732.87**
IV. PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX		3,872.10	4,419.18
V. EXCEPTIONAL ITEMS		(291.57)	146.88
VI. PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX		4,163.68	4,272.30
VII. EXTRAORDINARY ITEMS		-	281.83
VIII PROFIT BEFORE TAX		4,163.68	4,554.13
IX TAX EXPENSE			
(a) Current Tax / (MAT)		1,088.13	1,005.67
(b) MAT Credit Entitlement		(902.01)	(445.74)
(c) Net Current Tax		186.12	559.92
(d) Deferred tax		824.45	772.05
(e) Add : Deferred tax Asset	7	8.39	31.96
X PROFIT (LOSS) FOR THE PERIOD (XI + XIV)		3,161.50	3,254.12
Less : Minority Interest		(73.37)	(51.39)
XI PROFIT AFTER MINORITY INTEREST		3,234.87	3,305.51
Add : Share in Associates		75.25	93.52
XII PROFIT AFTER SHARE IN ASSOCIATES		3,310.12	3,399.03
XIII EARNINGS PER EQUITY SHARE OF FACE VALUE OF ₹5 EACH			
Before Extraordinary Item			
(1) Basic (in ₹)		23.79	22.41
(2) Diluted (in ₹)		23.79	22.41
After extraordinary item			
(1) Basic (in ₹)		23.79	24.43
(2) Diluted (in ₹)		23.79	24.43
XIV CONSOLIDATED NOTES FORMING PART OF ACCOUNTS 1-41			

As per our Report annexed

For **S. Viswanathan LLP**
Chartered Accountants
Firm Registration No. 004770S/S200025
V C Krishnan
Partner
(Membership No. 022167)
17, Bishop Wallers Avenue West
Mylapore, Chennai - 600 004

Place : Chennai
Date : 25th May 2016

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
Vice President - Finance
& Company Secretary

For and on behalf of the Board of Directors

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Executive Vice Chairperson

Suneeta Reddy
Managing Director

Notes Forming Part of Accounts

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

1. Basis of Accounting

The financial statements are prepared under the historical cost convention under accrual method of accounting and as a going concern, in accordance with the Generally Accepted Accounting Principles (GAAP) prevalent in India and the Mandatory Accounting Standards as notified under the Companies (Accounting Standards) Rules, 2006 and according to the provisions of the Companies Act, 2013.

Apollo Hospital (UK) Limited

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

Apollo Munich Health Insurance Company Limited

The financial statements have been prepared in accordance with generally accepted accounting principles and practices followed in India and conform to the statutory requirements of the Insurance Act, 1938. The Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002, orders and directions issued by IRDA in this regard. The Companies Act, 2013 to the extent applicable and the accounting standards issued by the Institute of Chartered Accountants of India (ICAI) to the extent applicable. The financial statements have been prepared on 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 2016	% of holding as on 31st March 2015
Apollo Home Healthcare (India) Limited	India	100.00	100.00
Apollo Home Healthcare Limited	India	80.87	Nil
AB Medical Centres Limited	India	100.00	100.00
Apollo Health and Lifestyle Limited	India	99.29	100.00
Samudra Healthcare Enterprise Limited	India	100.00	100.00
Imperial Hospital & Research Centre Limited	India	90.00	90.00
Apollo Hospital (UK) Limited	United Kingdom	100.00	100.00
Apollo Hospitals Singapore Pte Ltd	Singapore	100.00	Nil
Apollo Nellore Hospitals Limited	India	79.44	79.44
Apollo Rajshree Hospitals Private Limited	India	57.27	57.66
Apollo Lavasa Health Corporation Limited	India	51.00	Nil
Alliance Medicorp (India) Limited	India	Nil	51.00
Western Hospitals Corporation Private Limited	India	100.00	100.00
Sapien Biosciences Private Limited	India	70.00	70.00
Total Health	India	100.00	100.00
Apollo Health Care Technology Solutions Ltd	India	100.00	Nil
Assam Hospitals Limited	India	51.00	Nil
Apollo Cosmetic Surgical Centre Private Limited	India	#	#
Apollo Dialysis Private Limited	India	##	Nil
Alliance Dental Care Limited	India	##	Nil
Apollo Bangalore Cradle Limited	India	Nil	@
Akeso Healthcare Private Limited	India	###	###
Apollo Sugar Clinics Limited	India	**	**
Nova Speciality Hospitals Private Limited	India	Nil	***

@ Nil% subsidiary of Apollo Health and Lifestyle Limited (2014-15 : 81.37%)
100% subsidiary of Apollo Health and Lifestyle Limited (2014-15 : 69.40%).
70% subsidiary of Apollo Health and Lifestyle Limited (2014-15 : Nil%).
100% subsidiary of Apollo Health and Lifestyle Limited (2014-15: 100%)
**80% subsidiary of Apollo Health and Lifestyle Limited (formerly known as Apollo Clinics Gujarat Limited) (2014-15: 80%).
*** Nil% subsidiary of Apollo Health and Lifestyle Limited (2014-15: 100%).

2. Financial Statements of all the subsidiaries have been drawn upto 31st March 2016.

3. Minority Interest consists of the share in the net assets of the subsidiaries, as on the date of the Balance Sheet.

B. Investment in Associates:

1. The Associate Companies considered in the Consolidated Financial Statements are:

Name of the Associate Company	Country of Incorporation	Proportion of ownership interest (%) as on 31st March 2016	Proportion of ownership interest (%) as on 31st March 2015
Indraprastha Medical Corporation Limited	India	22.03	22.03
Family Health Plan (TPA) Limited	India	49.00	49.00
Stemcyte India Therapautics Private Limited	India	24.50	24.50

2. The financial statements of all associates are drawn upto 31st March 2016.

C. Investments in Joint Ventures:

1. The following are jointly controlled entities.

Name of the Company	Country of Incorporation	Proportion of ownership interest (%) as on 31st March 2016	Proportion of ownership interest (%) as on 31st March 2015
Apollo Gleneagles Hospitals Limited	India	50.00	50.00
Apollo Gleneagles PET – CT Private Limited	India	50.00	50.00
Apollo Hospitals International Limited **	India	50.00	50.00
Future Parking Private Limited	India	49.00	49.00
Apollo Munich Health Insurance Company Limited	India	10.23	10.23
Apollo Lavasa Health Corporation Limited ***	India	-	37.50
Apokos Rehab Private Limited	India	50.00	50.00

** Apollo Hospitals Enterprise Limited directly holds 27% (23%) in Apollo Hospitals International Limited and a further 23% (27%) through its wholly owned subsidiary Apollo Home Healthcare (India) Limited.

*** Apollo Lavasa Health Corporation Limited has been considered as a Subsidiary in 2015-16, as the investment in the Company is 51%. The Company was a joint venture until 2014-15, 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 2016.

3. The Group's interests in the Joint Ventures accounted for using proportionate consolidation in the Consolidated Financial Statements are:

(₹in million)

Particulars	31.03.2016	31.03.2015
I ASSETS		
Non-current assets		
(a) Fixed assets		
(i) Tangible assets	2,139.92	2,202.73
(ii) Intangible assets	16.70	19.22
(iii) Capital work-in-progress	116.11	187.51
(b) Non-current investments	705.06	516.79
(c) Deferred tax assets (net)	88.37	108.73
(d) Long-term loans and advances	253.11	319.49
Current Assets		
(a) Current investments	20.00	4.11
(b) Inventories	61.71	49.24
(c) Trade receivables	475.01	347.07
(d) Cash and cash equivalents	454.61	525.24
(e) Short-term loans and advances	98.80	28.32
(f) Other current assets	74.53	102.86
II LIABILITIES		
Non-current liabilities		
(a) Long-term borrowings	523.39	601.23
(b) Deferred tax liabilities (Net)	155.08	146.47
(c) Other Long term liabilities	-	49.28
(d) Long-term provisions	6.82	6.50
Current liabilities		
(a) Short-term borrowings	91.68	156.99
(b) Trade payables	400.79	548.17
(c) Other current liabilities	1,147.69	852.38
(d) Short-term provisions	28.39	2.31
III INCOME		
(a) Revenue from operations	3,507.21	2,991.49
(b) Other income	17.56	13.96
IV EXPENSES		
(a) Material consumption, purchase of stock in trade and changes in inventories	767.03	682.32
(b) Employee benefits expense	619.18	540.25
(c) Finance costs	74.71	108.27
(d) Depreciation and amortization expense	222.66	201.96
(e) Other expenses	1,531.83	1,267.12
Profit before tax	309.36	205.53
(a) Provision for Taxation (Including Deferred Tax Liability)	111.89	81.67
(b) Add: Deferred tax asset	1.93	6.15
Net Profit	199.40	130.01
V OTHER MATTERS		
(a) Contingent Liabilities	243.50	321.27
(b) Capital Commitments	62.83	71.83

D. As far as possible the Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances, and are presented in the same manner as the Company's separate financial statements.

E. The effects arising out of variant accounting policies among the group Companies have not been calculated and dealt with in the Consolidated Financial Statements since it is impracticable to do so. Accordingly, the variant accounting policies adopted by the Subsidiaries, Associates and Joint Ventures have been disclosed in the financial statements.

F. Pursuant to section 129 and Rule 5 of the Companies (Accounts) Rules 2014, the Company's financial statements for twenty one of its subsidiaries including fellow subsidiaries, six Joint Ventures and three Associates are furnished in Form AOC – 1.

G. The foreign operations of the Company are considered as non – integral foreign operations. Hence, the assets and liabilities have been translated at the exchange rate prevailing on the date of 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 1/3 write off wherever applicable applying FIFO method. The net realisable value is not applicable in the absence of any further modification/alteration before being consumed in-house. Cost of these inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location.

4. Imported inventories are accounted for at the applicable exchange rates prevailing on the date of the transaction.

Apollo Health and Lifestyle Limited

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

Apollo Gleneagles Hospital Limited

The Inventory of laboratory and other medical consumables are stated at cost on FIFO method.

Future Parking Private Limited

Inventories are valued at cost (On FIFO Basis) after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges.

Indraprastha Medical Corporation Limited

i) Inventories are valued at lower of cost and net realizable value.

ii) The cost in respect of the items constituting the inventories has been computed on FIFO basis.

Stemcyte India Therapeutics Private Limited:

Consumables are valued at lower of cost and net realizable value. Cost is determined on First- in First Out (FIFO) basis. Net realizable value is the estimated current procurement price in the ordinary course of the business.

The Company's inventories consist of UCB stem cells stored in the public bank, which are recorded at attributable direct costs to those public stem cells available for transplant. Net realisable value of public stem cells is measured by evaluating various factors impacting the likelihood of being sold within a reasonable storage period.

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:

a. Deprereciation:

i. Depreciation has been provided on straight line method at rates specified in Schedule II of the Companies Act, 2013 on single shift basis.

ii. Depreciation on new assets acquired during the year is provided at the rates specified in Schedule II to the Companies Act 2013 from the date of acquisition to the end of the financial year.

iii. In respect of assets value not exceeding ₹5,000/- these are fully charged off in the year of purchase.

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

Apollo Hospitals Enterprise Limited

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

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

The Company has taken land in Karaikudi from Apollo Hospitals Educational Trust on lease for a period of 30 years. The cost of the building constructed on the lease land is amortised over a period of 30 years.

The cost of land and building taken on lease by the Company from Rigid Hospitals Private Limited, Chennai will be amortised over a period of 30 years.

The cost of land and building taken on lease by the Company situated at Old Mahabalipuram Road, Karapakkam, Chennai will be amortised over a period of 30 years.

This is in conformity with the definition of lease term as per Clause 3 of AS 19 'Leases as notified under the Companies (Accounting Standards) Rules, 2006.

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

A.B. Medical Centres Limited

Depreciation on Fixed Assets are at the new rates prescribed in Schedule II of the Companies Act,2013. Assets which are fully depreciated are recognized at residual value.

Apollo Health and Lifestyle Limited

i) Depreciation is provided using the straight-line method, pro rata for the period of use of the assets, at annual depreciation rates stipulated in Schedule II to the Companies Act, 2013, or based on the estimated useful lives of the assets, whichever is higher.

ii) Lease hold improvements are depreciated over the primary period of lease or useful lives of the assets, whichever is shorter.

Sapien Bioscience Private Limited

Depreciation on Fixed assets is charged at the rates and in the manner specified in Schedule II of the Companies Act 2013.

The Useful life of the Assets are as under:

Sl No.	Nature of the Asset	Useful Life
1.	Computers	
	a. Servers & Networks	6 years
	b. End user Devices, such as Desktops, Laptops,etc.,	3 years
2.	Lab Equipments	10 years
3.	Furniture & Fixtures	10 years

Apollo Munich Health Insurance Company Limited

Depreciation/Amortization on Fixed Assets/Intangible Assets is provided on straight line method (SLM) basis the useful life estimate of assets as mentioned in Part C of Schedule II of Companies Act, 2013. The depreciation rates used are given below:

Asset Class	Rate of Depreciation
Computer Server	16.67%
Other Information Technology Equipment	33.33%
Computer Software	20%
Office equipments	20%
Furniture & Fixtures	25% or on the basis of lease term of premises, whichever is higher
Vehicles	20%

Depreciation on assets purchased / disposed off during the year is provided on pro- rata basis with reference to the date of addition / deletion.

Family Health Plan (TPA) Limited

The Company has provided for depreciation using useful life method as specified in Schedule II to the Companies Act, 2013 Intangible assets (computer software) are amortized on the basis of estimated useful life as applied to the Computers.

Indraprastha Medical Corporation Limited

a Depreciation is charged on straight line method based on the useful life prescribed under Schedule II to the Companies Act, 2013. Where the life of the assets is different from the useful life specified in the schedule, the depreciation is charged as per useful life of the assets determined by the Company.

b. When impairment loss / reversal is recognized, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any) on a systematic basis over its remaining useful life.

Apollo Home Healthcare Limited

During the current year, depreciation on fixed assets is changed from Written Down Value to Straight Line Basis. As a result, an amount of ₹171,839/- had been reduced from cumulative loss as an adjustment for the earlier year. The change in the method of charging Depreciation is to be in line with the method followed by the Holding Company for calculating Depreciation.

Imperial Hospital and Research Centre Limited

Depreciation on Assets acquired under Financial Lease is provided over the primary period of lease of 7 years or over the useful lives of the respective fixed assets, whichever is shorter. 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.

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.

Assam Hospitals Limited

i. The Registration and other fees for the Land and Buildings taken on lease by the Company from M/s. The Frontier Engineering, No.8 Padma Path, R.G. Barua Road, Guwahati - 781024 will be amortised over a period of 10 years.

The Cost of Land and Building taken on lease by the Company is for a period of 10 years with an option to extend the lease to another 50 years. The depreciation on leasehold building is charged on Written Down Value basis with the lease period being considered as 60 years.

ii. Depreciation has been provided on Written down Value method at rates specified in Schedule II of the Companies Act, 2013 on single shift basis.

E. Revenue Recognition.

a. Income from Healthcare Services is recognised on completed service contract method. The hospital collections of the Company are net of discounts and payments to Consultants. Revenue also includes the value of services rendered pending final billing in respect of in-patients undergoing treatment as on 31st March 2016.

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 One Time License fee is recognized on signing the MOU.
- With Reference to Cradle, the One Time License fee is recognized based on percentage of Completion method.

Operating License Fee

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

Owned clinics operational income

- Revenues are recognised on the basis of the services rendered on cash or on accrual basis whichever is earlier.

Corporate services Fee

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

Other Incomes

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

Interest

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

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

Sapien Bioscience Private Limted

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

Apollo Home Health Care (India) Limited

Income from medical services is recognized net of payment to Medical Staff.

Income from Hostel Receipts is recognized net of payment made towards Hostel Rent and Mess Expenses and is accounted on accrual basis.

Apollo Munich Health Insurance Company Limited

a. Premium:

Premium (net of service tax) is recognized as income over the contract period or period of risk, whichever is appropriate. Any subsequent revision or cancellation of premium is accounted for in the year in which they occur.

b. **Commission on Reinsurance Premium:**

Commission on reinsurance ceded is recognized as income in the year of cession of reinsurance premium. Profit commission under reinsurance treaties, wherever applicable, is recognized in the year of determination of the profits and as intimated by the reinsurer.

c. **Premium Deficiency:**

Premium deficiency is recognized whenever the ultimate amount of expected claims, related expenses and maintenance costs exceeds related sum of premium carried forward to the subsequent accounting period as reserve for unexpired risk.

d. **Reserve for Unexpired Risk:**

Reserve for unexpired risk represents that part of the net premium (premium net of reinsurance ceded) attributable to the succeeding accounting period subject to a minimum amount of reserves as required by Section 64V (1) (ii) (b) of Insurance Act, 1938.

e. **Interest / Dividend Income:**

Interest income is recognized on accrual basis. Dividend is recognized when the right to receive the dividend is established.

f. **Accretion / Amortization of Discounts/ Premium**

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

Indraprastha Medical Corporation Limited

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

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

Apollo Hospitals International Limited

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

b. Management fees/ other fixed income is recognised on an accrual basis (net of service tax or VAT) in accordance with the terms of the relevant agreement.

Assam Hospitals Limited

Government Grant

The Company adopts the income approach with respect to the Government grants received by it. This means that the Government grants are recognised on a systematic and rational basis over the periods necessary to match them with the related costs. Grants related to depreciable assets are treated as deferred income which is recognised in the profit and loss statement on a systematic and rational basis over the useful life of the asset. Such allocation to income is usually made over the periods and in the proportions in which depreciation on related assets is charged.

Stemcyte India Therapeutics Private Limited:

The Company receives fees for collecting, testing, processing, freezing and storing of cord blood units. Once the umbilical cord blood units are collected, tested, screened and successfully meet all of the required attributes, the Company freezes the units and stores them in a cryogenic freezer.

Private Banking: Under the cord blood processing and storage agreement ("Agreement") signed with the customer, the Company charges enrollment fee, processing fee and storage fees to the customer and such agreement typically provides for a storage period of twenty one or twenty six years.

The enrollment fees is recognised at the time of enrollment. The Company has determined that the cord blood processing services and storage services are to be accounted for as separate units, as per the management estimate. The processing fees is recognised upon successful completion of processing services.

Revenue from storage fees is deferred over the storage period. Based on the agreements signed between the Company and the customer, the Company charges storage fees over the contract period. The Company classifies deferred revenue as current if the Company expects to recognize the related revenue over the next 12 months. When the collectability of the revenue from the customers is not reasonably assured due to delinquency of payment by the customer the deferred storage revenue is reversed.

Revenue from UCB units are stated net of discounts.

Public Banking: Revenue is measured at the fair value of the consideration received or receivable taking into account the sale of public banking units to external customers. Revenue arising from the sales of units is recognised when the entity has delivered the unit to the customer, the amount of sales revenue can be measured reliably and it is probable that the future economic benefits associated with the transaction will flow to the entity.

F. Fixed Assets

a. All Fixed Assets are stated at their original cost of acquisition less accumulated depreciation and impairment losses are recognised where necessary (Also refer Note 3(O) in the Notes forming part of Accounts). Additional cost relating to the acquisition and installation of fixed assets are capitalised. Wherever VAT is eligible for input availment, fixed assets are stated at cost of acquisition after deduction of input VAT.

b. Capital work-in-progress comprises of and amounts expended on development/acquisition of Fixed Assets that are not yet ready for their intended use at the Balance Sheet Date. Expenditure during construction period directly attributable to the projects under implementation is included under Capital work-in-progress, pending allocation to the assets.

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

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

G. Transactions in Foreign Currencies

a. Monetary items relating to foreign currency transactions remaining unsettled at the end of the year are translated at the exchange rates prevailing at the date of the Balance Sheet. The difference in translation of monetary items and the realised gains and losses on foreign exchange transactions are recognised in the Statement of Profit and Loss in accordance with Accounting Standard 11 - 'The Effects of Changes in Foreign Exchange Rates (Revised 2003)', as notified under the Companies (Accounting Standards) Rules, 2006 (Also refer Note 25 (other income) and 28 (other expenses) in the Notes forming part of Accounts).

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

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

H. Investments

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

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

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

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

d. In case of foreign investments,

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

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

Apollo Munich Health Insurance Company Limited

Investments are made in accordance with the Insurance Act, 1938 and Insurance Regulatory & Development Authority (Investment) Regulations, 2000, as amended from time to time. Investments are recorded at cost including acquisition charges (such as brokerage, transfer stamps) if any, and exclude interest paid on purchase. Debt securities, including Government securities are considered as held to maturity and are stated at historical cost adjusted for amortization of premium and/or accretion of discount over the maturity period of securities on straight line basis.

Listed and actively traded securities are measured at fair value as at the Balance Sheet date. For the purpose of calculation of fair value, the lowest value of the last quoted closing price of the stock exchanges is considered wherever the securities are listed. Unrealized gains/losses due to change in fair value of listed securities is credited / debited to 'Fair Value Change Account', Investments in Units of Mutual funds are stated at fair value being the closing Net Asset Value (NAV) at Balance Sheet date. Unrealized gains/losses are credited /debited to the 'Fair Value Change Account'

Future Parking Private Limited

Long-term investments are carried at cost. Diminution in the value of investments, other than temporary, is provided for. Unquoted current investments comprising of units of mutual funds are stated at cost or Net Asset Value (NAV), whichever is lower.

I. Employee Benefits

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

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

Defined Contribution Plan

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

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

Defined Benefit Plans

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

a. Gratuity

The Company makes annual contributions to the Employees' Group Gratuity-cum-Life Assurance Scheme of the ICICI and Life Insurance Corporation of India, for funding defined benefit plan for qualifying employees, which 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 Annual Contributions to the fund managed by HDFC Life.

Imperial Hospital & Research Centre Limited

a. Leave encashment benefits:

As per the Company policy, every employee who has worked for a period of not less than 240 days during a calendar year shall be eligible for not less than 15 days privilege leave computed at the rate of one day for every 20 days of actual service. The provisions made in the books of account are on the basis of actuarial valuation. Actuarial gains/losses are recognised in the statement of profit and loss as they occur.

Apollo Home Health Care (India) Limited

a. The Company is not covered by The Payment of Gratuity Act, 1972 since the number of employees is below the statutory minimum as prescribed by the Act.

b. The provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 are also not applicable to the Company as the number of employees is below the statutory minimum.

c. The Employees State Insurance Act, 1948 is also not applicable to the Company as the number of employees is below the statutory minimum.

d. The Company does not have any leave encashment scheme or sick leave policy.

Apollo Hospitals International Limited

As per the Company policy, every regular employee shall be eligible for privilege leave in each calendar year and privilege leave is computed at the rate of 1.75 days of every completed month services. The entitlement of leave for the year would be not more than 21 days and the permissible accumulation privilege leave not more than 63 days. The provisions made in the books of account are on the basis of actuarial valuation. Acturial gains/losses are recognised in the statement of profit and loss as they occur.

J. Borrowing Cost

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

K. Segment Reporting

Identification of Segments

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

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

Segment Policies

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

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

b. Inter segment revenue and expenses are eliminated.

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

L. Lease

Operating Lease

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

M. Earnings per Share

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

N. Taxation

a. Income Tax

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

b. Deferred Tax

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

Total Health

The Company has received a license dated 13th November 2013 under section 25 of the Companies Act, 1956, (Section 8 of the Companies Act, 2013), and is registered under the Act on 29th November 2013. As the Company

has been registered under sec 12AA of the Income Tax Act,1961 for claiming income as exempted under Section 11 & 12 of the Income Tax Act, 1961, no provision for income tax has been made and deferred tax liability/ asset has not been calculated.

O. Impairment

The carrying amounts of assets are reviewed at each Balance Sheet date to ascertain if there is any indication of impairment based on internal/external factors. An asset is treated as impaired based on the cash generating concept at the year end, when the carrying cost of assets exceed their 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 Debts 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	%
0-1 years	0
1-2 years	25
2-3 years	50
Over 3 years	100

Q. Intangible Assets

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

Apollo Health and Lifestyle Limited

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

Stemcyte India Therapeutics Private Limited

Intangible Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives.The amortisation rates used are:

Asset	Period
Computer Software	3 years

R. Provisions, Contingent Liabilities and Contingent Assets

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

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

S. Derivative Financial Instruments

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

All derivatives are effective hedges against an underlying liability and any cash flows are recognised as and when they occur. Attributable transaction costs are recognised in the 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 as finance expense.

T. Insurance – related Policies

Apollo Munich Health Insurance Company Limited

i. Reinsurance Premium

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

ii. Acquisition Cost of Insurance Contracts

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

iii. Premium Received in Advance

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

iv. Claims Incurred

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

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

IBNR represents that amount of claims that may have been incurred prior to the end of the current accounting period but have not been reported or claimed. The IBNR provision also includes provisions, if any, required for claims incurred but not enough reported. IBNR and IBNER liabilities are provided based on actuarial principles and certified by the Appointed Actuary. The methodology and assumptions on the basis of which the liability has been determined has also been certified by the Actuary to be appropriate, in accordance with guidelines and norms issued by the Institute of Actuaries of India and in concurrence with the IRDA.

vi. Allocation of Investment Income

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

vii. Fair Value Change Account

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

viii. Profit / Loss on Sale / Redemption of Investments

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

ix. Long Term / Short Term Investments

Investments maturing within twelve months from the Balance Sheet date and investments made with specific intention to dispose off within twelve months from the date of acquisition are classified as short term investments. Other investments are classified as long term Investments.

4. Share Capital

(₹in million)

Particulars	31.03.2016	31.03.2015
Authorised		
200,000,000 (2014-15 : 200,000,000) Equity Shares of ₹5/- each	1,000	1,000
1,000,000 (2014-15 : 1,000,000) Preference Shares of ₹100/- each	100	100
	1,100	**1,100**
Issued		
139,658,177 (2014-15 : 139,658,177) Equity Shares of ₹5/- each	698.29	698.29
Subscribed and Paid up		
139,125,159 (2014-15 :139,125,159)Equity Shares of ₹5/- each fully paid up	695.63	695.63

Reconciliation of the number of shares (₹in million)

Particulars	31.03.2016 Equity Shares		31.03.2015 Equity Shares	
	Number	Amount ₹in million	Number	Amount ₹in million
Shares outstanding at the beginning of the year	139,125,159	695.63	139,125,159	695.63
Shares outstanding at the end of the year	**139,125,159**	**695.63**	**139,125,159**	**695.63**

Rights, Preferences and Restrictions attached to Shares

Equity shares: The Company has one class of equity shares having a par value of ₹5 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding

Shareholders holding more than 5% of total paid up capital

Name of the Shareholder	31.03.2016 Equity Shares		31.03.2015 Equity Shares	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
PCR Investments Limited	27,223,124	19.57	27,223,124	19.57
Integrated (Mauritius) Healthcare Holdings Limited	15,093,860	10.85	15,093,860	10.85
Oppenheimer Developing Markets Fund	12,014,785	8.64	12,086,295	8.69

a. The Parent Company had issued 9,000,000 Global Depository Receipts of ₹10 (now 18,000,000 Global Depository Receipts of ₹5) each with two way fungibilty during the year 2005-06. Total GDR's converted into underlying Equity Shares for the year ended on 31st March 2016 is 259,856 (2014-15 : 22,354) of ₹5 each and total equity shares converted back to GDRs for the year ended 31st March 2016 is 22,114 (2014-15 : 400) of ₹5 each. Total GDR's converted into equity shares upto 31st March 2016 is 25,361,388 (2014-15 : 25,101,532) of ₹5 each.

5. Reserves and surplus

(₹in million)

	Particulars	31.03.2016	31.03.2015
a.	**Capital Reserves**		
	Opening Balance	18.44	18.44
	Closing Balance	**18.44**	**18.44**
b.	**Capital Reserve on consolidation**		
	Opening Balance	155.25	155.25
	Written back during the year	91.83	-
	Closing Balance	**63.42**	**155.25**
c.	**Capital Fund**		
	Opening Balance	3.03	3.03
	Closing Balance	**3.03**	**3.03**
d.	**Capital Redemption Reserve**		
	Opening Balance	60.02	60.02
	Closing Balance	**60.02**	**60.02**
e.	**Securities premium Account**		
	Opening Balance	17,621.01	17,610.80
	Add: Share Premium for group companies	-	10.21
	Closing Balance	**17,621.01**	**17,621.01**
f.	**Debenture redemption reserve**		
	Opening Balance	1,297.50	812.50
	(+) Current Year Transfer	-	485.00
	Closing Balance	**1,297.50**	**1,297.50**
g.	**General Reserve**		
	Opening Balance	10,126.92	7,756.84
	(+) Current Year Transfer	2,000.00	1,500.00
	(+) Share of Associates	10.16	(20.46)
	(+) Share of Profits / (Loss) Subsidiaries	170.41	511.78
	(+) Profit from Joint Ventures	73.22	378.76
	Closing Balance	**12,380.72**	**10,126.92**
h.	**Fair value change account**	**-**	**0.08**
j.	**Surplus**		
	Opening Balance	2,094.38	1,846.80
	(+) Provision for tax no longer required	0.02	-
	(+) Net Profit/(Net Loss) For the current year	3,310.12	3,399.03
	(-) Transfer to Reserves	2,000.00	1,500.00
	(-) Proposed Dividend on Equity Shares for the year	-	799.97
	(-) Dividend Distribution Tax on Proposed dividend on Equity Shares	-	163.79
	(-) Interim Dividends	834.77	-
	(-) Dividend Distribution Tax on Interim Dividend	169.02	-
	(-) Transfer to Debenture Redemption Reserve	-	485.00
	(-) Differential Depreciation consequent to reworking as per Schedule II to the Companies Act, 2013	3.97	573.01
	Closing Balance	2,396.76	1,724.06
	Total	**33,840.90**	**31,006.31**

6. Long Term Borrowings

(₹in million)

Sl.No	Particulars	31.03.2016	31.03.2015
	Secured		
(a)	**Non convertible Debentures**		
	1,000 (2014-15: 1,000) 10.30% Debentures of 1,000,000/- each	1,000.00	1,000.00
	940 (2014-15: 940) 10.15% Debentures of 1,000,000/- each	940.00	940.00
	Nil (2014-15: 1,250) 9.80% Debentures of 1,000,000/- each	-	1,250.00
	2,000 (2014-15: 2,000) 10.20% Debentures of 1,000,000/- each	2,000.00	2,000.00
(b)	**Term Loans**		
	From Banks		
	Cash Credit	-	1.83
	HDFC Bank Limited	944.52	1,059.00
	HDFC Bank Limited	2,000.00	-
	Axis Bank Limited	2,855.57	1,136.01
	Bank of India	3,000.00	1,160.00
	HSBC	1,000.00	1,000.00
	Yes Bank	2,075.34	145.29
	ICICI Bank	1,109.55	1,036.00
	Indus Ind Bank Ltd	162.97	278.19
	From Other parties		
	IFC Loan (External Commercial Borrowings)	-	750.75
	IFC Loan (External Commercial Borrowings)	1,169.34	1,403.08
	HSBC (External Commercial Borrowings)	867.20	1,084.00
	HSBC (bills payable)	421.39	636.82
	IDFC	500.00	250.00
	IDFC Infra Debt Fund	1,000.00	-
	Total	**21,045.88**	**15,130.97**
	Add: Share in joint ventures	443.92	501.27
	Total	**21,489.80**	**15,632.24**
	Unsecured		
	(i) Deposits		
	Fixed Deposits	138.37	220.18
	(ii) Other loans and advances		
	Bank of Tokyo Mitsubishi UFJ (External Commercial Borrowings)	1,328.20	1,328.20
	Total	**22,956.37**	**17,180.62**
	Add: Share in Joint Venture	-	99.96
	Total	**22,956.37**	**17,280.58**

Apollo Hospitals Enterprise Limited

a. **10.30% Non Convertible Debentures**

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

b. **10.15% Non Convertible Debentures**

The Company issued 1000 Nos. 10.15% Non-Convertible Redeemable Debentures of ₹1 million each on 22nd March 2012 to multiple parties with an option to re-purchase/re-issue some or all of its debentures in the secondary market or otherwise, at any time prior to the specified date of redemption of 22nd March 2017. The Company had redeemed debentures amounting to ₹60 million during the FY 2012-13 as per the terms and conditions of the issue and the residual debentures for a value of ₹940 million is outstanding as of 31st March 2016.

c. **9.80% Debentures Non Convertible Debentures**

The Company issued to First Rand Bank Limited, 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 after expiry of a term of 3 years from the date of issue with the specified date of redemption being 11th July 2017.

During the year the Company has redeemed the entire debentures of 1250 Nos on 10th July 2015.

d. **10.20% Non Convertible Debentures**

The Company issued to Kotak Mahindra Bank Limited 1,150 Nos. and to NPS Trust A/C LIC, 850 Nos. 10.20% Non Convertible Redeemable Debentures of ₹1 million each on 22nd Aug 2014, with an option to re-purchase re-issue some or all of its debentures in the secondary market or otherwise at any time prior to the specified date of redemption of 22nd August 2028.

The Debentures stated above in points (a),(b) &(d) 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 the outstanding principle amount of the cost.

e. **HDFC Bank Limited**

i) The Company has availed Rupee Term Loan of ₹1,300 million from HDFC Bank Limited, which is repayable in twenty quarterly instalments commencing from September 2012 with interest payable being linked to HDFC Bank's Base rate. During the year four instalments of ₹65 million each were repaid. The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the Company along with minimum cover of 1.25 times the value of the outstanding principal amount of the loan.

ii) During the year the Company was sanctioned an additional Rupee Term Loan of ₹3,500 million from HDFC, out of which ₹2,000 million has been availed on 9th March 2016. This loan is repayable in 22 half yearly instalments (with a moratorium period of 4 years from the date of the first disbursement) commencing from 9th Sep 2020 with interest payable being linked to HDFC Bank's Base rate. The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the Company along with minimum cover of 1.25 times the value of the outstanding principal amount of the loan.

f. **HSBC**

The Company has availed Rupee Term Loan of ₹1,000 million from HSBC Bank Limited, which is repayable in 16 semi-annual instalments commencing from 2nd March 2017 with interest payable being linked to HSBC's Base rate. The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the Company ensuring atleast a cover of 1.25 times the value of the outstanding principal amount of the loan.

g. **Axis Bank Limited**

During the year the Company received additional ₹1,700 million from the Bank, totalling to ₹2,700 million, against the sanctioned amount of ₹3,000 million, which is repayable in 40 Quarterly instalments (with a moratorium of 4 years from the date of 1st disbursement) commencing from 15.12.2018 with interest payable being linked to Axis Bank's Base rate. The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the Company along with minimum cover of 1.25 times) the value of the outstanding principal amount of the loan.

h. **Bank of India**

During the year the Company received additional ₹1,840 million from the Bank, totalling to ₹3,000 million. This loan is repayable in 40 Quarterly instalments (with a moratorium of 4years from the date of 1st disbursement) commencing from 30th September 2018 with interest payable being linked to Bank of India's Base rate. The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the Company along with minimum cover of 1.25 times the value of the outstanding principal amount of the loan.

i. **International Finance Corporation (External Commercial Borrowings)**

The Company was sanctioned a sum of US$ 35 million by the International Finance Corporation, Washington by way of External Commercial Borrowings (ECB). The Company had availed the full loan amount of US$ 35 million as of 31st March 2012. 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. During the year, the Company prepaid the entire principal amount outstanding on the loan on 11th September 2015.

The Company was granted loan of US$ 30 million in the year 2012-13.The ECB loan is secured by way of pari passu first ranking charge on the fixed assets of the Company ensuring at least a cover of 1.25 times the value of the outstanding principal amount of the loan. The Loan is repayable in 14 semi-annual instalments starting from 15th September 2015. During the year two instalments of US$ 2,142,000 each were repaid on 14th September 2015 and 15th March 2016.

The Company entered into a currency Cum Interest Rate Swap(CCIRS) with HDFC Bank Limited Covering LIBOR and foreign currency fluctuation risk. The tenure of this derivative contract matches with the tenure of the loan outstanding as of 31st March 2016.

j. **HSBC (External Commercial Borrowings)**

The Company has drawn a loan of US$ 25 million from HSBC Bank Limiteds in the year 2012-13. The Company entered into a Currency Cum Interest Rate Swap (CCIRS) with HSBC Bank Limited in Indian Rupee for interest rate and foreign currency fluctuation risk. The ECB loan is secured by way of pari passu first ranking charge on the fixed assets of the Company. The loan is repayable in 22 quarterly instalments starting from July 2014. During the year four instalments of US$ 0.5 million each were repaid on 4th Apr 2015, 4th Jul 2015, 4th Oct 2015 and 4th Jan 2016.

k. **HSBC Buyer's Line of credit**

The Company has availed a buyer's line of credit of US$ 10.78 million (US$ 10.68 million) from HSBC for the equipment imported. The loan is secured by first pari passu ranking charge on entire existing and future movable fixed asset of the Company with minimum cover of 1.25 times the value of the outstanding principal amount of the loan.

l. **IDFC**

During the year the Company received additional ₹250 million from the Bank, agreegating to ₹500 million, against the sanctioned amount of ₹1,500 million. This amount is repayable in 44 quarterly instalments commencing from 15th October 2016 and with the interest payable being linked to IDFC's Base rate. The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the Company ensuring atleast a cover of 1.25 times the value of the outstanding principal amount of the loan.

m. **IDFC Infra Structure Debt Fund**

During the year the Company has availed an Infra Structure Debt Fund (IDF) of ₹1,000 million from IDFC Bank, which is repayable in 3 annual instalments of 20% at the end of December 2029 (14th year), 40% at the end of December 2030 (15th year) and balance 40% at the end of December 2031 (16th year) from the date of first disbursement with Interest payable at 9.6% on outstanding amount of loan. The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the Company ensuring atleast a cover of 1.25 times the value of the outstanding principal amount of the loan.

n. **ICICI Bank Ltd - Term Loan**

During the year the Company has availed Rupee Term Loan of ₹1,100 million from ICICI Bank, against the sanctioned amount of ₹3,500 million which is repayable in 60 quarterly instalments (including moratorium period of 3 years from the date of 1st disbursement) commencing from 30th June 2019 with interest rate being linked to ICICI's Base rate. The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the Company.

o. **Bank of Tokyo – Mitsubishi UFJ (External Commercial Borrowings)**

Bank of Tokyo has granted an unsecured loan of US$ 20 million on 11th September 2013. The Company entered into a Currency Cum Interest Rate Swap (CCIRS) with HSBC covering LIBOR and foreign currency fluctuation risk. The loan is repayable in 3 annual instalments starting from the end of the 5th year from the date of advance.

7. Deferred Tax Liabilities

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

(₹in million)

Particulars	31.03.2016	31.03.2015
Deferred Tax Liability recognized in the statement of Profit or loss	824.45	772.05
Deferred Tax Asset recognized in the statement of Profit or loss	8.39	31.60

The accumulated deferred tax liability/ (asset) of the group as on 31st March 2016 comprises:

(₹in million)

	Particulars	31.03.2016	31.03.2015
I	**Deferred Tax Liability**		
	On account of Depreciation	907.15	1,187.04
	On account of Deferred Revenue Expenditure (deferred Tax Assets)	48.07	49.17
	On account of 35AD	4,022.00	2,986.11
	Total	**4,977.22**	**4,222.32**
II	**Deferred Tax Assets**		
	On account of Depreciation	0.68	-
	On account of Unabsorbed Losses and Depreciation	133.50	202.77
	Total	**134.18**	**202.77**

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. The Company has performed re-assessment of the deferred tax assets after considering the current year's taxable income as well as Company's ability to generate sufficient taxable income in the future. The deferred tax asset has been created on the Company's eligible tax losses to the extent that there is a virtual certainty supported by convincing evidence from the management about the availability of sufficient future taxable income against which such deferred tax can be realized. The amount of deferred tax asset recognized in books of account is NIL (Previous Year ₹NIL).

8. Other Long Term Liabilities

(₹in million)

Particulars	31.03.2016	31.03.2015
Rent Deposits	10.27	-
Other Deposits	2.56	1.05
Total	**12.83**	**1.05**
ADD: Share in Joint ventures	-	49.28
Total	**12.83**	**50.33**

9. Long Term Provisions

(₹in million)

	Particulars	31.03.2016	31.03.2015
(a)	Provision for employee benefits		
	Gratuity	15.19	18.23
	Leave Encashment	9.87	9.75
	Total	**25.07**	**27.98**
	ADD:Share of Joint ventures	6.82	6.50
	Total	**31.89**	**34.48**

10. Short Term borrowings

(₹in million)

	Particulars	31.03.2016	31.03.2015
	Secured		
(i)	**Loans repayable on demand from banks**		
	State Bank of Travancore	-	7.15
	Canara Bank	-	73.72
	Yes Bank Ltd	115.12	143.04
	HDFC	1,250.00	-
	Lavasa Corporation Ltd	99.00	-
	Others	22.32	-
	Industrial Co-Operative Bank	37.60	-
	Axis Bank Ltd	94.94	10.30
	Unsecured		
	(i) Deposits		
	Fixed Deposits	109.37	93.40
(ii)	**Loans repayable on demand from banks**		
	HSBC	-	372.77
	Total	**1,728.35**	**700.38**
	Add: share in joint ventures	91.67	156.99
	Total	**1,820.02**	**857.37**

Note: The Cash Credit availed from Banks is secured by way of Stock-in-Trade, less unpaid Creditors and Receivables.

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 2016 is ₹254.70 million (₹210.92 million). No interest in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006 or otherwise has either been paid or payable or accrued and remaining unpaid as at 31st Mar 2016.

11. Other Current Liabilities

(₹in million)

	Particulars	31.03.2016	31.03.2015
(a)	Current maturities of long-term debt	2,090.47	1,784.63
(b)	Interest accrued but not due on borrowings	253.89	159.14
(c)	Interest accrued and due on borrowings	70.19	-
(d)	Unpaid dividends	49.79	28.41
(e)	Unpaid matured deposits and interest accrued thereon	17.03	16.57
	(i) Other payables		
	Sundry Creditors Others	511.49	314.06
	Retention Money on Capital Contracts	0.77	0.48
	Inpatient Deposits	149.28	311.77
	Rent Deposits	14.05	35.59
	Other Deposits	54.31	18.25
	Tax Deducted at Source	156.34	184.19
	Outstanding Expenses	1,090.85	693.62
	Total	**4,458.47**	**3,546.71**
	Add:Share of joint ventures	1,124.55	852.38
	Total	**5,583.02**	**4,399.09**

Apollo Hospitals Enterprise Limited

During the year, the amount transferred to the Investors Education and Protection Fund of the Central Government as per the provisions of Section 205 (A) and 205 (C) of the Companies Act, 1956 is ₹2.40 million (₹2.34 million) as unpaid dividend.

12.Short Term Provisions

(₹in million)

	Particulars	31.03.2016	31.03.2015
(a)	Provision for employee benefits		
	Bonus	457.82	206.57
	Gratuity & Earned Leave	127.18	142.74
	Sub total	**584.99**	**349.31**
(b)	Others		
	For Dividend - Equity Shares	-	799.97
	For Dividend Distribution Tax - Equity Shares	-	163.79
	Sub Total	**-**	**963.76**
	Add : Share of Joint Ventures	28.39	2.31
	Total	**613.38**	**1,315.38**

13.Tangible Assets

(₹in million)

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at April 1, 2015	Additions	Deletions	Balance as at March 31, 2016	Balance as at April 1, 2015	Depreciation charge for the year	Deletions	Balance as at March 31, 2016	Balance as at March 31, 2016	Balance as at April 1, 2015
Land	2,856.07	470.47	-	3,326.54	-	-	-	-	3,326.54	2,856.07
Buildings	8,468.39	2,694.99	(11.82)	11,175.20	821.85	225.41	(13.48)	1,060.74	10,114.46	7,646.54
Lease hold Improvements	3,939.15	1,442.98	1,545.48	3,836.65	474.82	71.91	1.35	545.38	3,291.27	3,464.33
Plant and Equipment										
Medical Equipment & Surgical Instruments	12,743.02	1,302.85	407.50	13,638.37	3,873.33	662.51	13.47	4,522.37	9,116.00	8,869.69
Air Conditioning Plant & Air Conditioners	2,112.79	1,262.70	122.83	3,252.66	950.22	412.94	(222.08)	1,585.24	1,667.42	1,162.57
Furniture and Fixtures	2,810.65	813.29	(20.52)	3,644.46	1,031.96	325.01	12.24	1,344.73	2,299.73	1,778.69
Vehicles	528.07	81.62	19.38	590.31	210.87	64.44	8.12	267.19	323.12	317.20
Office equipment	1,321.41	292.87	42.00	1,572.28	812.45	218.03	(8.38)	1,038.86	533.42	508.96
Electrical Installations & Generators	1,831.11	228.19	(20.54)	2,079.84	535.73	169.77	5.42	700.08	1,379.76	1,295.38
Fire fighting Equipment	131.06	8.20	-	139.26	11.08	1.63	-	12.71	126.55	119.98
Boilers	3.50	-	-	3.50	1.16	-	-	1.16	2.34	2.34
Kitchen Equipment	70.95	13.88	-	84.83	16.77	1.01	-	17.78	67.05	54.18
Refrigerators	46.57	9.59	0.71	55.45	12.60	2.83	0.30	15.13	40.32	33.97
Wind Electric Generator	26.85	-	-	26.85	11.60	-	-	11.60	15.25	15.25
Total	**36,889.59**	**8,621.63**	**2,085.02**	**43,426.20**	**8,764.44**	**2,155.49**	**(203.04)**	**11,122.97**	**32,303.23**	**28,125.15**
Less: Depreciation write back	-	-	-	-	0.28	-	-	-	(0.28)	(0.28)
Total	**36,889.59**	**8,621.63**	**2,085.02**	**43,426.20**	**8,764.16**	**2,155.49**	**(203.04)**	**11,122.97**	**32,303.51**	**28,125.43**
Share of Joint Ventures	3,545.22	455.58	351.59	3,649.21	1,342.50	2,16.91	50.11	1,509.30	2,139.91	2,202.72
Total	**40,434.81**	**9,077.21**	**2,436.61**	**47,075.41**	**10,106.66**	**2,372.40**	**(152.93)**	**12,632.27**	**34,443.42**	**30,328.15**
Previous year	**33,795.17**	**8,304.15**	**1,664.51**	**40,434.81**	**8,659.65**	**2,037.66**	**590.65**	**10,106.66**	**30,328.15**	**25,135.52**

14.Intangible Assets

(₹in million)

Fixed Assets	Gross Block				Accumulated Depreciation					Net Block	
	Balance as at April 1, 2015	Additions	Deletions	Balance as at March 31,2016	Balance as at April,2015	Amortization for the year	Adjustment due to revaluations	On disposals	Balance as at March 31,2016	Balance as at March 31,2016	Balance as at April,2015
Computer Software	406.92	61.18	7.20	460.90	254.99	83.17	(5.48)	-	343.64	117.26	151.93
Trademark and concepts rights	20.56	-	-	20.56	11.25	4.11	-	-	15.36	5.20	9.31
Goodwill	284.82	1,324.31	-	1,609.13	4.69	64.21	-	-	68.90	1,540.23	280.13
Total	**712.30**	**1,385.49**	**7.20**	**2,090.59**	**270.93**	**151.49**	**(5.48)**	**-**	**427.90**	**1,662.69**	**441.37**
Share of Joint Ventures	54.58	6.46	-	61.04	35.37	5.75	0.57	-	40.55	20.48	19.21
Total	766.88	1,391.95	7.20	2,151.63	306.30	157.24	(4.91)	-	468.45	1,683.17	460.58
Previous year	411.15	412.55	56.82	766.88	233.20	75.69	-	2.59	306.30	460.58	177.95

15. Capital Work-in-Progress ₹5,955.75 million (₹5,326.40 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 ₹857.38 million (₹667.24 million)*.

* Includes Interest on borrowings capitalised for the year ended 31st March 2016 of ₹694.93 million (₹620.00 million).

16. Non Current Investments

(₹in million)

Particulars	31.03.2016	31.03.2015
Trade Investments (Refer A below)		
(a) Investment in Equity instruments	670.42	655.09
(b) Investments in preference shares	-	-
Total (A)	**670.42**	**655.09**
Other Investments (Refer B below)		
(a) Investment in Equity instruments	235.99	383.48
(b) Investments in preference shares	22.00	22.00
(c) Investments in debentures or bonds	10.00	10.00
(d) Investments in Government or Trust securities	0.17	0.17
Total (B)	**268.16**	**415.65**
Grand Total (A + B)	**938.58**	**1,070.74**
Less : Provision for dimunition in the value of Investments	(112.30)	-
Advance for Investment	448.91	63.26
Add : Share of Joint Ventures	**705.06**	**516.79**
Total	**1,980.25**	**1,650.79**

(₹in million)

Particulars	31.03.2016	31.03.2015
Aggregate amount of quoted investments	592.64	574.19
(Market Value ₹1,063.19 (2014-15- ₹1134.05 million)		
Aggregate amount of unquoted investments	1,387.61	1,076.60
Total	**1,980.25**	**1,650.79**

A) Details of Trade Investments

Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	Face Value	No. of Shares / Units 31.03.2016	No. of Shares / Units 31.03.2015	Quoted / Unquoted	Partly Paid / Fully paid	Amount (₹in million) As at 31 March 2016	Amount (₹in million) As at 31 March 2015	Whether stated at Cost Yes/No
Investment in Equity Instruments									
Indraprastha Medical Corporation Limited	Associate	10	20,190,740	20,190,740	Quoted	Fully Paid	579.99	561.54	Yes
Stemcyte India Therapautics Private Limited	Associate	1	240,196	240,196	Unquoted	Fully Paid	88.70	91.82	Yes
Kurnool Hospitals Enterprises Limited	Others	10	157,500	157,500	Unquoted	Fully Paid	1.73	1.73	Yes
Total							670.42	655.09	

B) Details of Other Investments

Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	Face Value	No. of Shares / Units 31.03.2016	No. of Shares / Units 31.03.2015	Quoted / Unquoted	Partly Paid / Fully paid	Amount (₹in million) As at 31 March 2016	Amount (₹in million) As at 31 March 2015	Whether stated at Cost Yes/No
Investment in Equity Instruments									
Family Health Plan (TPA) Limited	Associate	10	490,000	490,000	Unquoted	Fully Paid	160.62	126.87	Yes
Health Super Hiway Private Limited	Others	10	200	200	Unquoted	Fully Paid	0.002	0.002	Yes
The Karur Vysya Bank	Others	10	12,811	12,811	Quoted	Fully Paid	2.49	2.49	Yes
Cholamandalam DBS Finance Ltd	Others	10	1,000	1,000	Quoted	Fully Paid	0.16	0.16	Yes
Alliance Dental Care Limited	Others	10	-	2,541,771	Unquoted	Fully Paid	-	177.75	Yes
Sunrise Medicare Private Ltd	Others		78	78	Unquoted	Fully Paid	-	-	Yes
AMG Healthcare Destination Pvt Ltd	Others	10	1,232,500	1,232,500	Unquoted	Fully Paid	12.32	12.32	Yes
Clover Energy Pvt Ltd	Others	10	1,929,250	1,659,250	Unquoted	Fully Paid	16.59	16.59	Yes
Indo Wind Power Pvt Ltd	Others	10	10,650	35,500	Unquoted	Fully Paid	0.15	0.50	Yes
Tirunelveli Vayu Energy Generation Pvt ltd.	Others	1000	36	36	Unquoted	Fully Paid	13.61	13.61	Yes
Total Health*	Subsidiary	10	500,000	500,000	Unquoted	Fully Paid	5.00	5.00	Yes
Cureus Inc (Stanford - US)	Others	10	935,000	935,000	unquoted	Fullypaid	27.42	27.43	Yes
Apollo Dialysis Pvt Ltd	Others	10	-	5,100	unquoted	Fullypaid	-	0.05	Yes
Iris Ecopower Venture Pvt Ltd	Others	10	70,000	70,000	unquoted	Fullypaid	0.70	0.70	Yes
Leap Green Energy Pvt Ltd	Others	10	-	-	unquoted	Fullypaid	1.43	-	Yes
Matrix Agro Pvt. Ltd	Others	-	-	-	unquoted	Fullypaid	0.50	-	Yes

Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	Face Value	No. of Shares / Units 31.03.2016	No. of Shares / Units 31.03.2015	Quoted / Unquoted	Partly Paid / Fully paid	Amount (₹in million) As at 31 March 2016	Amount (₹in million) As at 31 March 2015	Whether stated at Cost Yes/No
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									
ECL Finance	Others	1000	10,000	10,000	Quoted	Fully Paid	10.00	10.00	Yes
Investments in Government or Trust securities									
National Savings Certificate	Others	-	-	-	Unquoted	Fully Paid	0.17	0.17	Yes
Total							**268.16**	**415.65**	

* Total Health is taken for Consolidation in FY 15-16.

(a) National Saving Certificates shown under investments are pledged with the Chief Rationing Officer, Government of Andhra Pradesh.

Contents

17.Long Term Loans and Advances

(₹in million)

Particulars	31.03.2016	31.03.2015
a. Capital Advances		
Unsecured, considered good	1,869.20	670.08
b. Security Deposits		
Unsecured, considered good	1,931.25	1,707.46
c. Other Loans and Advances		
MAT Credit Entitlement	2,897.46	1,995.45
Other Advances	301.65	434.58
Advance Income Tax	711.00	657.45
	3,910.11	3,087.48
Total	**7,710.56**	**5,465.02**
Add: Share in Joint ventures	242.84	319.49
Total	**7,953.40**	**5,784.51**

18.Current investments

(₹in million)

Particulars	31.03.2016	31.03.2015
(a) Investments in Equity Instruments	67.94	67.93
(b) Investments in Debentures	10.00	10.00
(c) Investments in Mutual funds	619.27	1,373.66
Total	**697.21**	**1,451.60**
Add: Share in joint ventures	20.00	4.11
Total	**717.21**	**1,455.70**

(₹in million)

Particulars	31.03.2016	31.03.2015
Aggregate amount of quoted investments	539.27	1,335.48
(Market Value ₹688.09 (2014-15: ₹1,435.06 million)		
Aggregate amount of unquoted investments	177.94	120.22
Total	**717.21**	**1,455.70**

Details of Current Investments

(₹in million)

Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	Face value	No. of Shares / Units as at 31.03.2016	No. of Shares / Units as at 31.03.2015	Quoted / Unquoted	Partly Paid / Fully paid	Amount as at 31.03.2016	Amount as at 31.03.2015	Basis of Valuation
Investments In Equity Instruments									
British American Hospitals Enterprises Limited	Others	100MUR	464,333	464,333	Unquoted	Fully Paid	-	67.94	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									
ICICI Prudential Short Term Regular Plan Growth Option	Others	10	2,139,907	2,139,907	Quoted	Fully paid	50.00	50.00	Cost
Canara Robeco Short Term Fund - Regular Growth -ISIN	Others	10	192,148	192,148	Quoted	Fully paid	2.50	2.50	Cost
Reliance Short Term Fund - Growth Plan (ST- GP) - ISIN	Others	10	4,681,714	4,681,714	Quoted	Fully paid	100.00	100.00	Cost
Canara Robeco Short Term Fund - Regular Growth - ISIN	Others	10	188,206	188,206	Quoted	Fully paid	2.50	2.50	Cost
Reliance Short Term Fund - Growth Plan	Others	10	6,903,598	6,903,598	Quoted	Fully paid	150.00	150.00	Cost
DWS Short Maturity Fund - Regular Plan - Growth	Others	10	4,785,788	4,785,788	Quoted	Fully paid	100.00	100.00	Cost
ICICI Prudential Short Term Regular Plan - Growth Plan	Others	10	1,375,946	1,375,946	Quoted	Fully paid	32.77	32.77	Cost
Canara Robeco Short Term Fund - Regular Growth	Others	10	182,151	182,151	Quoted	Fully paid	2.50	2.50	Cost
Canara Robeco Short Term Fund - Regular Growth	Others	10	183,284	183,284	Quoted	Fully paid	2.50	2.50	Cost
HDFC Debt Fund	Others	10	2,000,000	2,000,000	Quoted	Fully paid	20.00	20.00	Cost
SBI Magnum Insta Cash Fund	Others	10	-	17,546	Quoted	Fully paid	-	29.39	Cost
Reliance Liquid Fund	Others	1,000	-	338,742	Quoted	Fully Paid	-	517.85	Cost

Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	Face value	No. of Shares / Units as at 31.03.2016	Amount as at 31.03.2016	Partly Paid / Fully paid	Quoted / Unquoted	No. of Shares / Units as at 31.03.2015	Amount as at 31.03.2015	Basis of Valuation
ICICI Prudential Short Term Regular Plan Growth Plan	Others	10	-	-	Fully Paid	Quoted	1,756,142	50.28	Cost
Reliance Short Term Fund - Growth Plan	Others	1,000	-	-	Fully Paid	Quoted	1,919,032	50.29	Cost
HDFC Debt Fund	Others	10	-	-	Fully Paid	Quoted	1,040,446	50.17	Cost
Reliance Mutual Fund	Others	1,000	-	-	Fully Paid	Quoted	1,100,332	50.12	Cost
Birla Sunlife	Others	10	-	-	Fully Paid	Quoted	2,055,540	50.24	Cost
Hdfc Liquid Fund	Others	10			Fully Paid	Quoted	2,321,138	23.67	Cost
Canara Robeco Mutual Fund	Others	10	1,400,477	30.00	Fully Paid	Quoted	1,400,477	30.00	Cost
Canara Robeco Mutual Fund	Others	10	217,974	2.50	Fully Paid	Quoted	-	-	Cost
UTI Floating Rate Fund	Others	10	2,083	3.30	Fully Paid	Quoted	-		Cost
Reliance Income Fund Retail Plan Growth Plan - Growth Option	Others	10	30,231	0.70	Fully paid	Quoted	30,231	0.70	Cost
AIG Short Term Fund Institutional Weekly Dividend	Others	1,001	-	-	Fully paid	Unquoted	38,137	38.18	Cost
Birla Sun Life Floating Rate Fund Short Term Plan	Others	10	52,983	10.00	Fully Paid	Quoted	-	-	Cost
UTI Treasuring Advantage Fund-Institutional Plan- Growth Fund	Others	10	5,052	10.00	Fully Paid	Quoted	-	-	Cost
Kotak Flexi Debt Scheme Plan A - Growth	Others	10	1,386,366	20.00	Fully paid	Quoted	1,386,366	20.00	Cost
DHFL Pramerica Ultra Sher Term Fund Daily Dividend Re-Investment	Others	10.00	5,000,000	50.00	Fully Paid	Unquoted	-	-	Cost
DHFL Pramerica Banking & PSU Debt Fund (Weekly Dividend Re-investments)	Others	10.00	3,000,000	30.00	Fully Paid	Unquoted	-	-	Cost
SBI Ultra Short Term Debt Fund Regular Plan Weekly Dividend	Others	10.00	2,000,000	20.00	Fully Paid	Unquoted	-	-	Cost
Total				**717.21**				**1,451.60**	

19.Inventories

(₹in million)

Particulars	31.03.2016	31.03.2015
a. Medicines (Valued at cost)	3,501.22	2,730.94
b. Stores and spares (Valued at cost)	166.19	175.34
c. Lab Materials (Valued at cost)	11.51	12.05
d. Surgical Instruments (Valued at cost)	438.37	328.89
e. Other Consumables (Valued at cost)	253.79	206.17
Total	**4,371.08**	**3,453.39**
Add: Share in Joint venture	61.71	49.24
Total	**4,432.79**	**3,502.63**

20.Trade Receivables

(₹in million)

Particulars	31.03.2016	31.03.2015
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	5,101.85	4,696.90
	5,101.85	**4,696.90**
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	1,444.06	1,048.77
	1,444.06	**1,048.77**
Total	**6,545.91**	**5,745.67**
Add: Share in Joint venture	474.04	347.07
Total	**7,019.95**	**6,092.74**

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

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

iii. Advances and deposits represent the advances recoverable in 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.

21. Cash and Cash Equivalents

(₹in million)

Particulars	31.03.2016	31.03.2015
a. Balance with banks		
Current Accounts	2,909.10	2,489.58
Fixed Deposit Accounts	204.96	422.41
Unpaid Dividend Accounts	30.42	28.41
Margin money Deposits	61.58	28.25
Guarantees	162.67	159.98
	3,368.73	3,128.63
b. Cash on hand	**151.79**	**119.46**
Total	**3,520.52**	**3,248.09**
Add: Share in Joint venture	455.16	525.24
Total	**3,975.68**	**3,773.33**

a. The Company's Fixed Deposit receipts amounting to 162.67 million (159.98 million) are under lien with the bankers for obtaining Bank Guarantees and Letters of credit.

22. Short-term Loans and Advances

(₹in million)

Particulars	31.03.2016		31.03.2015	
a. Loans and advances to related parties				
Unsecured, considered good		17.07		-
Other Loans and Advances				
Advance to Suppliers	1,246.72		540.67	
Other Advances	4,488.13		3,529.40	
Loans and advances to employees	118.75	5,853.60	101.55	4,171.62
Total		**5,870.67**		**4,171.62**
Add: Share in Joint venture		98.48		28.32
Total		**5,969.15**		**4,199.94**

23. Other Current Assets

(₹in million)

Particulars	31.03.2016	31.03.2015
Prepaid Expenses	184.70	186.26
Rent Receivables	8.55	2.75
Interest Receivables	202.33	58.73
Franchise Fees Receivable	16.36	13.82
Total	**411.94**	**261.56**
Add: Share in Joint venture	74.53	102.87
Total	**486.47**	**364.43**

24.Revenue from operations

(₹in million)

Particulars	31.03.2016	31.03.2015
Revenue from Healthcare services	34,206.87	31,067.54
Revenue from Pharmacy	23,236.95	17,725.50
Total	**57,443.82**	**48,793.04**
Add: Share in Joint venture	3,412.06	2,991.49
Total	**60,855.88**	**51,784.53**

25.Other Income

(₹in million)

Particulars	31.03.2016	31.03.2015
Interest Income	237.09	34.00
Dividend Income	0.75	30.29
Net gain/(loss) on sale of investments		
Current investment	8.95	0.28
Long term investment	2.00	103.72
Other non-operating income		
Income from Sugar Cliniq	-	184.08
Profit/(Loss) on Sale of Asset	0.56	-
Net gain on foreign currency transactions and translation	0.01	1.19
Total	**249.36**	**353.56**
Add : Share of Joint Ventures	17.55	13.96
Total	**266.91**	**367.52**

26.Employee Benefits Expense

(₹in million)

Particulars	31.03.2016	31.03.2015
Salaries and wages	7,983.28	6,847.54
Contribution to provident and other funds	573.49	476.35
Employee State Insurance	132.74	108.94
Staff welfare expenses	500.14	407.68
Staff Education & Training	9.36	12.56
Bonus	424.06	206.93
Total	**9,623.07**	**8,060.00**
Add: Share in joint venture	619.18	540.25
Total	**10,242.25**	**8,600.25**

The Following Companies in the group have complied with Accounting Standard 15 'Employee benefit' as notified under the Companies (Accounting Standards) Rules, 2006.

- Samudra Healthcare Enterprises limited
- Apollo Health and Lifestyle Limited
- Apollo Lavasa Health Corporation Limited
- Apollo Gleneagles Hospital Limited
- Apollo Gleneagles PET – CT Private Limited
- Apollo Hospitals International limited
- Apollo Munich Health Insurance Company Limited
- Family Health Plan (TPA) Limited
- Indraprastha Medical Corporation Limited
- Apollo Rajshree Hospitals Private Ltd
- Assam Hospitals Ltd
- Imperial Hospitals & Research Centre Limited
- Stemcyte India Therapeutics Private Limited

In consideration of Accounting Standard Interpretation (ASI) 15 "Notes to the Consolidated Financial Statements" the information relating to the above is given in the separate financial statements of the Parent Company or other companies in the Group is not disclosed.

Apollo Hospitals Enterprise Limited

Particulars	As at 31st March 2016		As at 31st March 2015	
	Gratuity	Earned Leave	Gratuity	Earned Leave
Assumptions				
Discount Rate	8.00%	8.00%	8.00%	8.00%
Rate of Increase in Salaries	6.00%	8.00%	6.00%	8.00%
Mortality pre- retirement	Indian Assured Lives Mortality (2006-08) Ultimate			
Disability	Nil	Nil	Nil	Nil
Attrition	23.00%	23.00%	23.00%	23.00%
Estimated rate of return on plan assets	8.00%	8.00%	8.00%	8.00%
Retirement	58yrs	58yrs	58yrs	58yrs
Investment details on plan assets	100% of the plan Assets are invested on debt instruments			

(₹in million)

Particulars	As at 31st March 2016			As at 31st March 2015		
	Gratuity	Earned Leave	Total	Gratuity	Earned Leave	Total
Present Value of Obligation as at the beginning of the year	410.02	178.47	588.49	336.08	163.57	499.65
Interest Cost	31.24	11.35	42.59	25.55	11.16	36.71
Current Service Cost	47.07	23.26	70.33	36.46	16.35	52.81
Benefit Paid	(39.13)	(73.09)	(112.22)	(33.39)	(48.06)	(81.45)
Actuarial (gain) / Loss on obligation	76.42	99.77	176.19	45.32	35.45	80.77
Present Value of Obligation end of the year	**525.62**	**239.76**	**765.38**	**410.02**	**178.47**	**588.49**
Defined benefit obligation liability as at the balance sheet is wholly funded by the Company						
Change in plan assets						
Fair Value of Plan Assets beginning of the period	336.93	110.17	447.10	256.68	58.49	315.17
Expected return on plan assets	31.16	13.08	44.24	23.74	6.75	30.49
Contributions	103.09	98.30	201.39	105.08	105.08	210.16
Benefits paid	(39.13)	(73.09)	(112.22)	(33.39)	(48.06)	(81.45)
Actuarial gain / (loss)	10.05	68.28	78.33	(15.18)	(12.09)	(27.27)
Fair Value of Plan Assets as on 31st March, 2016	**442.10**	**216.74**	**658.84**	**336.93**	**110.17**	**447.10**
Reconciliation of present value of the obligation and the fair value of the plan assets						
Fair value of the defined benefit	525.62	239.76	765.38	410.02	178.47	588.49
Fair value of plan assets at the end of the year	(442.10)	(216.74)	(658.84)	(336.93)	110.17	(226.76)
Liability / (assets)	83.52	23.02	106.54	73.09	68.30	141.39
Unrecognised past service cost	-	-	-	-	-	-
Liability / (assets) recognised in the balance sheet	**83.52**	**23.02**	**106.54**	**73.09**	**68.30**	**141.39**
Gratuity & Leave Encashment cost for the period						

Particulars	As at 31st March 2016			As at 31st March 2015		
	Gratuity	Earned Leave	Total	Gratuity	Earned Leave	Total
Service Cost	47.07	23.26	70.33	36.46	16.35	52.81
Interest Cost	31.24	11.35	42.59	25.55	11.16	36.71
Expected return on plan assets	(31.16)	(13.08)	(44.24)	(23.74)	(6.75)	(30.49)
Actuarial (gain) / loss	66.37	31.49	97.86	60.50	47.53	108.04
Past Service Cost	-	-	-	-	-	-
Net gratuity and Leave Encashment cost	**113.52**	**53.02**	**166.54**	**98.77**	**68.30**	**167.07**
Investment details of plan assets						
100% of the plan assets are invested in debt instruments						
Actual return on plan assets	41.21	81.36	122.57	8.56	(5.34)	3.22

- 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 plan offered by ICICI Bank & Life Insurance Corporation of India. The Company provides Leave benefits through annual contribution to the fund managed by HDFC Life.
- The estimate of future salary increase, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market.

27.Finance Cost

(₹in million)

Particulars	31.03.2016	31.03.2015
Interest expense	1,441.23	925.37
Other borrowing costs		
Bank Charges	168.70	144.58
Brokerage & Commission	0.26	0.33
Total	**1,610.19**	**1,070.28**
Add: Share in Joint venture	74.71	108.26
Total	**1,684.90**	**1,178.54**

28.Other Expenses

(₹in million)

Particulars	31.03.2016	31.03.2015
Power and fuel	973.56	844.03
House Keeping Expenses	277.01	273.25
Water Charges	112.83	95.78
Rent	2,112.08	1,722.92
Repairs to Buildings	202.62	208.86
Repairs to Machinery	604.95	516.26
Repairs to Vehicles	42.68	53.58
Office Maintenance & Others	600.04	444.45
Insurance	94.83	63.27
Rates and Taxes (excluding taxes on income)	105.25	98.21
Printing & Stationery	292.63	277.15
Postage	27.94	21.57
Director Sitting Fees	3.15	3.84
Advertisement, Publicity & Marketing	1,167.10	932.10
Pharmacy Loyalty Discount	651.50	494.73
Travelling & Conveyance	484.56	418.32
Subscriptions	13.14	6.48
Security Charges	182.27	144.29
Legal & Professional Fees	620.13	406.02
Continuing Medical Education & Hospitality Expenses	56.28	33.20
Hiring Charges	75.00	69.58
Seminar Expenses	6.62	6.39
Telephone Expenses	196.62	153.02
Books & Periodicals	10.49	11.60
Corporate Social Responsibility Expenses	86.44	77.71
Donations	3.31	25.36
Bad Debts Written off	252.51	258.68
Royalty paid	1.05	1.30
Outsourcing Expenses	1,336.07	968.42
Miscellaneous expenses	114.27	89.88
Loss on Sale of Assets	36.14	27.72
Loss on sale Investment	0.01	-
Foreign Exchange loss	27.08	10.50
Total	**10,770.16**	**8,758.47**
Add: Share in joint venture	1,462.86	1,267.12
Total	**12,233.02**	**10,025.59**

a. Payment to auditors as statutory auditors

(₹in million)

Particulars	31.03.2016	31.03.2015
Audit Fees*	9.97	9.21
Tax Audit Fees*	1.57	1.57
Certification Fees*	1.28	1.82
Reimbursement of Expenses	0.58	0.63
Total	**13.40**	**13.23**
*Inclusive of Service Tax		

b. Directors travelling included in travelling and conveyance amounts to ₹36.79 million (₹50.39 million).

28(A) Exceptional Item

Exceptional Item represents impairment in the value of certain investments amounting to ₹112.30 million and arrears of bonus for FY 2014-15 of ₹144.48 million, being the Bonus payable to employees due to the amendment to the Payment of Bonus (Amendment) Act, 2015 and profit on sale of investments by Apollo Health and Lifestyle Limited amounting to ₹548.36 million.

29. Contingent Liabilities

(₹in million)

Particulars	31.03.2016	31.03.2015
Contingent liabilities and commitments (to the extent not provided for)		
(i) Contingent Liabilities		
(a) Claims against the Company not acknowledged as debt	1,345.90	803.48
(b) Guarantees		
Bank Guarantees	172.84	312.11
Corporate Guarantees	2,871.00	1,505.00
(c) Other money for which the Company is contingently liable		-
Customs Duty	99.70	99.70
Income Tax	329.97	396.69
Service Tax	74.47	62.53
EPCG	3,792.60	2,412.60
Value Addded Tax	24.88	2.27
	8,711.36	**5,594.38**
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	13,524.18	10,521.83
	13,524.18	**10,521.83**
Total (I + II)	**22,235.54**	**16,116.21**

Family Health Plan (TPA) Limited

1. The Commissioner of Customs, Central Excise and Service Tax-Hyderabad-II Commissionerate 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 an 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 Hon'ble Customs, Excise and Service Tax Appellate Tribunal (South Zonal Bench) – Bangalore subsequently has held that no penalty is liable to be imposed and therefore the question of enhancing the penalty or revising the penalty would not arise. Therefore the appeal filed by the Revenue cannot be sustained and has to be rejected.

   However, the Commissioner of Central Excise, Customs and Service Tax, Hyderabad-II, Commissionerate has filed a petition in the High Court of Judicature at Hyderabad to grant stay against the order dated 25-05-2015 passed by CESTAT, Bangalore. Accordingly, the Court has given interim stay as prayed for.

2. The Company received a Show Cause Notice from the Income Tax Department during the Financial Year 2009-10 towards payment of TDS on payments made to the Hospitals on behalf of Insurance Companies along with the Interest for a period of six preceding financial years based on the CBDT Circular No.08 of November 2009 and amount not quantified.

   The Company had gone on an appeal against the Show Cause Notice from the Income Tax Department and also CBDT Circular No.08 of November 2009 in Chennai High Court for applicability of TDS on payments made to Hospitals as reimbursement of Expenses. The same is admitted and granted Stay of Operations of Show Cause Notice and also that of CBDT Circular.

   In continuation of the above, Based on the Circular 8/2009, dated 24 November 2009, issued by the Central Board of Direct Taxes, during the current year the Income Tax Department has raised a demand of ₹81.30 million for the years 2004-05 to 2009-10, on account of Interest on non-deduction of tax and liability towards tax ought to have been deducted at source on payments effected to Hospitals on behalf of the Insurance companies. The Company has contested against the demand and has preferred an appeal before the Commissioner of Income Tax Appeals on various Grounds including non-applicability of the provisions of Deduction of tax at source in the hands of the company, on payment effected to hospitals. Pending the disposal of the appeal by the appellate authorities, a reliable estimate of the existing obligation, if any, cannot be reasonably ascertained and hence not provided for.

   Pending the disposal of the appeal against the order for TDS liability, the company has requested the Income Tax Department to adjust the refunds amounting to ₹57.0 million, against the demand of ₹81.30 million and stay the collection of the balance demand.

Apollo Munich Health Insurance Company Limited

(₹ In million)

Particulars	31.03.2016	31.03.2015
Claims other than against policies, not acknowledged as debts by the Company	18.90	13.90
Guarantees given by or on behalf of the Company	2.18	2.38
Others*	0.50	0.70

*Represents amounts payable on cancellation of a service contract.

Indraprastha Medical Corporation Limited

In respect of other matters ₹11.89 million (₹11.89 million).

30. Utilisation of amounts from securities issued

During the current year - Nil (₹ 2,000 million)

31. Earnings Per Equity Share

Particulars	31.03.2016	31.03.2015
Profit before extraordinary items attributable to equity shareholders (Amount ₹ in million) (A1)	3,310.12	3,117.2
Weighted Averaged Equity Shares outstanding during the year (Nos) - (B1)	139,125,159	139,125,159
Basic Earnings Per Share before extra-ordinary item - (A1/B1)	23.79	22.41
Diluted Earningsbefore extraordinary items attributable to equity shareholders (Amount ₹ in million) (A2)	3,310.12	3,117.2
Weighted Averaged Equity Shares outstanding for Diluted Earnings Per Share. (Nos) - (C1)	139,125,159	139,125,159
Diluted Earnings Per Share before extra-ordinary item - (A2/C1)	23.79	22.41
Profit after extraordinary items attributable to equity shareholders (Amount ₹ in million) (A)	3,310.12	3,399.03
Weighted Averaged Equity Shares outstanding during the year (Nos) - (B)	139,125,159	139,125,159
Basic Earnings Per Share after extra-ordinary item - (A/B)	23.79	24.43
Diluted Earnings after extraordinary items attributable to equity shareholders (Amount ₹ in million) (A3)	3,310.12	3,399.03
Weighted Averaged Equity Shares outstanding for Diluted Earnings Per Share. (Nos) - (C)	139,125,159	139,125,159
Diluted Earnings Per Share after extra-ordinary item - (A3/C)	23.79	24.43

32. Related Party Disclosures:

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

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

(₹ in million)

SL.No	Name of related Parties	Nature of relationship
1	Apollo Home Healthcare (India) Ltd	Subsidaries
2	AB Medical Centres Limited	
3	Apollo Health and Life Style Limited	
4	Samudra Health Care Enteprises Limited	
5	Imperial Hospitals and Research Centre Limited	
6	Apollo Hospitals (UK) Limited	
7	Apollo Nellore Hospitals Limited	
8	Apollo Rajshree Hospitals Private Limited	
9	Western Hospitals Corporation (P) Limited	
10	Sapien Bio Sciences Private Limited	
11	Total Health	
12	Apollo Healthcare Technology Solutions Limited	
13	Apollo Home Healthcare Limited	
14	Assam Hospitals Limited	
15	Apollo Hospitals Singapore Pte Limited	
16	Apollo Lavasa Health Corporation Limited	
17	Apollo Sugar Clinics Limited	Step down subsidaries
18	Akeso Healthcare Private Limited	
19	Alliance Dental Care limited	
20	Apollo Cosmetic Surgical Centre Private Limited	
21	Apollo Dialysis Private Limited	
22	Apollo Gleneagles Hospital Limited	Joint Ventures
23	Apollo Hospitals International Limited	
24	Apollo Munich Health Insurance Company Limited	
25	Apollo Gleneagles PET-CT (P) Limited	
26	Future Parking Private Limited	
27	Apokos Rehab Pvt Ltd	
28	Family Health Plan (TPA) Limited	Associate Companies
29	Indraprastha Medical Corporation Limited	
30	Stemcyte India Therapautics Private Limited	
31	Smt. Suneeta Reddy	Key Management Personnel
32	Shri. Krishnan Akhileswaran	
33	Shri. S M Krishnan	
34	Dr. Prathap C Reddy	Relatives of Key Management Personnel (Relative of Smt. Suneeta Reddy)
35	Smt. Preetha Reddy	
36	Smt. Shobana Kamineni	
37	Smt. Sangita Reddy	

SL.No	Name of related Parties	Nature of relationship
38	Apollo Sindoori Hotels Limited	Enterprises over which Key Management Personnel and/or their relatives are able to exercise significant influence
39	Faber Sindoori Management Services (P) Limited	
40	Lifetime Wellness Rx International Limited	
41	P Obul Reddy & Sons	
42	Keimed Private Limited	
43	Medvarsity Online Limited	
44	Apollo Hospitals Educational Trust	
45	Apollo Mumbai Hospital Limited	
46	Kurnool Hospitals Enterprise Limited	
47	AMG Healthcare Destination Private Limited	
48	Apollo Hospitals Educational and Research Foundation	
49	Palepu Pharma Private Limited	
50	Medihauxe International Private Limited	
51	Vardhman Pharma Distributors Private Limited	
52	Focus Medisales Private Limited	
53	Srinivasa Medisales Private Limited	
54	Meher Distributors Pvt Ltd	
55	Lucky Pharmaceuticals Pvt Ltd	
56	Neelkanth Drugs Pvt Ltd	
57	Dhruvi Pharma Pvt Ltd	
58	Apollo Educational Infrastructure Services Limited	
59	Apollo Health Resources Limited	
60	Dishnet Wireless Limited	
61	Healthnet Global Limited	
62	Associated Electrical Agencies	
63	APEX Agencies	
64	Trivitron Healthcare Private Limited	Significant Control (Alliance Medicorp (India) Limted)
65	Munchener Ruckversicherung Gesellschaft	Associates of Apollo Munich Health Insurance Company Limited
66	Sahayadri City Management	Fellow Subsidiaries of Apollo Lavasa Health Corporation Limited
67	My City Technology Limited	
68	Full Spectrum Adventure Limited	
69	Lavasa Hotel Ltd	
70	Whistling Trust Facilities Services Limited	
71	Spotless Laundry Services Limited	
72	Dasve Convention Center Limited	
73	Reasonable Housing Limited	
74	Lavasa Corporation Limited	Significant Influence (Apollo Lavasa Health Corporation Limited)
75	Green Channel Travel Services (Div of IRM Limited)	Significant Influence (Apollo Hospital International Limited)
76	IRM Enterprises Pvt Ltd	
77	Marg Limited	Holding Company of Future Parking Private Limited
78	Cadila Pharmaceuticals Limited	Significant Control (Apollo Hospital International Limited)
79	Shri. Antony Jacob	Key Management Personnel of Apollo Munich Health Insurance Company Limited
80	Apollo-Amrish Oncology Services Pvt Ltd	Joint Venture of Apollo Hospital International Ltd
81	Shri. Ashok Bajpai	Key Management Personnel of Apollo Rajshree Hospitals Private limited
82	Shri. Devendra Bhargava	
83	Warasgon Power Supply Limited	Significant Influence (Apollo Lavasa Health Corporation Ltd)
84	Matrix Agro Private Limited	Significant Influence (Imperial Hospital and Research Center Ltd)
85	IRM Trust	Significant Influence (Apollo Hospital International Ltd)
86	Apollo CVHF Limited	Subsidiary of Apollo Hospital International Ltd
87	Rajshree Engineering Private Limited	Significant Influence (Apollo Rajshree Hospital Private Ltd)
88	Dr. Tonmoy Das	Key Management Personnel of Assam Hospitals ltd
89	Shri. Kaushik Barua	
90	Shri. Kamal Chandra Das	
91	Shri. Sauvik Barua	
92	Shri. Neeraj Garg	Key Managerial Personnel of Apollo Health and Lifestyle Limited
93	Gleneagles Management Services Pte Ltd	Significant Influence (Apollo Gleneagles Hospital Limited)

Related Party Transaction

(₹ in million)

S.No	Name of Related Parties	Nature of Transaction	31.03.2016	31.03.2015
1	Family Health Plan (TPA) Limited	a) Investment in Equity	4.90	4.90
		b) Receivables as at year end	8.69	29.98
		c) Transactions during the year	593.06	76.50
2	Indraprastha Medical Corporation Limited	a) Investment in Equity	393.72	393.72
		b) Receivables as at year end	399.73	402.04
		c) Dividend received	36.34	36.43
		d) Transactions during the year	281.85	1,668.56
		e) Claim Payments	106.75	80.63
3	Stemcyte India Therapautics Private Limited	a) Investment in Equity	80.00	80.00
4	Dr. Prathap C Reddy	a) Remuneration paid	136.19	152.82
5	Smt. Preetha Reddy	a) Remuneration paid	48.20	49.25
6	Smt. Suneeta Reddy	a) Remuneration paid	48.20	50.70
7	Smt. Sangita Reddy	a) Remuneration paid	46.99	49.25
8	Smt. Shobana Kamineni	a) Remuneration paid	49.66	49.97

S.No	Name of Related Parties	Nature of Transaction	31.03.2016	31.03.2015
9	Apollo Sindoori Hotels Limited	a) Receivables as at year end	10.84	30.07
		b) Transaction During the Year	620.11	539.46
10	Faber Sindoori Management Services Private Limited	a) Payables as at year end	46.13	109.70
		b) Transactions during the year	671.15	539.46
		c) Receivables at year end	-	0.10
11	Lifetime Wellness Rx International Limited	a) Transactions during the year	17.97	5.57
		b) Receivables as at year end	13.21	6.82
12	P. Obul Reddy & Sons	a) Transactions during the year	52.06	54.20
		b) Receivables as at year end	12.62	15.83
13	Keimed Private Limited	a) Payables as at year end	92.53	61.57
		b) Transactions during the period	5,147.70	4,828.14
14	Medvarsity Online Limited	a) Receivables as at year end	3.30	2.60
		b) Transactions during the year	5.99	2.75
15	Apollo Mumbai Hospital Limited	a) Receivables as at year end	-	2.69
		b) Transactions during the period	-	6.80
16	Dishnet Wireless Limited	a) Transactions during the year	6.06	8.55
17	Kurnool Hospitals Enterprise Limited	a) Investment in Equity	1.73	1.73
		b) Transactions during the year	3.84	-
		c)Receivables as at year end	5.90	-
18	AMG Health Care Destination Private Limited	a) Investment in Equity	12.33	12.33
19	Cadila Pharmaceuticals Limited	a)Receivables as at year end	0.79	-
		b) Transactions during the year	3.31	9.58
20	Green Channel Travel Services (Div of IRM Limited)	a) Transactions during the year	4.51	6.35
		b) payable as at year end	0.19	-
21	IRM Enterprises Pvt Ltd	a) Transactions during the year	0.11	0.10
22	Full Spectrum Adventure Limited	a) Project and Other services Received	-	0.02
23	Apollo Hospital Educational Trust	a)Transactions during the year	30.13	0.63
		b)Receivables as at year end	288.25	337.85
24	Apollo Hospitals Educational and Research Foundation	a)Transactions during the year	12.30	11.90
		b)Receivables as at year end	155.17	149.93
25	Sahayadri City Management	a) Project and Other services Received	1.42	1.86
		b) Included in Trade Payables	-	3.99
26	Apollo Amrish Oncology services pvt ltd	a) Investment in Equity	333.50	9.05
		b)Transactions during the year	192.78	38.08
		c)Receivables as at year end	57.65	-
		d) Reimbursement of expenses	-	45.66
27	Shri.Antony Jacob	a) Expenses towards services rendered	27.38	28.43
28	Reasonable Housing Limited	a) Project and Other services Received	0.42	0.61
29	Meher Distributors Private Limited	a) Payable at year end	15.44	11.77
		b) Transactions during the year	402.22	32.10
30	Lucky Pharmaceuticals Private Limited	a) Payable at year end	44.17	41.35
		b) Transactions during the year	931.61	27.19
31	Neelkanth Drugs Private Limited	a) Payable at year end	74.32	47.18
		b) Transactions during the year	1,110.79	163.49
32	Dhruvi Pharma Private Limited	a) Payable at year end	16.48	18.96
		b) Transactions during the year	330.47	8.40
33	Palepu pharma Private Limited	a) Payable at year end	90.29	48.78
		b) Transactions during the year	3,329.95	423.94
34	Medihauxe International Private llmited	a) Payable at year end	20.26	42.60
		b) Transactions during the year	430.91	69.56
35	Vardhman Pharma Distributors Private Limited	a) Payable at year end	36.81	27.74
		b) Transactions during the year	731.03	121.13
36	Focus Medisales Private Limited	a) Payable at year end	21.90	15.41
		b) Transactions during the year	460.49	59.68
37	Srinivasa Medisales Private Limited	a) Payable at year end	27.76	21.26
		b) Transactions during the year	588.15	86.84
38	Shri. Ashok Bajpai	a) Professional fee	5.04	4.69
39	Devendra Bhargava	a) Professional fee	0.90	1.38
40	Warasgon Power Supply Limited	a)Project and other services	0.02	-
41	My City Technology Limited	a)Project and other services	0.06	0.23
42	Whistling Trust Facility Service	a)Project and other services	1.29	1.99
43	Lavasa Hotel ltd	a)Operating Income	0.04	0.07
44	Dasve Convention Center Limited	a)Operating Income	0.02	0.03
45	Matrix Agro Private Limited	a) Purchases	7.69	-
		b) Payables	2.68	-
46	IRM Trust	a) Investment by trust in Equity	428.02	378.02
		b) Transactions during the year	50.00	2.50
47	Apollo CVHF Limited	a) Investment in Equity	101.00	-
		b) Transactions during the year	102.82	-
		c) Receivables as at year end	1.82	-
48	Dr Tonmoy Das	a) Transactions during the year	15.30	-
		b) Payable as at year end	0.46	0.35
49	Shri. Kaushik Barua	a) Transactions during the year	2.13	-
50	Shri. Kamal Chandra Das	a) Transactions during the year	6.53	-
51	Shri. Sauvik Barua	a) Transactions during the year	3.39	-

S.No	Name of Related Parties	Nature of Transaction	31.03.2016	31.03.2015
52	Rajshree Engineering Pvt. Limited	a)Investment by related party	49.08	49.08
53	Lavasa Corporation Limited	a)Operating income	3.68	3.61
		b)Interest on Inter corporate Deposits	0.02	15.56
		c)Interest Accured and Due	62.24	-
		d)project and other service rendered	0.21	0.28
		e)Inter corporate deposits outstanding	97.24	97.24
		f)Equity Share capital	6.27	8.00
		g)Trade receivables	2.88	-
54	Trivitron Healthcare Pvt. Ltd	a)Consumable and salary Reimbursement	4.24	-
		b)Payable as at year end	4.24	-
55	Neeraj Garg	a)Remuneration Paid	17.65	-
56	Apex Agencies	a)Transactions during the year	0.11	0.10
57	Associated Electrical Agencies	a)Transactions during the year	0.16	0.15
58	Muchener Ruckversicherung gesellschaft	a)Receivables as at year end	0.02	-
59	Gleneagles Management Services Pvt Ltd.	a)Trade mark, management and Technical service	118.46	103.04
		b)Trade payable	118.21	104.33

33. Leases

In respect of Non- cancellable Operating Leases

Lease payments recognized in the Statement of Profit and Loss is ₹2,112.08 million (₹1,722.92 million)

(₹ in million)

Particulars	31.03.2016	31.03.2015
Not later than one year	1,271.28	555.12
Later than one year and not more than five years	8,172.63	3,648.08
Later than Five years	13,948.43	15,885.84

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

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

Apollo Gleneagles Hospitals Limited

(i) In respect of Non-cancellable finance leases

(₹ in million)

Particulars	31.03.2016 Minimum lease Payments	31.03.2016 Present value of Minimum lease Payments
Not later than one year	2.67	1.85
Later than one year and not later than five years	6.41	5.45
Total	**9.08**	**7.30**

(ii) Imperial Hospital and Research Centre Limited:

(₹ in million)

Particulars	31.03.2016 Present value of Minimum lease Payments
Not later than one year	11.28
Later than one year and not later than five years	55.88
Total	**67.16**

34. Impairment

Apollo Hospitals Enterprise Limited

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

35. Fixed Assets

Imperial Hospital and Research Center Limited

Land and Buildings – WDV as on 31.03.2016 – ₹992.10 million

During the financial year 2014-15, the Company has received an order from the Special Deputy Commissioner of Bangalore alleging non-compliance of allotment conditions by the Company of the land on which the hospital building is constructed. Further, the said order of the authority also demands surrendering the land and the building to the state government.

The Company, has approached some reputed and senior advocates who have expertise and experience in handling such land related matters and they have all unanimously opined that, (a) there is no violation, on the part of the Company, of any terms and condition of the allotment; (b) the order passed by the said authority is beyond jurisdiction and is opposed to the basic principles of natural justice as the Company has not been provided with an opportunity to make a representation; and (c) irrespective of the said order, there is no threat to the valid marketable title to the property held by the Company.

The company has made a written representation to the concerned authorities highlighting these facts and requesting withdrawal of the order. The State government has taken cognizance of the company representation and is in the process of reviewing the said order of the Deputy Commissioner. The company is confident that there will be no threat to the present status of the land and building considering the progress of the matter and the response received from the authorities.

Given the above-mentioned facts, the management is of the unequivocal opinion that no assets have been impaired during the year and there is no threat to the continuity of the operations of the company or its revenue earning capabilities.

36. General Information

a. Apollo Hospitals Enterprise Limited

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

Unrealised amounts on project development and pre-operative project expenses incurred at the Bilaspur Hospital amounting to ₹56.62 million are included in advances and deposits account. The above expenses incurred on project will be amortised over the balance lease period of 4 years. The balance yet to be amortised as on 31.03.2016 is ₹12.58 million (₹15.73 million).

b. Apollo Munich Health Insurance Company Limited

i. Encumbrances

The Company has all the assets within India. All the assets of the Company are free from any encumbrances except deposits in banks amounting to ₹2.28 million (₹2.38 million). The deposits have been placed with banks for the purposes of executing bank guarantees in favour of hospitals towards cash-less arrangements deposits given to sales tax office.

ii. Commitments made and outstanding for

(₹in million)

Particulars	31.03.2016	31.03.2015
Fixed Assets	17.52	9.76

iii. Claims, less reinsurance paid to claimants:

(₹in million)

Class of Business	In India		Outside India	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Miscellaneous	4,831.51	3,921.62	17.19	8.85

iv. Age-wise breakup of claims outstanding

(₹in million)

Class of Business	Outstanding for more than six months		Outstanding for six months or less	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Miscellaneous	91.61	43.06	496.59	438.44

v. Premium less reinsurance written during the year:

(₹in million)

Class of Business	Outstanding for more than six months		Outstanding for six months or less	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Miscellaneous	8,639.18	6,814.62	Nil	Nil

No premium income is recognized on "varying risk pattern" basis.

vi. Extent of risk retained and reinsured:

(₹in million)

Class of Business	Outstanding for more than six months		Outstanding for six months or less	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Miscellaneous	78%	79%	22%	21%

vii. Value of Contracts in relation to Investments:

(₹in million)

Paticulars	31.03.2016	31.03.2015
Purchase where deliveries are pending	Nil	Nil
Sales where payments are overdue	Nil	Nil

viii. All the investments held by the Company are performing assets.

ix. The Company does not have any investment property as at March 31st, 2016.

x. The investments as at year-end have not been allocated to Policy Holders & Shareholders accounts since the same are not earmarked separately.

xi. The historical cost of investments in mutual funds which have been valued on fair value basis is ₹1010.98 million (₹496.88 million).

xii. Expenses relating to outsourcing, business development and marketing support are given below:

(₹in million)

Operating expenses	31.03.2016	31.03.2015
Outsourcing Expenses	427.05	374.60
Marketing Support	334.30	218.56
Business Promotion	219.76	342.32

xiii. Sector Wise Business

Disclosure of sector-wise business based on gross direct written premium (GWP) is as under:

(₹in million)

Particulars	as at 31st March 2016			as at 31st March 2015		
	GWP (₹in million)	No. of Lives	% of GWP	GWP (₹in million)	No. of Lives	% of GWP
Rural	643.70	180,846	6.30	496.65	177,549	6.19
Social	3.74	37,392	0.04	5.95	79,702	0.07
Urban	9,574.32	4,703,563	93.66	7,528.70	3,622,917	93.74

xiv. Disclosure of Fire and Marine Revenue accounts:

As the Company operates in single insurance business class viz. Miscellaneous Insurance Business, the reporting requirements as prescribed by IRDA with respect to presentation of Fire and Marine Insurance revenue accounts are not applicable.

There are no dues outstanding for more than 45 days during the year which are payable to Micro, Small and Medium Enterprises. This information pursuant to the provisions of Micro, Small and Medium Enterprises Development Act, 2006 is determined to the extent such parties have been identified on the basis of information available with the Company.

xv. Summary of Financial Statements is provided as under:

(₹in million)

Sl. No.	Paticulars	31.03.2016	31.03.2015
	Operating Results:		
1	Gross Premium Written	10,221.80	8,610.55
2	Net Earned Premium Income	8,639.20	6,558.85
3	Income from Investments (net)	426.20	350.44
4	Other Income	18.30	-
5	Total Income	9,083.70	6,909.28
6	Commission (Net of Reinsurance)	501.80	453.34
7	Brokerage		181.31
8	Operating Expenses	2,858.00	2,557.79
9	Claims Incurred	5,006.40	4,134.27
10	Operating Profit/Loss	(172.70)	(236.11)
11	Total Income under Shareholders Account	247.30	243.10
12	Profit /(Loss) before tax	74.60	6.10
13	Provision for Tax	-	(0.32)
14	Profit/(Loss) after tax	74.60	6.65
	Miscellaneous:		
15	Policy holders' Account:		
	Total Fund	Not applicable being Non – Life Insurance Co.	
	Total Investments		
	Yield on investments		
16	Shareholders' Account:		
	Total Fund	Not applicable being Non – Life Insurance Co.	
	Total Investments		
	Yield on investments		
17	Paid Up Equity Capital	3,569.20	3,492.30
18	Net Worth	2,746.20	2,543.30
19	Total Assets	10,406.10	8,937.20
20	Yield on total investments	8.92%	9.27%
21	Earnings Per Share (₹)	0.21	0.02
22	Book value per Share(₹)	7.69	7.28
23	Total Dividend	Nil	Nil
24	Dividend Per share	Nil	Nil

xvi. Accounting Ratios are provided as under:

Performance Ratios	31.03.2016 (in %/ times)	31.03.2015 (in %/ times)
Gross Direct Premium to Net Worth Ratio (Gross premium for the current year divided by paid up capital plus free reserves)	3.72	3.16
Growth Rate of Networth (Shareholders' funds as at the current balance sheet date divided by shareholders' funds as at the previous balance sheet date)	8	12
Net Retention Ratio (Net premium divided by gross premium including RI acceptance)	78	79
Net Commission Ratio (Commission net of reinsurance for a class of business divided by net premium)	6	7
Expenses of Management to Gross Direct Premium (Expenses of management plus commission paid divided by the total gross direct premium)	39	43
Expenses of Management to Net Written Premium Ratio (Expenses of management plus Direct commission paid divided by the NWP)	46	50
Net Incurred Claims to Net Earned Premium	65	63
Combined Ratio (Net Incurred claims divided by NEP plus Expense of management (including Net Commission) divided by NWP)	104	107
Technical Reserves to Net Premium Ratio (Reserve for unexpired risks plus premium deficiency reserve plus reserve for outstanding claims divided by net premium)	0.72	0.76
Underwriting Balance Ratios (Underwriting profit divided by net premium for the respective class of business)	(0.08)	(0.09)
Operating Profit Ratio (Underwriting profit plus investment income divided by net premium)	(2.00)	(3.00)
Liquid Assets to Liability Ratio (Liquid assets of the insurer divided by the policy holders' liabilities)	0.56	0.72
Net Earnings Ratio (Profit after tax divided by net premium)	0.86	0.10
Return on Net Worth (Profit after tax divided by net worth)	2.72	0.26
Available Solvency Margin to Required Solvency Margin Ratio	1.51	1.72
NPA Ratio	-	-

Indraprastha Medical Corporation Limited

a. Under the terms of the agreement between the Government of the Delhi and the Company, the Hospital project of the Company had been put up on the land belonging to the 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, 2016, the aforesaid fund, together with interest thereon amounting to ₹192.36 million have been utilized towards progress payments to contractors, advances to contractors, payments for materials, etc. The ownership of the building between Government of NCT of Delhi and the Company will be decided at a future date keeping in view the lease agreement.

b. On a Public Interest Litigation (PIL) regarding free treatment in the hospital the Hon'ble Delhi High Court vide its order dated 22nd September, 2009 has held that free treatment provided by the hospital as per the terms of lease deed with Government of National Capital Territory of Delhi shall be inclusive of medicines and consumables. In response to the said order the Company filed a Special Leave Petition in the Hon'ble Supreme Court for appropriate directions with a prayer to stay the judgement of the Hon'ble Delhi high court. The Hon'ble Supreme Court of India has admitted the Special Leave Petition and passed an interim order on 30.11.2009. In pursuance of the interim order, the Hospital is charging for medicines & medical consumables from patients referred by the Govt. of Delhi for free treatment in the Hospital. As the matter of sub judice, the financial impact in the matter can be quantified only upon a decision by the Hon'ble Supreme Court of India.

37. Consolidated Segment Reporting

(₹ in million)

Particulars	31.03.2016	31.03.2015
1. Segment Revenue		
(Net sales / Income from each Segment)		
a) Healthcare	36,735.63	33,330.74
b) Pharmacy	23,236.95	17,725.50
c) Others	1,186.55	1,132.15
Sub - Total	**61,159.13**	**52,188.39**
Less :		-
Intersegment Revenue	36.34	36.34
Net sales / Income from operations	61,122.79	52,152.05
2. Segment Results		
(Profit / (Loss) before Tax and interest from each segment)		
a) Healthcare	5,008.74	5,067.74
b) Pharmacy	560.45	389.77
c) Others	349.81	502.21
Sub - Total	**5,919.00**	**5,959.72**
Less :		
(i) Interest (Net)	1,684.90	1,178.54
(ii) Other un-allocable expenditure net of	-	-
un-allocable income	362.00	362.00
Profit Before Tax and Extraordinary item	4,340.89	4,419.18
Add: Extra Ordinary Item	-	281.83
Less:Exceptional Items	291.58	(146.88)
Profit Before Tax	4,632.47	4,554.13
Less :		
(i) Current tax	186.12	559.93
(ii) Tax for earlier years (net)	-	-

Particulars	31.03.2016	31.03.2015
(iii) Deferred tax liability	824.46	772.05
Add:		
Deferred Tax Asset	8.39	31.97
Profit After Tax before Minority Interest	3,161.50	3,254.12
Less : Mionority Interest	(73.37)	(51.39)
Add : Share of Associates' Profits	75.26	93.52
Net Profit Relating to the Group	3,310.12	3,399.03
3. Segment assets		
a) Healthcare	60,922.57	50,513.16
b) Pharmacy	7,005.00	5,967.00
c) Others	2,935.37	3,609.45
Total	**70,862.94**	**60,089.61**
Unallocated Corporate Assets	3,754.30	2,849.59
Goodwill on consolidation	2,120.22	1,652.45
Deferred Tax Asset	134.18	202.77
Total Assets as per Balance Sheet	**76,871.64**	**64,794.42**
4. Segment liabilities		
a) Healthcare	6,404.19	6,278.40
b) Pharmacy	814.00	561.00
c) Others	786.82	664.15
Total	**8,005.01**	**7,503.55**
Unallocated Corporate Liabilities	28,049.68	20,625.10
Shareholders Funds	34,536.53	31,713.31
Minority Interest	1,303.21	730.14
Deferred Tax Liability	4,977.22	4,222.32
Total Liabilities as per Balance Sheet	**76,871.64**	**64,794.42**
5. Segment capital employed		
a) Healthcare	54,518.37	44,234.39
b) Pharmacy	6,191.00	5,406.00
c) Others	2,148.56	2,945.15
Total	**62,857.93**	**52,585.54**
6. Segment capital expenditure incurred		
a) Healthcare	7,219.00	7,995.95
b) Pharmacy	1,501.00	310.00
c) Others	9.50	10.27
Total	**8,729.50**	**8,316.22**
7. Segment Depreciation		
a) Healthcare	2,248.62	1,917.12
b) Pharmacy	272.00	191.00
c) Others	12.17	8.39
Total	**2,532.79**	**2,116.51**

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

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

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

41. Where disclosures have not been made by subsidiaries, associates or joint ventures in their independent Notes, the figures relate to those of the Parent Company alone.

As per our Report annexed

For **S. Viswanathan LLP**
Chartered Accountants
Firm Registration No. 004770S/S200025

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

Place : Chennai
Date : 25th May 2016

For and on behalf of the Board of Directors

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
Vice President - Finance
& Company Secretary

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Executive Vice Chairperson

Suneeta Reddy
Managing Director

Consolidated Cash flow Statement

For the year ended 31st March 2016

(₹in million)

	Particulars	31.03.2016		31.03.2015	
A	**Cash Flow from operating Activities**				
	Net profit before tax and extraordinary items		4,163.70		4,554.13
	Adjustment for:				
	Depreciation & Amortization	2,532.79		2,116.51	
	Profit on sale of investment	(467.72)		(104.23)	
	Loss on sale of asset	39.44		31.73	
	interest paid	1,684.90		1,178.54	
	Misc.Exp.written off	-		-	
	Foreign Exchange gain / loss	22.68		(8.10)	
	Interest received	(248.87)		(45.02)	
	Dividend received	456.65		(31.73)	
	Provision for diminution of investments	112.30		-	
	Short term capital gain	(569.71)		(378.30)	
	Extraordinary item	-		(281.83)	
	Provision for wealth tax	(10.76)		2.51	
	Provision for bad debts	3.62		-	
	Bad debts written off	256.50	3,811.82	268.24	2,748.32
	Operating profit before working capital changes		**7,975.52**		**7,302.45**
	Adjustment for:				
	Trade or other receivables	(1,058.83)		(1,341.35)	
	Inventories	(920.97)		(721.78)	
	Trade payables	827.52		1,308.30	
	Others	(1,164.65)	(2,316.93)	(853.45)	(1,608.28)
	Cash generated from operations		5,658.59		5,694.17
	Foreign Exchange gain / loss		(22.68)		8.10
	Taxes paid		(1,404.38)		(1,002.81)
	Cash flow before extraordinary items		4,231.53		4,699.46
	Net Cash from operating activities		**4,231.53**		**4,699.46**
B	**Cash Flow from Investing activities**				
	Purchase of fixed assets		(8,311.07)		(8,680.61)
	Sale of fixed assets		5.14		25.88
	Purchase of investments		(655.76)		(824.77)
	Investment In Subsidiaries & Joint Ventures & Associates				
	Sale of investments		1,826.88		1,494.31
	Interest received		248.87		45.75
	Dividend received		45.94		66.91
	Cash flow before extraordinary item		(6,840.00)		(7,872.53)
	Extraordinary Item		-		281.83
	Net cash used in Investing activities		**(6,840.00)**		**(7,590.70)**
C	**Cash flow from financing activities**				
	Proceeds from issue of equity shares		200.94		406.79
	Proceeds from issue of share premium		5.14		10.69
	Proceeds from long term borrowings		9,121.83		6,263.26
	Proceeds from short term borrowings		1,450.51		390.23
	Repayment of finance/lease liabilities		(4,752.29)		(1,172.18)
	Interest paid		(1,684.90)		(1,175.72)
	Dividend paid		(1,616.31)		(799.97)
	Net cash from financing activities		**2,724.92**		**3,923.10**
	Net increase in cash and cash equivalents (A+B+C)		**116.45**		**1,031.86**
	Cash and cash equivalents (opening balance)		3,859.23		2,741.47
	Cash and cash equivalents (Closing balance)		3,975.68		3,773.33
	Component of Cash and cash equivqlents				
	Cash on Hand		162.25		129.87
	Balance with Banks				
	1) Available with the Company for day to day operations		3,783.48		3,615.05
	2) Amount available in unclaimed dividend and unclaimed deposit payment accounts.		29.95		28.41
	Total		**3,975.68**		**3,773.33**

As per our Report annexed

For **S. Viswanathan LLP**
Chartered Accountants
Firm Registration No. 004770S/S200025

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

Place : Chennai
Date : 25th May 2016

Krishnan Akhileswaran
Chief Financial Officer

S M Krishnan
Vice President - Finance
& Company Secretary

For and on behalf of the Board of Directors

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Executive Vice Chairperson

Suneeta Reddy
Managing Director

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.

Apollo Hospitals Enterprise Limited
[CIN : L85110TN1979PLC008035]
Regd. Office: No.19, Bishop Garden, Raja Annamalai Puram, Chennai – 600 028
Secretarial Dept: Ali Towers III Floor, No.55, Greams Road, Chennai – 600 006
E-mail: apolloshares@vsnl.net : Website: www.apollohospitals.com
Phone: +91 044 28290956, 044 28293896 Board: 28293333 Ext. 6681

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Apollo Hospitals Enterprise Limited

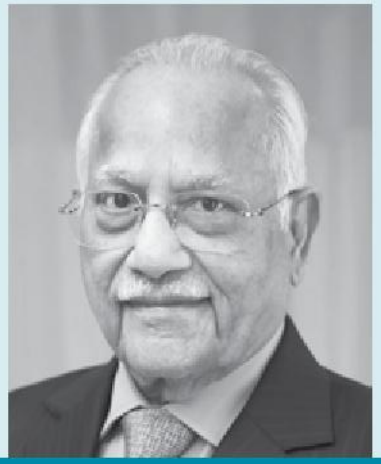
Business Responsibility Report
2015-2016

Apollo HOSPITALS
TOUCHING LIVES



Apollo Hospitals Enterprise Limited

Business Responsibility Report
2015-2016



DR. PRATHAP C REDDY

Executive Chairman
Apollo Hospitals Group

'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.'

Dear Stakeholders....

I am delighted to present Apollo Hospitals Maiden Business Responsibility Report to you. As a representative of the Company, I thank you for your valuable time and your contribution towards Apollo Hospitals' current position in the Indian economy. Our report is an attempt to connect with each one of you, to apprise you where we stand and how we impact the environment and society in which we operate.

Our Business Responsibility Report (BRR) is in line with SEBI's circular dated August 13, 2012 and the (Amendment) Regulations, 2015, which mandates inclusion of BRR as a part of the Annual Report for the top 500 listed entities.

The "Apollo Hospitals" brand is recognized as a strong brand in the healthcare sector in India. We are a preferred choice of patients and medical professionals alike. With 6 JCI accredited facilities, we have the largest number of global accreditations for any single healthcare group in Asia. Excellence in patient care continues to be the primary focus at all our hospitals.

We know that building a climate of trust with patients and local communities in the countries where we operate is one of the necessary conditions of hope. We have a responsibility to uphold the highest ethical standards in every country and our Board of Directors play a pivotal role in ensuring that the Company runs on robust and ethical business principles and that its resources are utilized for creating sustainable growth and societal wealth.

Apollo Hospitals has a continuing focus on adopting the latest technologies and providing best in class treatment, while also delivering world-class clinical outcomes for the patients. We have made strides in advancing our commitment to embedding environmental, social and economic considerations into all of our business practices.

In our journey of continuous improvement, our aim has been to strengthen our clinical system further and this is done through our unwavering focus on talent, training and processes. We place equal importance on our employees health and safety and invest substantial resources into preparing our employees' to address new healthcare challenges and hone their skills. The diversity of our workforce drives the development of innovative solutions and allows us to respond more effectively to the needs of patients and our other stakeholders.

Tender loving care is a silent revolution that sweeps the corridors of every Apollo hospital, every single day. We take seriously our responsibility to maintain a sustainable environment for generations to come. Last year, we have taken several initiatives to preserve earth's resources and safeguard our planet. We also collaborated with colleagues across our network on energy conservation, waste reduction, environmentally conscious construction and the adoption of more nutritious standards.

Our mission is to touch a billion lives. We strive to reach out to people from every walk of life and do our bit to help them stay healthy . Apart from the major social initiatives and programmes that Apollo Hospitals has initiated, every individual hospital in the group does its bit for the community it serves . Every member of the Apollo family is committed to provide care and comfort to the people in their location.

We have pioneered emergency care over three decades and have been on the forefront to bring in innovation and re-define benchmarks in India, which are comparable with the best in the world. Through our Apollo "REACH" Hospital initiative, we have been able to set up a network of secondary care facilities in Tier II and Tier III cities which provide access to high quality healthcare services and technology at their doorstep.

We constantly endeavour to bring in innovative solutions and technologies in India and evaluate the technical feasibility of innovation using our in-house developed Innovation matrix. We benchmark our practices with the best hospitals in the world to ensure the highest quality clinical standards.

In our Business Responsibility Report, we present in an open and transparent manner, the operations of the Apollo Group. It is our hope that this report will strengthen our bond with the general public, help the public understand the faith, actions, and organization of our system, open up a dialogue with our stakeholders, and draw us all together to collaborate on building the future of the Company.

I am encouraged by the progress we've made in our sustainability efforts over the past few years and grateful to our employees for serving both as compassionate stewards of care and responsible global citizens. We will continue to identify new and innovative ways to enhance our sustainability program as it remains a priority for our business and an integral component of our mission.

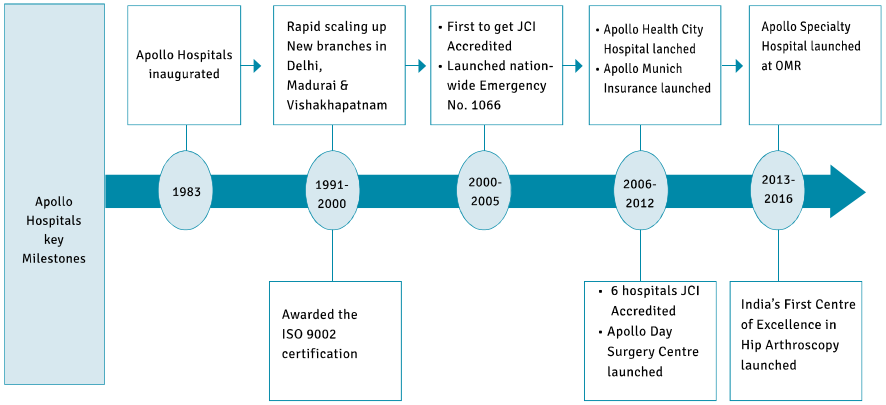
I would like to thank the Board and the management team for their ongoing commitment to Apollo Hospitals, but most of all to the staff and Doctors who work very hard to ensure that we continue delivering better health outcomes.

Dr. Prathap C Reddy,
Executive Chairman
Apollo Hospitals Group

About Us-Know us better

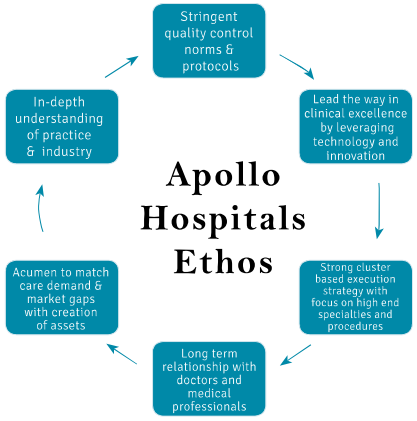
Apollo Hospitals Enterprise Limited (AHEL) founded by Dr. Prathap C. Reddy is widely recognised as the pioneer of private healthcare in India. We have a total of 9,554 beds across 69 hospitals (61 through wholly owned/subsidiaries/JVs/Associates and 8 under management contracts & franchise arrangements) under our management apart from operating 2,326 pharmacies. We also provide projects and consultancy services to third party organisations.

We are headquartered in Chennai with a pan India presence. In addition, we have also established our presence in Bangladesh, Kuwait and Qatar and are in the process of setting up an advanced healthcare facility in Dar es Salaam, Tanzania through a Joint Venture Agreement .We also operate telemedicine units in Burma and East & West Africa.



Our business model has enabled access to world class healthcare amenities at affordable prices. Our enduring value systems continue to drive unwavering focus on key touchstones like excellence, expertise, empathy and innovation.

Over the past three decades the Apollo Hospitals group has forged a transformative journey in the Indian healthcare sector, with the adoption of clinical excellence standards, acquiring international quality accreditations like JCI and monitoring adherence to global best healthcare practices. Our group has also pioneered the Tender Loving Care (TLC) concept through which hospital processes are continuously improved to ensure maximum patient centricity.



Though Apollo has been in the pharmacy business for 20 years, the business has seen rapid evolution in the recent past. There has been exponential growth in the business where operations have expanded from 350 stores initially to 2,326 pharmacies. One unique feature in some of the standalone pharmacies is a 'nurse station' where basic services of dressing, blood pressure, blood sugar monitoring, are provided free of charge to our customers. Our product mix has also seen favourable modification with the introduction of wellness and self-branded products. The pharmacy team is looking at levers such as improved stocking, widening of product portfolio including addition to our range of self-branded products, more impactful marketing, and the introduction of value-added services in these stores to get them to more profitable operating margins.

Pioneer of cardiac and cardio-thoracic procedures

India's first keyhole multiple bypass surgery was conducted at our hospital and we were the first private healthcare provider to perform a heart transplant in 1995.

Leading through innovation

At AHEL, we embrace a culture of innovation and focus on identifying the most advanced technologies and procedures. We have adopted cutting edge technology such as Novalis, CyberKnife, 3T MRI and 320 slice CT in our hospitals. Sterilization of surgical instruments is carried out through state of the art technology and quality indicators. Our micro-biology lab provides the backbone for ensuring surveillance of patient infections.

64 Slice CT Angiography

With a commitment to offering nothing but the best to our patients, we have always leveraged the latest technologies be it in diagnostics or for procedures.

We systematically benchmark our performance against some of the leading hospitals around the world through ACE, our clinical balanced scorecard which embodies our commitment to excellence and our efforts to continuously improve our standard services. ACE @ 25 (renamed as ACE 1 now) assesses performance based on twenty five clinical parameters which are critical to delivering the best clinical outcomes. In our commitment to excellence, we launched ACEP, a quality initiative, in 2013. This tool shares best practices in clinical excellence and quality improvements with other healthcare providers.

Ours is the only hospital in India with a PET Suite (both PET MRI and PET-CT in the same facility). We have capability for robotic surgeries in multiple facilities.

Focus on Patient Safety

We monitor surgical site infections to help reduce hospital stay for the patient while enhancing outcomes after surgery. Monitoring and reducing Door to Balloon time helps to prevent any complication for the patients. VAP per 1,000 ventilator days are monitored through National Healthcare Safety Network benchmark at 0.9 VAP per 1,000 ventilator days. This helps to reduce airway infection for all patients with ventilator support.

0% "Missed Injuries" in acute trauma patients

Excellence in Clinical Services

Our multi-disciplinary assessment methodology helps in optimizing treatment plans to ensure best possible clinical outcomes. Our systems and procedures frequently monitor key metrics thereby, leading to high success rates and clinical outcomes especially for complex and high-end medical procedures.

We have also added characterization of human genetic variations to determine their association with complex diseases based on Genome-Wide Association Studies. Apollo has entered into a strategic partnership with Datar Genetics to offer the Personal Genome Analysis Test that determines genetic based disease predisposition for more than 60 conditions.

Apollo Chennai launched India's first Centre of Excellence in Hip Arthroscopy, a cutting edge procedure using minimally invasive techniques.

CENTRES OF EXCELLENCE

1.	Apollo Heart Institutes	Over 160,000 + Cardiac surgeries
		99.6% success rate in cardiac bypass
		Introduced off-pump & beating heart surgeries
2.	Institutes for Orthopedics	TKR, Ilizarov procedure and hip resurfacing- high success rate
		Congenial spine problems, ceramic coated knee replacements
3.	Institutes of Neurosciences	Transsphenoidal surgery for pituitary tumors, spinal fusions, x-knife for fractioned treatment of benign and malignant tumors
		Supported by modern neuro radiology services, neuro-intensive care facilities and oncology services
4.	Emergency	200 + ambulances, 500+ calls daily, 120,000+ emergency footfalls annually, 500,000+ calls served in 10+ years
		Well-equipped ambulances
		Air ambulance services for remote areas
		Effective communication system between ambulances and emergency facilities
5.	Cancer Institutes	First in India to introduce Stereotactic Radiotherapy and Radiosurgery for cancer treatment
		Introduced the most advanced Cyberknife Robotic Radio Surgery System in Asia Pacific Region
		First in India to introduce Proton Beam Therapy
6.	Institutes of Transplant	1,570+ solid organ transplants during FY 2015-16
		Services offered include liver and kidney transplant, heart transplants, intestinal & GI transplants & paediatric transplants
7.	ICU Management	Infection control protocols developed jointly with intensivists and anesthetists
		Standardized procedure for clinical handover

We have set the highest standards of clinical outcomes in various specialties which has helped us in maintaining an impeccable track record and high success rate even in surgeries of high complexity such as transplants and oncology.

Patient Centric Care Giving

In our endeavour to continuously improve patient care we benchmark our services and seek accreditation. This is evidenced by the metrics in the ACE 1 and RACE surveys which monitors parameters such as infection rates and medication errors, falls etc. and these are bench marked with the best in the industry. Our innovative and flexible training and development approaches have continued to ensure that we have highly competent personnel consistently delivering high quality care.

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

Social Initiatives

Apollo Hospitals strongly believes that social initiatives help transcend barriers. The SACHi (Save a Child's Heart Initiative) initiative aims to provide quality paediatric cardiac care to children from the underprivileged sections of society suffering from heart diseases. We also support the SAHI (Society to Aid the Hearing Impaired) initiative which aids poor children with hearing impairments. We have also joined hands with Yuvraj Singh's YOUWECAN to organize large-scale cancer screenings, in addition to regular comprehensive health screening camps across the nation. Being the pioneers in the healthcare industry it is imperative that we ensure environmental well-being. We have made considerable investments in state of the art medical technologies and equipment. We leverage these investments to increase the efficiency and effectiveness of our services and conserve energy. Some of our initiatives such as installing solar water systems in various facilities, water harvesting, and stringent bio-medical waste management supports AHEL's culture of awareness and sensitivity towards conserving and preserving the environment.

SECTION A, SECTION B & SECTION C

Section A: General Information about the Company	
CIN	L85110TN1979PLC008035
Name of the Company	Apollo Hospitals Enterprise Limited
Registered Address	No. 19, Bishop Gardens, Raja Annamalaipuram, Chennai – 600 028
Website	www.apollohospitals.com
E-mail ID	investor.relations@apollohospitals.com
Financial Year Reported	2015-16
Sector(s) that the Company is engaged in (industrial activity code-wise)	Healthcare Sector
List three key products/services that the Company manufactures/provides (as in the Balance Sheet)	Healthcare services Stand Alone Pharmacy
Total Number of locations where the business activity is undertaken by the Company	AHEL's business operations are spread across various locations in India . AHEL's business activities includes operating hospitals and pharmacies and it has a presence in Bengaluru, Chennai, Hyderabad, Aragonda, Bhubaneshwar, Bilaspur, Karur,Madurai, Mysore, Nashik, Nellore, Trichy and Visakhapatnam. Apollo has an international hospital located in Dhaka.
Markets served by the Company	India, Bangladesh, Africa and Burma

Section B: Financial Details of the Company	
Paid up Capital (INR)	₹695.63 million
Total Turnover (INR)	₹54,090 million
Total Profit After Tax (INR)	₹3,694 million
Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit After Tax (%)	2.34%
List of Activities in which expenditure in 4 above has been incurred	1. Rural Development 2. Education and 3. Healthcare

Section C: Other Details	
Does the Company have any Subsidiary Company/ Companies?	Yes. The details of subsidiary companies can be referred to in the Annual Report FY 2015-16 on page No. 51.
Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Companies:	Subsidiaries maintain policies relevant to their business operations. However, AHEL always encourages its subsidiary companies to run their business in a socially and environmentally responsible manner.
Do any other entity/entities (e.g., suppliers, distributors, etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity /entities? [Less than 30%, 30-60%, More than 60%]	No. But going forward, AHEL intends to extend its applicable environment, social and governance policies to cover all its relevant stakeholders.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR	
DIN Number	00001873
Name	Smt. Suneeta Reddy
Designation	Managing Director
Telephone number	+91-44-28290956
E-mail ID	suneetareddy@apollohospitals.com

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

S. No	Questions	Business Ethics P1	Product Responsibility P2	Well Being of Employee P3	Stakeholder Engagement P4	Human Rights P5	Environment P6	Public Policy P7	Equitable Development P8	Customer Relations P9
1	Do you have a policy/policies for?	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Has the policy been formulated in consultation with the relevant stakeholders?	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Does the policy conform to any national/international standards? If yes, specify? (50 words)	AHEL conforms to the following national and international standards: 1) NVG Guidelines issued by the Ministry of Corporate Affairs, GOI 2) Environment and Social Guidelines issued by IFC. 3) Quality of healthcare guidelines issued by JCI and NABH. 4) Environment Guidelines as per ISO 14001 and Ministry of Environment and Forest.								
4	Has the policy been approved by the Board? If yes, has it been signed by MD/Owner/CEO/ appropriate Board Director?	Yes, all the policies at AHEL have been approved by the Board.								
5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Yes, the Board has nominated a Director to oversee the implementation of the policy.								
6	Indicate the link for the policy to be viewed online?	https://www.apollohospitals.com/apollo_pdf/code-of-conduct-directors.pdf https://www.apollohospitals.com/apollo_pdf/code-of-conduct-sm.pdf https://www.apollohospitals.com/apollo_pdf/whistle-blower-policy.pdf https://www.apollohospitals.com/apollo_pdf/csr-policy.pdf https://www.apollohospitals.com/apollo_pdf/board-familiarization-policy.pdf								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been formally communicated to internal and external stakeholders. It has been communicated to the external stakeholders through www.apollohospitals.com								
8	Does the Company have an in-house structure to implement the policy/ policies?	Yes, we have a well defined governance structure with clear roles and responsibilities within the organization.								
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	✓	✓	✓	✓	✓	✓	✓	✓	✓
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	All the policies have been formulated in consultation with various stakeholders, however the Company plans to carry out an internal/ external assessment in due course of time.								

2a.	If answer to Section 2 against any principle, is 'No', please explain why: (Tick up to 2 options) – Not Applicable	
3.	**Governance related to BR**	
1	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	The Company will come out with its first BR report this financial year. The Board of Directors will assess the BR performance of the Company annually henceforth.
2	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The Company has published its first BR report for the financial year 2015-16.

Principle 1: Ethics, Transparency and Accountability

High standards of business ethics and governance have been fundamental to AHEL since its inception. We believe that for our sustained growth and profitability, we must maintain high standards of corporate conduct towards our shareholders, patients, employees, other stakeholders, and society in general. We have always focused on good corporate governance, which is a key driver of sustainable corporate growth and long-term value creation for our shareholders.

We maintain effective oversight and strong accountability through sound corporate governance practices that start with our Board of Directors and are applied at every level of the organisation.

Good governance at the Company is ensured through deployment of strategy and oversight by the Board of Directors, building a robust governance structure, laying and implementing transparent policies, establishing systems & processes for internal control, strengthening risk management framework and ensuring compliance with all the applicable laws, rules and regulations.

Organizational / Governance Structure

The Board of Directors consists of a combination of executive and independent Directors who provide strategic direction to AHEL. Further, various sub-committees of the Board have been constituted by the Board as required under statutory regulations & guidelines and also to facilitate the smooth & efficient flow of the decision making process. The Board of Directors play a pivotal role in the implementation of sound and ethical principles across the organization and ensuring integrity and transparency in the Company's dealings with its stakeholders.

To increase the efficiency and effectiveness of governance, specific functions are regularly supervised by dedicated board committee members. The board committees include the Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee, Share Transfer Committee, Stakeholders Relationship committee, Risk Management Committee and the Investment committee.

Our Code of Conduct

A Code of Conduct for Board Members and Senior Management Personnel has been formulated to ensure ethical business conduct. Further, we have also developed and implemented systems and processes for proper operation of internal controls for the organization.

The Code, which was approved by the Board, encompasses general moral imperatives, specific professional responsibilities, and additional duties / imperatives for Board Members and Senior Management personnel. The Code reflects our thorough belief in maintaining the highest standards of business ethics, which take into account our business performance and impact on society.

The Company Secretary has been appointed as the Compliance Officer and is responsible to ensure adherence to the Code by all concerned individuals. All members have affirmed compliance to the Code during the reporting period. Besides being available on our website, copies of the Code are circulated to all the individuals concerned.

The Code of Conduct can be referred at https://www.apollohospitals.com/apollo_pdf/code-of-conduct-directors.pdf and https://www.apollohospitals.com/apollo_pdf/code-of-conduct-sm.pdf.

Conflict of Interest

Identification, resolution and striving for avoidance of any situations giving rise to conflict of interest is crucial to good governance and maintaining trust in organizations.

At AHEL, the Code of Conduct has specific clauses, adherence to which ensures no cases of conflict of interest. Conflict of interests at the Board level are avoided and managed in the following manner:

- Directors give the disclosure of their concern or interest in any Company or companies or bodies corporate, firms, or other association of individuals by giving a notice in writing and the same is put up to the Board. In case a Director is directly or indirectly interested in a particular agenda/ matter, he abstains himself from participation in the discussion of such agenda item.
- Related party disclosure(s) is made as per the applicable Accounting Standards as well as under the Companies Act, 2013 and Rules made thereunder.
- As per the requirement of the Companies Act, 2013 and Listing Agreement, approval of the Audit Committee and/or Board and/or Shareholders as required is taken for Related Party Transactions.

Risk Management

Risk management is one of the key aspects of Corporate Governance. Most prominent of these being the Organisation of Economic Co-operation & Development (OECD) principles of corporate governance and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 Regulation 21 of which integrates risk management with corporate governance. The Companies Act, 2013 requires the Board of Directors to develop and implement a risk management policy and identify risks which may threaten the existence of the Company.

While it may be impossible to eliminate all risks, we take utmost care to mitigate and reduce our risk exposure to the maximum possible levels. As a part of our risk management approach and also in pursuance to the requirement of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted a Business Risk Management Committee.

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

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

Internal Control Systems and their Adequacy

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Internal Audit function carries out risk based auditing as per the annual audit plan approved by the Audit Committee.

Internal Audit function carries out the audit of financial, commercial, technical and other business activities of the Company besides reviewing the adequacy of internal control systems and risk management framework. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

Ethics and Integrity

At AHEL, we believe the best way to build and to maintain trust is to conduct every element of our business according to the highest standards of ethics and integrity.

Ethics and integrity are the cornerstones of performance and sustainability. At AHEL, we believe in adhering to all applicable statues in letter and spirit and endeavour to adopt best practices to go beyond adherence of statutory frameworks and bring transparency, accountability and equity in all facets of its operations.

In terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board has formulated internal Procedures for Prevention of Insider Trading in dealing with the securities of AHEL. The Company also ensures that all the applicable rules, regulations, laws and bye-laws of the land are adhered. Over the years, we have also been successful in developing and implementing systems and processes for internal controls throughout our organizational structure.

Anti Corruption and Bribery

Besides strengthening the risk management framework and building strong internal controls, AHEL also has a robust vigilance mechanisms in order to curb corrupt practices it may encounter during the course of its business. We have zero tolerance for corruption at the workplace.

In addition to the Code of Conduct, the Company also has a Whistle Blower policy (https://www.apollohospitals.com/apollo_pdf/whistle-blower-policy.pdf) in line with the requirements of Section 177 of the Companies Act, 2013. The policy enables all employees to report concerns of unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct within the Company without fear of reprisal or victimization to the management of the Company. Our intent behind the whistle blower policy is to identify potentially serious concerns, which could have a long term impact on the operations and performance of AHEL.

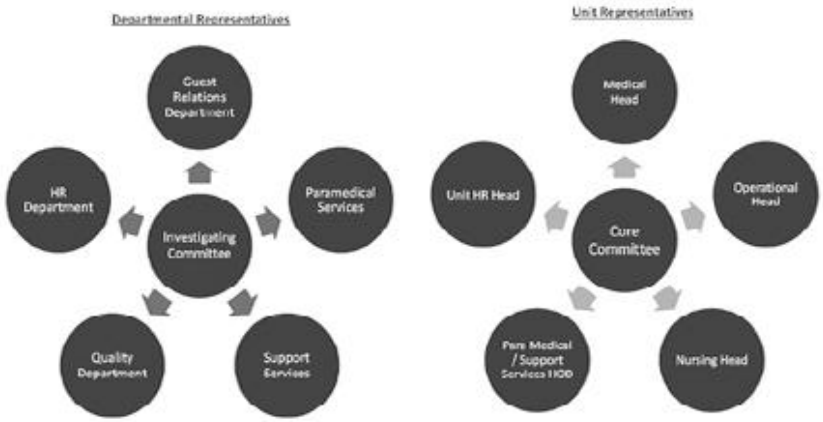
Grievance Redressal

AHEL is committed to provide services to its stakeholders to in a transparent manner by upholding the highest values of corporate governance and ethics. Our endeavour is to uphold and ensure implementation of our core organizational values. However, if due to any unprecedented reasons, stakeholders find that there is / are reason(s) to improve, then they are encouraged to report the same.

The Company has formulated a 'Stakeholders Relationship Committee' specifically to look into issues such as redressing of shareholders' and investors' complaints such as transfer of shares, non-receipt of shares, non-receipt of declared dividends and ensuring expeditious share transfers and also redressing the grievances of deposit holders, debenture holders and other security holders. The status on complaints and share transfers is reported to the Committee periodically.

AHEL also consistently strives to provide an enabling work environment for its employees satisfaction as negative disruptions in the workplace often tend to make employees feel demotivated. In order to avoid negative disruptions, the Company has in place an Employee Grievance Redressal System (EGRS) to primarily address all concerns and grievances from employees. The underlying purpose behind the (EGRS) system is to develop an organisational framework which works to quickly address and resolve the employee grievance, and identify and anticipate flaws in the operational procedures and services of AHEL. The investigating committee and core committee play a vital role in ensuring the effectiveness of the EGRS system.

In the financial year 2015-16 we have provided services to around 3 million patients. The feedback of our internal and external stakeholders is important for us to strengthen the relationship with the stakeholders. During the financial year 2015-16, we received 6,979 instances of stakeholder concerns / complaints and over 95% of these concerns have been resolved. We also received 214 concerns/complaints from our shareholders and all of these concerns have been resolved. This is a testimony to the fact that we take complaints meticulously and work on resolving them on a priority basis.



Principle 2: Product Life-Cycle Sustainability

We care about the potential impact of our operations to the environment and on people's health. We have consequently implemented safeguards at every stage in the life cycle of our products/services. Each year, we evaluate, monitor and seek to reduce waste from our operations and contribute to advancing scientific knowledge. To protect the environment, we have undertaken several initiatives for reduction of energy and water consumption.

We also have a Sustainable Sourcing and Purchase Policy to ensure good Environmental, Social and Governance (ESG) practices in our entire value chain. The focus is on conducting business in an ethical manner and abiding by all legal and regulatory requirements and other applicable best practices. All our purchases and contracts are executed in compliance with our procurement policy. It is our constant endeavour to develop the capacity of local suppliers so as to ensure local sourcing without compromising on quality.

The 'Guiding Principles' of our Sustainable Sourcing/ purchase policy include the following:

Enable high patient care standards

To procure quality goods and services which enable meeting the highest standards of patient care.

Encouraging Competitive Process

To support and encourage meaningful participation of suppliers in a competitive process prior to the establishment of a business relationship or awarding contracts.

Process for awarding contract

To initiate, based on the highest standards of professionalism and ethical conduct, tenders or proposals to make a choice for award of a purchase order or contract. The process of competitive bidding, negotiation and process awarding contracts will be auditable, without favouritism and the most appropriate for the related requirement.

Risk Management

To reduce business risks and the potential for internal and external conflicts of interest through the application of specific and transparent policies.

Dealing with Suppliers

To treat suppliers with courtesy, fairness, respect, honesty and professionalism and to ensure that no supplier has an unfair advantage over its competitors. To respect and not disclose Suppliers' confidential information.

Our Strategy (Sourcing – Disposal)

Our Purchase / Sustainable Sourcing policy clearly defines the environmental and social risks to be considered during the procurement of any products/materials. Before purchase, each product is given an Environmental Significance Rating (ESR) based on environment and safety parameters.

AHEL follows a strict scrap disposal policy whereby we ensure that all the medical and non-medical scrap which is generated inside the hospital are collected and maintained properly and disposed at regular intervals in compliance with all necessary rules and regulations.

AHEL has a strong buy back policy with its suppliers when it comes to purchasing of medical equipments

In our day-to-day operations, we ensure safety and optimal use of our resources over the life-cycle of our equipments and services. We also ensure that everyone connected with us such as suppliers employees recyclers etc. are aware of their responsibilities.

We encourage our suppliers to adopt processes and technologies that are resource efficient and sustainable. We regularly review and improve upon the process of new technology development when it comes to delivering the best quality treatment to our patients. In pursuit of the above goal, we stay committed to social, ethical and environmental considerations.

Principle 3: Employee Well Being

AHEL's aspiration is to be the "best place to work in healthcare."

At AHEL, we are committed to empower our employees who deliver medical care to our patients in the most vulnerable times of their lives; a situation where an extra effort makes all the difference. Our strategies align around this aspiration, creating a work environment where our people are recognised for their work and provided opportunities for career progression.

To help us fulfil our committments, we have a well defined HR programme with the following objectives:

- A skilled and performance oriented workforce
- Employee retention
- Protecting human rights
- Cordial labour relations

Employees who are motivated and able to pursue a fulfilling career are a major business asset. AHEL seeks to achieve this by enhancing the skills and developing the potential of our people throughout the organization. We provide our employees with a healthy and safe work environment, growth opportunities, freedom of communication, fair and transparent modes of rewards, and engaging means of recreation. We know that with the right strategies and our commitment to people, our employees will flourish, and our patients will receive the best possible care.

OUR PEOPLE DEVELOPMENT VISION

"AHEL attracts diverse and exceptional talents, a place where everyone is able to unleash their full potential and grow as professionals, while contributing to the growth of our Company."

Our Holistic People Development Strategy

- **Encourage Diversity, Provide Equal opportunities and ensure Non-discrimination**

We encourage diversity in the workforce, which brings varied talents to the table and helps in our endeavours to achieve success. To enhance diversity at AHEL, we recruit people from across the country with a special focus to encourage and empower female candidates.

AHEL is proud to be an Equal Opportunity employer and promotes diversity and inclusivity at the workplace. It does not discriminate amongst its employees on the basis of gender, cast, creed, or religion or on any such basis and provides equal pay for equal work. Our Company complies with the Equal Remuneration Act, 1976 and there is no discrimination in wages based on gender. The Company also ensures that no discrimination is practiced during the recruitment / career development / appraisal process and for compensation in any work center. No incident of discrimination was reported during FY 2015-16.

Workforce snapshot (AHEL Standalone)

Total number of employees	29,845
Total number of contract employees	5,976
Total number of permanent women employees	10,503
Number of permanent employees with disabilities	55

The talents and enthusiasm of all employees contribute to driving our Company's success. AHEL is committed to creating an inclusive environment for employees with disabilities by retaining employees who have become disabled, apart from training and raising employee awareness about disability in the workplace.

- **Recruiting right talent**

The HR Strategy is aligned with the core business objectives.

Transparent selections based on merit is the hallmark of the Company's recruitment policy. The objectives of the Company's Recruitment policy are:

- To plan the manpower requirements and budget the requirement of requisite human resources with necessary qualifications, skills, aptitude and experience etc.
- To regulate and facilitate recruitment and selection of suitable human resources in the Company.
- To focus on the proper placement of employees in jobs to which they are best suited taking into account their qualifications / experience, and aptitude etc.

The Company has a well-planned system of Human Resource Planning (HRP) both at the corporate and unit level. The non-managerial and non-supervisory level posts are normally filled at the unit level, where as the executive level posts are filled centrally.

New Hires in FY 2015-16

FY 2015-16	Male	Female	Total
New Hires	7,420	5,084	12,504

- **Retaining talent**

Cognizant of the enormity and the complexity of identifying skilled resources, Apollo Hospitals has strengthened its initiatives of skilling & up-skilling in the domain of Health. The Group has been involved in reversing the brain drain of talented Indian doctors and has built quality education infrastructure which includes Nursing colleges, Courses for Allied Health professionals, Hospital Management programs and ongoing CMEs and CNEs for doctors and nurses respectively. In keeping with the need for professionals to drive its expansion, The Company has established industry leading practices which include 'Chairman's Club' a unique Succession Planning and Leadership Development Program; 'You-r-HR module' one of the most forward looking initiatives to standardize the HR Processes across the network; 'Employee Assistance Program' with Compsych, the World Leader in EAP to help individuals address personal life issues.

A structured and transparent compensation programme is followed across the organization. Comprehensive evaluations are conducted and employees are made aware of their performance ratings on Key Result Areas and Competencies. The Company also tracks levels of satisfaction among employees as it believes that satisfied individuals contribute more. The Company has put in place several processes to improve the level of satisfaction, increase innovation and build morale to perform better. The Company has also put in place procedures to identify and reward achievers to increase the efficiency and drive within the organization. These robust processes ensure that both existing and incremental manpower can appropriately develop to support the organization's patient care delivery process and fuel its growth objectives.

The Company strives to sustain a high standard of values in each of its employees and truly believes that each and every one associated with the network has the potential to be an ambassador to drive the collective vision and mission of the Group which is to bring healthcare of international standards within the reach of every individual.

Employee engagement programs

AHEL follows an engagement calendar every year whereby recognition and recreational activities are conducted on specific days. The above avenues are a source of relaxation and motivation to employees. Some of our employee recognition and recreational activities include Painting competitions, Poetry competitions, Sports activities and other recreational activites.

Rewards & recognitions

Rewards and recognitions are key for improving employees' motivational levels. Institutionalized mechanisms exist in AHEL to ensure that employees are adequately recognized for their contributions. These include the following:

Awards	Criteria
Employee of the Year Award	Accountability & Ownership
	Achievement Orientation
	Developing People Capability
	Planning and Organizing
Service Excellence Award	The Apollo Look - Monthly Audit Mechanism
	Frame your experience - The team/individual which creates a special experience
	Club excellence - Department with highest satisfaction score based on VOC data
	Story of Glory – Associate who has been rated as the best in delivering great customer service
I Spark	Exceptional Employee Award
Dedicated Service Award	Employees who have completed 10,15,20, 25 & 30 years
Honesty Award	Employees exhibiting honest behavior

Employees Turnover in FY 2015-16

FY 2015-16	Male	Female	Total
Employees Separated	6,639	4,394	11,033

- **Performance Appraisal**

Promotion system in AHEL is based on a system which is a combination of both meritocracy and seniority. 100% of regular employees receive regular performance/ career development reviews.

- **Learning and Organizational Effectiveness**

Doctors receiving and treating emergency patients are trained specifically in emergency medicine and are experts in handling acutely ill cases.

Emergency care areas are distinct and fully independent departments with certified nurses and paramedics, assisting the emergency physicians. All our staff are certified in Basic and Advanced Cardiac Life Support.

We believe that continuous knowledge, competency and skill development is vital for all employees. We hone the talent in our employees by exposing them to diverse competency enhancement platforms. We keep a yearly and monthly tracker of all internal and external training programmes. All our employees (permanent, casual temporary and contract employees) undergo safety and skill up-gradation training on a regular basis based on their role, domain and individual needs. All new incumbents undergo comprehensive orientation programmes for familiarization with organisational work culture. Our talent management team collaborates with various functional heads to identify need based and focused training programmes for every employee. Senior experienced personnel from established hospitals are located in newer hospitals to ensure effective implementation of corporate standards across different hospitals. On the job training is conducted to ensure that employees perform their job safely and efficiently in their respective work environments.

Clinical training and quality of education

- Superior Quality of Apollo Nursing Care

We differentiate ourselves on the quality of our nursing and the tender loving care our nurses provide patients-all made possible by the in-depth training we provide them. Our nurses focus on patient safety and the prevention of harm to patients.

This is evidenced by the metrics in the ACE and RACE surveys where parameters like Infection Rates and Medication Errors, Falls, and VOC are captured and bench marked with the best hospitals globally. This is a standardised practice across all our hospitals & is critical to clinical outcomes. In-Service Education is a pillar of our nursing department which allows our fresh recruits to acclimatize & adapt to a complex clinical set up. The training is standardized across the Group. Apollo's pursuit of JCI accreditation and NABH certification further strengthens our service delivery and brings rigour into processes on the floor. Superior nurses training combined with employee welfare schemes have drawn many an aspiring nurse to the Apollo Hospitals fold.

- Providing a Learning Environment for our staffs

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

Apollo's motto of Tender Loving Care (TLC) translates into clinical and operational excellence – processes that deliver value to stakeholders. These processes are documented through manuals and training is imparted to staff to help them deliver service standards that meet and enhance patient requirements.

Shadowing and handover processes help ensure that knowledge is transferred from departing

employees. Employees in critical positions and those with critical skills and competencies, regularly conduct training sessions mitigating the possible loss of skills and knowledge.

Health & Safety Practices

We recognize that the human resources are the real drivers of our business performance. Ensuring their health, safety and well-being is more than a top priority – it is essential to our success.

We promote safe work environment and safe work practices. In our approach to health and safety, we implement measures designed to limit the risk of disease and injury to ensure that our workforce, as well as outside contractors, are provided with a safe environment and healthy working conditions.

At AHEL, unsafe acts and conditions are regularly monitored through safety inspections and audits. We encourage reporting of accidents, injuries and near misses. Periodic safety training programmes are held across the organization. The Operations Head along with the Safety and Hazmat Committee has authority and responsibility for the hazardous materials and waste management policy and procedures within the Company. The Radiation Safety Officer conducts radiation and MRI safety training for hospital staff during the orientation for new employees; and annual refresher training is provided for nursing staff members, housekeeping staff, x-ray technicians, environmental service workers and nuclear medicine employees.

Ensuring Patient Safety & Infection control

Patients undergo numerous interventions in a hospital, both invasive and non-invasive, which can lead to healthcare associated infections. It is important that health care providers institute appropriate measures & processes to minimize such problems. Infection control is a dynamic field, which addresses factors related to spread of infections within the healthcare setting (whether patient to patient, from patient to staff, staff to patient, or among staff). Apollo has the distinction of being a leader in the country in infection control. We have implemented evidence based protocols and practice algorithms into a replicable model called 'Bundle Approach' which is essentially the consistent implementation of a select set of preventive measures for every patient to minimize device associated infections.

SAFE SURGERY CHECKLIST

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

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

Apollo Hospital employees follow hand hygiene practices strictly.

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

Focus on Patient Safety

Lower hospital acquired infections in comparison to NHSN benchmarks, 2012

No instance of retained foreign body or wrong site wrong side surgery across the group hospitals in 2015

0% "missed injuries" in acute trauma patients

Catheter related UTI

Most Urinary Tract Infections are caused due to the urinary catheter and monitoring this helps to avoid infection.

The data helps institute best practices to prevent healthcare-acquired UTI and to reduce the number of catheter days for a patient.

We monitor compliance with the help of the bundle checklist. The benchmark is 2 for CR-BSI per 1000 central line days as per National Healthcare Safety Network

Safety at Work

Apollo Hospitals pays a lot of importance to its employees' health. **'Safety at work'** is a habit.

Personal protective equipment, safe infusion practices, responsible disposal of medical waste and vaccinations when necessary, are all a way of life here.

We champion preventive initiatives to avoid accidents and limit the occurrence of diseases and injuries. At the same time, we focus on stress management and employee fitness programs that encourage individuals to take responsibility for their own health and well-being.

Protecting Human Rights

We are committed to prevent human rights abuses like child labour and forced / compulsory labour in all our operations. We follow a zero-tolerance policy for Child & forced Labour and ensure that no such employment occurs at any of our operations. In order to ensure this, an elaborate process of background verification, medical fitness, address and age verification is followed along with compliance of other statutory requirements by the HR department. Further, the Company is committed to work in a pro-active manner to eradicate child labour by actively contributing to the improvement of children's social situation. To promote this, we encourage our suppliers also to work towards a no child-labour policy.

Though there has not been a formal / specific initiative to identify operations which face the threat of child labour or forced and compulsory labour, no incident of engagement of child or forced or compulsory labour has been identified in the reporting year. The concerned executive at every location ensures relevant statutes are complied with.

The issue of human rights is central to good corporate citizenship and to a healthy bottom line. All employees during induction are trained on AHEL's Code of Conduct, Whistle blower policy etc., to develop their understanding on these aspects.

With a view of assuring better security for women across the organization,we have a well-defined policy for prevention of sexual harassment at the work place. The policy has been adopted in the Company with an objective of providing a mechanism for resolution of complaints, and conducting mandatory training programmes for all employees to create awareness on the subject.

Every unit in our Company has an Apollo Sexual Harassment Redressal Committee which comprises of four members, with the Presiding Officer being a woman. The solution is communicated to the complainant within fifteen days of receipt of the complaint. In case a complainant is not satisfied with the solution given by the Apollo Sexual Harassment Redressal Committee, they can approach the Corporate Committee for redressal of the same. The Committee conducts a thorough enquiry with the unit head to understand the issues involved. In FY 2015-16, two cases of sexual harassment were received in Bhubaneswar and one case was noted in Nashik unit, which have been successfully resolved by the management.

Employee associations / unions are also given due importance and employees are encouraged to communicate their grievances and needs under a code of discipline. At present we have two management-recognized employee associations:

- Apollo Hospitals Staff Union
- Apollo Hospitals Employee Union

These unions covers approximately 25% of our employee headcount (as members).

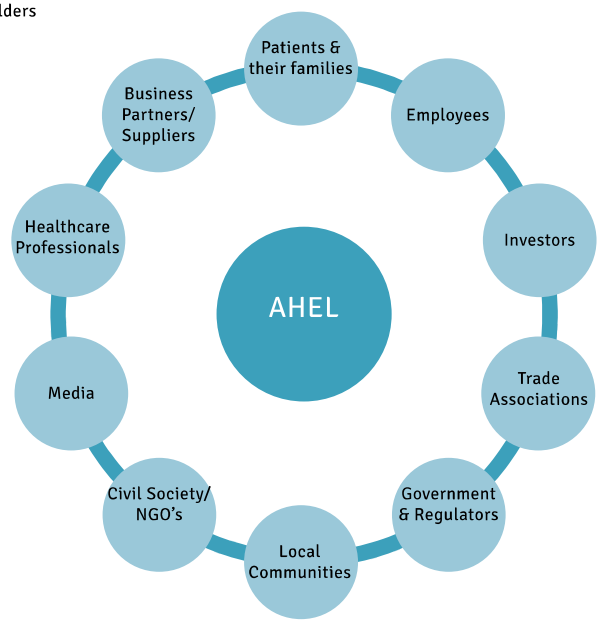
Principle 4- Stakeholder engagement

At AHEL, we remain committed to our stakeholders with the aim to grow in a transparent and accountable manner. Engaging with our key stakeholders and materiality process helps us in deciding on issues to focus on in order to mainstream sustainability into our decision making.

AHEL aims to measure its performance based on the value that it brings to its stakeholders. For us, Stakeholder engagement is about managing relationships with our stakeholders in an efficient and an effective manner. This not only helps us in identifying opportunities but also in assessing emerging risks which may increase in magnitude at a later stage in future.

These stakeholders include individuals, groups and organizations that affect or are affected by our business. We have defined specific roles and responsibilities of the key departments in AHEL to address these concerns, monitor, and ensure that they are addressed in a timely and efficient manner.

Our Key Stakeholders



Mode of engagement with key stakeholders

Patients & their families

Engagement Team	Guest Relations Department
Mode of engagement	VOC process, which measures patient experience rather than satisfaction among both in-patients and outpatients
	Structured partnership with Gallup World Wide.
	It captures qualitative & quantitative feedback on 27 attributes across all patient touch points in all the units

Employees

Engagement Team	Human Resource Department, Corporate Operations & Maintenance team.
Mode of engagement	Satisfaction surveys, Grievance Redressal, Open house, Various committees, Emails, Journals, Meetings with employee associations and unions; Various Events including employee open forum every month, celebration of department day etc.

Investors

Engagement Team	Company Secretariat, Finance & Investor Relations
Mode of engagement	Annual General Meeting, Investor Meets, Investor Conferences, Conference Calls

Business Partners/ Suppliers

Engagement Team	Contracts & Procurement Department, Projects Department
Mode of engagement	Supplier meet, Emails, One-to-one meetings

Local Communities

Engagement Team	CSR Committee, Corporate Social Responsibility team, HR Department
Mode of engagement	Community Meetings, Project Meetings, Conducting awareness program, Free camps, Impact assessment, skill development etc.

Government & Regulators

Engagement Team	Legal Department, Project, Company Secretariat
Mode of engagement	Hearings and other Meetings, MoU's, Interaction with Regulatory bodies, Initiatives for Public private partnership etc.

We believe that sustainability of our business growth is inherent in responding to the needs of the people, in benefiting communities, in protecting our environment and upliftment of the marginalized sections of the community.

We have engaged with the disadvantaged and marginalized sections of the society through our various CSR programmes in and around our operational areas. Further, we make a conscious effort to engage with such stakeholders, and identify their needs / concerns and address them in due course of time.

Our work in rural development is carried out through Total Health, a non profit organisation incorporated under Section 8 of the Companies Act, 2013 by AHEL which provides holistic healthcare for the entire community in Thavanampalle Mandal in Chittoor district of Andhra Pradesh. The activities carried out include providing safe drinking water, extension of sanitation facilities, setting up of nutrition centres and vocational training centres and mobile clinics.

In the field of education, Aragonda Apollo Medical Educational Research Foundation (AAMERF) runs a primary school under the name of "Apollo Isha Vidhya Niketan" at Aragonda village, Chittoor District, Andhra Pradesh, in association with the Isha Foundation for academic delivery since June 2012. The school is one of the best schools in Chittoor district and provides quality education to the rural community.

We have healthcare initiatives in place to provide free medical treatment to the needy and poor in the community. Apart from this, we have undertaken certain special initiatives such as supporting Saving a Child Heart Initiative (SACHi) for paediatric, cardiac care and child heart surgery, etc.

A detailed description of our initiatives undertaken for community upliftment is provided under Principle 8.

At AHEL, we also provide equal employment opportunities to everyone without any discrimination, thereby ensuring inclusion of vulnerable and marginalized stakeholders. We have employed 55 people with disabilities in our hospitals.

Principle 5: Advocating for Human Rights

The human right to 'health'means that everyone has the right to the highest attainable standard of physical and mental health, which includes access to all medical services, sanitation, adequate food, decent housing, healthy working conditions, and a clean environment.

The human right to 'health care'means that hospitals, clinics, medicines, and doctors' services must be accessible, available, acceptable, and of good quality for everyone, on an equitable basis, where and when needed.

AHEL respects and is committed to fostering human rights, dignity and the diverse contributions of all, as detailed in the Company's Human Rights Policy.

We are committed to respecting human rights as embodied in the Universal Declaration of Human Rights and endeavour to ensure that we do not infringe on human rights, and comply with the laws of the countries in which we do business.

In particular, we believe our most significant opportunities to impact human rights—and therefore our greatest areas of responsibility—are in the areas of Human Rights in the Workplace and Access to Health Care.

Human Rights in the Work Place

Our employees are the backbone of our commitment to human rights practices and performance. We respect the dignity and human rights of our employees as well as those working in our external supply chain. In addition to UNGC principles on Human Rights, we also follow the principles in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, including non-discrimination, freedom of association and collective bargaining, and freedom from forced and child labour. Our commitments are detailed in our Code of Business Conduct and our Human Resource manual. Our workplace practices and policies on providing fair compensation, equal opportunity, safe and healthy workplaces and other commitments to human rights reflect our belief that the success of our Company is linked with employee satisfaction and well-being. We foster compliance with these policies on a continuing basis through our internal training and audit programs.

As a health care Company, we have a long-standing commitment to improve and sustain the health of our workforce.

In accordance with laws and regulations, we have formal mechanisms for employees to raise grievances and to file complaints and violations without fear of reprisal.

Access to Healthcare

We believe that effective, compassionate health care systems are critical to achieving better health for people around the world. Such systems are centered on the needs of individuals and offer access to health care coverage for all.

Our Chairman created the Company in the belief that every person has a fundamental right to health, a principle that is stated in the Universal Declaration of Human Rights. Providing health care services is only part of that job. We are constantly working with all of our partners and stakeholders to improve the availability, accessibility, affordability and quality of care worldwide, to help as many people as possible live their life to the full.

We work to support our commitment to human rights through strong governance and policies for implementation throughout our operating units. Responsibility for human rights follows our management structure and resides in our local operating units. Implementation of the human rights policy and practices that inform our commitment to human rights is managed by the relevant corporate and business group functions.

We also expect our business partners to commit to respecting human rights, as outlined in our policies, and encourage them to develop similar standards of their own. We follow a tender process to provide quality goods and support services at cost-effective prices. Suppliers are screened for compliance with relevant legislations including environmental and human rights legislations. Multi-disciplinary consultative forums and various doctor interactions form the framework for decisions. The process is finalised with approvals from senior management and the procurement executives. The procurement policy and process are reviewed regularly and endorsed by the procurement executive.

In FY 2015-16, there were no Human Rights violation complaints reported, relating to child labour / forced labour / involuntary labour and discriminatory employment in our Company. However, three cases of sexual harassment had been reported in our Bhubaneswar (two) and Nashik (one) hospital, which have been satisfactorily resolved by the management.

Principle 6:Care for Environment

AHEL is committed and pro-active when it comes to managing the environmental impact due to its operations. Addressing different categories of waste including bio-medical waste generated from our premises is one of the focus areas of our environmental strategy and provides the impetus for a number of action plans as well as industrial and scientific partnerships.

We support and sustain a culture of awareness and sensitivity towards conserving and preserving the environment. Protection and preservation of the environment is not only restricted to legal compliance but also it is a matter of priority for the Company.

To achieve this, we are involved in a range of initiatives such as:

- analyzing waste water effluents at our hospitals and assessing their impact on the environment
- using state-of-the-art technologies to treat waste water discharge from our sites,
- limiting the environmental impacts of our business operations,
- carrying out environmental risk assessments,
- encouraging and supporting the proper use of medicines,
- contributing to take-back programs for the collection and safe disposal of unused medicines

Environmental risk assessment

Our commitment to preventing environmental risks is central to our QHSE policy. Guided by our in-house experts, we have established a sound governance system for assessing the potential impact of our services on the environment.

Waste Management

The commitment towards waste management is reflected in our waste disposal policy that lays emphasis on improving waste management practices with a focus on bio-medical waste management across all operations. We adhere to all statutory compliances and environmental clearances through respective pollution control boards and regular renewal of consents to operate for hazardous waste authorizations accorded. However, we also have well established environment management systems which are dedicated to function beyond compliance levels.

Our 'Hazardous materials and Waste Management Plan' applies to all staff in the hospitals and defines the responsibility of all healthcare personnel for identification, storage, handling, disposal and transportation of hazardous materials in accordance with the regulatory requirements. All the chemicals used for our operations are properly labelled and hazard ratings are identified. The Operations Head along with the Safety and Hazmat Committee has the responsibility for handling hazardous materials and administering the waste management policy. For e-wastes and old medical equipments, we follow a stringent "Buy Back policy" from vendors.

The Human Resources department and Hazmat team members are responsible for orientation and training of staff handling hazardous material and waste in co-ordination with the radiation safety officer.

Appropriate type and adequate number of personal protective equipements have also been made available for the personnel responsible for waste handling and disposal.

The Hazmat team also carries out internal inspections and evaluations to review the effectiveness of the implementation plan for waste management and disposal practices followed at the facility.

During the last financial year, there were no major chemical spills reported from any of our hospitals.

Green Building Initiative

- **We are in the process of getting LEED certification for the hospital in Navi Mumbai.**
- **Minimal usage of external glazing while designing elevation to reduce the heat load impact.**
- **Usage of thermal insulation glass on external walls to reduce the heat transfer.**
- **Under-deck insulation on slabs to reduce the radiation level inside the hospitals.**

Water Harvesting

Water for all the hospitals is sourced from the local municipal sources. The water quality is tested to ensure that it is potable. Few of the key initiatives taken by us to conserve and re-use water include the following:

- Rain water harvesting- Increasing the ground water level by channeling the excess rain/ storm water to harvesting pits across the premises; rain/storm water storage and effective utilization with proper filtration.
- Conservation of water by reuse of dialysis RO rejected water and drinking RO rejected water.
- Water conservation in western toilets by removing single push button.
- Reuse of water generated from sanitary and house keeping, for gardening purpose.

Energy Efficiency

Energy conservation has been adopted as an integral part of our Operation and Maintenance philosophy. Adherence to efficient operation and quality maintenance practices in O&M has resulted in optimum energy consumption. Additionally, it is the endeavour of our O&M department to constantly improve on its performance in this area.

AHEL sources electricity for hospitals from the grid. However, diesel generators are provided as back-up in case of grid power cuts.

The important factors contributing to reduction in energy consumption and internal consumption apart from reduction in carbon footprint are:

- Better maintenance techniques for health monitoring of the plant and equipment resulting in an increase of minimum time between failure (MTBF).
- Procurement of electricity from Wind energy suppliers.
- Use of Energy efficient chillers in HVAC system.
- Use of Variable Frequency drive pumps to optimize the chilled water flow.
- Use of de-tuned harmonic filters to maintain quality of power distribution system.
- Usage of highly energy efficient transformers and power conductors to reduce the energy loss during transmission.
- Replacement of CFL Lamp fitting by LED fitting in a phased manner.
- Renewable energy (Solar hot water systems): Solar hot water systems have been installed in new hospitals located at Trichy, Nellore, Bangalore (Malleswaram), Visakhapatnam and Navi Mumbai.

Management Systems:

We have developed and demonstrated our expertise in managing hospitals over the years and have been recognized for the best practices in the region, which are in line with international standards. We have implemented international certifications such as ISO 9001 at Chennai and Joint Commission International (JCI), for 6 hospitals including the hospitals at Delhi, Chennai, Hyderabad, Bangalore, Kolkata and Dhaka.

Apollo Hospitals, Chennai has been accredited in accordance with the Standard ISO 15189:2003 "Medical Laboratories - particular requirements for Quality & Competence" for its facilities in the field of Medical Testing. The Chennai Hospital was also the first to be awarded the ISO 9001:2008 certification. The ISO 22000 - HACCP certification by the British Standards Institution has recognized Apollo's high standards of quality and food safety measures. In addition, many hospitals have been accredited by the National Accreditation Board for Hospitals (NABH) and the laboratories by the National Accreditation Board for Laboratories (NABL). Even for those other hospitals, which are not certified for any such accreditations, we ensure that the requirements of these systems are integrated in the design and operations of all the hospitals. Corporate level policies, guidelines, checklists and MIS have been developed and implemented for this purpose.

AHEL has not received any show cause / legal notice from the CPCB / SPCBs. This is a testimony to the fact that we treat the aspect of environmental safety with utmost seriousness.

Principle 7 Public Advocacy

We believe that actions brought about through strategic alliances and public advocacy must be done so in a responsible manner. We participate in several industry associations - national and international advocacy organizations - to influence positive sustainability actions. To the extent possible, we utilize the trade and industry chambers and associations and other such collective platforms to undertake such policy advocacy.

AHEL being a benchmark name in the hospital industry has a say while pursuing public advocacy in the healthcare sector. We ensure that our policy positions are consistent with the Principles and Core elements contained in these guidelines.

In-depth insights and strategic inputs forms the core of our approach towards policy formulations. We collaborate with numerous trade and industry associations and organizations, as a member.

Collaborations

- Confederation of Indian Industry (CII)
- Federation of Indian Chambers of Commerce and Industry (FICCI)
- Indian Pharmaceutical Association (IPA)

Accreditations

- Joint Commission International (JCI)
- National Accreditation Board for Hospitals and Healthcare providers (NABH)
- National Accreditation Board for Testing and Calibration Laboratories (NABL)
- The International Organisation for Standardization (ISO)

In addition, we also have ongoing collaborations with the following entities:

Sl. No.	Centres	Area of Collaboration
1	Stem Cyte Inc.	Cord blood banking Stem Cells research
2	Anna University, Chennai	Clinical Research Course
3	IGNOU, New Delhi	Hospital Administrative, paramedical and online courses
4	Institute of Genomics and Integrative Biology, New Delhi and Institute of Bio Medical and Genomics, Kolkata	Research study Myocardial infarction in Young Indian adults- Genetic Risk factors
5	Health Net Global	Information on Drug interactions through mobile phones
6	MTESC- NGO, District Collector's office, Sivagangai	Epidemiological screening study on Prevalence of anaemia and obesity in 20,000 adolescent and adult girls and women
7	Kasturba Hospital, Gandhigram, Madurai	Screening camp to evaluate the Healthcare status by HoW with transmission of data through telemedicine.
8	West Bengal Government	Mobile medical unit to provide healthcare to the rural population in 24 Parganas
9	Puttur Bone setters	Scientific validation of traditional PBS system

10	Sciformix corporation	Pharmacovigilance workshops and programs
11	Sanofi	Preferred partner for clinical studies and education
12	University College, London	Collaborative research studies
13	Analytics for Life, Canada	Validation of cardiovascular diagnostic software
14	Sapien Biosciences	Collaboration for bio-banking and patient faced research activities
15	Merck Sharp Dome	Clinical studies
16	Nestle Health Services	Clinical and validation studies in nutrition products
17	Philips India Limited	Research studies
18	Indian Pharmaceutical Association	Internship for D Pharm students

Completed Collaborations

Sl. No.	Centres	Area of Collaboration
1	Harmann UK	Validation of digital technology versus manual
2	Microsens Technologies UK	Evaluation of screening technology in TB diagnosis
3	Mann India Technologies	Information on drug interactions through mobile phones
4	International Centre for Genetics engineering and Biotechnology and Kalawati Saran Children's Hospital, New Delhi	Pathogen detection and discovery using high throughput platforms
5	IIT Madras	MoU for collaborative research

The expertise of the above entities and AHEL is being leveraged for mutual benefit in the areas of medical sciences and clinical research

Details of other collaborations:

- HealthXL and AHEL announced a partnership to aid concerted efforts towards innovation in healthcare. Apollo Hospitals joins a network of 15 HealthXL partners including leading global healthcare brands such as Bupa, Clevel and Clinic, Becton Dickinson, IBM, ICON, ResMed, Janssen Healthcare Innovation, Linde Healthcare, Novartis, Partners HealthCare, Silicon Valley Bank, EY, Soft Serve, Hermitage Medical Clinic and Soft Layer, all working towards a common goal of holistic approach towards optimal healthcare delivery.
- Google would be collaborating with AHEL in India for launch of Health Cards. These Health Cards have been integrated into the Google Knowledge graph which powers the search experience in India. The cards will be available on Google Search on the desktop and the iOS and Android mobile apps. The Health Cards will overall offer information about 431 diseases in India both in English and Hindi.
- Datar Genetics Limited, center for molecular and genetic analysis partnered with Apollo Hospitals to develop, offer and promote precision oncology based on molecular and genetic analysis. These technologies can potentially impact all aspects of cancer management eliminating several painful and ambiguous processes from current treatment modalities.

Principle 8: Equitable Development

We focus on bringing quality healthcare to all citizens regardless of geographic location or economic status. Apollo Hospitals aspires to be one of the most respected companies in India and be recognised as a socially responsible corporate citizen delivering superior and sustainable value to all our customers, business partners, shareholders, employees and host communities.

We have classified CSR activities under the following broad themes:

- **Rural development** - Initiatives include providing safe drinking water, sanitation facilities, setting up of nutrition centers, vocational training centers, facilitating skill development training, Mobile Medical Units– primary & preventive, health care including diagnostics promotion and revival of rural sports. "Total Health", a not for profit organization, sponsored by the Company carries out activities in line with Section 8 of the Companies Act, 2013. The following activities were carried out during the year:
  - Mobile Clinics have been set up covering 16 gram panchayats at Thavanampalle Mandal in Chittoor district of Andhra Pradesh which has benefitted 137 patients. There is a focus on continuous IT enabled monitoring for extending timely healthcare services for the communities in the villages.
  - Satellite clinics have been started covering 9 panchayats which has benefitted 2,662 patients so far. School health camps were organized for 72 government schools in this village wherein thorough medical checks were provided to 2,451 children.
  - Cervical cancer screening and awareness camps have been started at Aragonda Apollo Hospital.
  - Health education and awareness campaigns have been organized at the village level for villagers and government schools.
  - Eye screening camps were conducted in conjunction with GAPIO, Jain Sangh Chittoor and Sankar Eye Hospitals in Chennai wherein 751 patients were screened in Thavanampalle Mandal in Chittoor district.
  - Total Health has further strengthened the government schools in Aragonda village by extending child centric infrastructure support by creating school sanitation facilities and also ensuring continuous housekeeping support.
  - Awareness on water borne diseases through installation of potable water plants in villages which provides water to 26 villages in 5 gram panchayats.
  - Provided individual sanitation facility to 405 houses in 23 villages in 3 gram panchayats.
  - Setting up of vocational training centers wherein skills trainings has been imparted to more than 350 women. This has facilitated about 60% of these women to start their own enterprises.
  - Awareness sessions on yoga have been conducted for the village community and government schools of Thavanampalle Mandal.
- **Healthcare** - AHEL has conducted medical camps at various places and the number of beneficiaries impacted have been 55,192. Free medical treatment for children ailing from heart diseases is also provided through Save a Child Heart Initiative (SACHI). The total spend has been INR 42.30 million in 2015-16.
- **Education and skill development** - The Aragonda Apollo Medical Educational Research Foundation (AAMERF) runs a primary school under the name of "Apollo Isha Vidhya Niketan" at Aragonda village, Chittoor District, Andhra Pradesh, in association with the Isha Foundation for academic delivery since June 2012. The school has been set up with a vision to shape up the future of these children and give them a strong foundation to take up higher education to become professionals and contribute to society positively. Currently the school has classes from LKG to Vth Standard, 450 students and is affiliated to the Andhra Pradesh State syllabus. It is planned to expand the school to up to the 12th standard with minimum 2 divisions each, over a period of the next 5 years.

Our Unique Initiatives

SACHi

SAHI

Savings a Child Heart initiative (SACHi) is an initiative funded by Apollo Hospitals which is dedicated to pediatric cardiac care and financial support to children from under privileged sections of society suffering from heart diseases.

This campaign was initiated to create an awareness among the people on the cardio vascular risks and to motivate them to stay healthy.

Society to Aid the Hearing Impaired, seeks to identify hearing impaired children, mainly in rural areas, with little or on access to modern medical treatment.

Unique Initiatives

SACHi (Saving a Child's Heart Initiative):It is dedicated to paediatric cardiac care and child heart surgery for the underprivileged,in order to combat the escalating problem of congenital cardiac issues in children. Established in 2002, SACHi aims to provide early diagnosis, treatment, surgery, post-operative care and financial support to children from economically weak sections of society. SACHi has till date touched 50,000 lives. Our goal is that every child irrespective of community or background, should be provided cutting edge treatment and operative care.

SAHI (A Society to Aid the Hearing Impaired): SAHI seeks to identify hearing impaired children, mainly in rural areas, with little or no access to modern medical treatment facilities.

Goals:

- Conducting camps in rural areas for the hearing impaired.
- Identifying children with hearing problems.
- Providing quality hearing aids.
- Conducting surgeries with the help of Apollo Hospitals, Hyderabad.
- Bringing about awareness for prevention through health education.

Activities:

- Organizing periodic awareness programs for the general public, school children and school teachers.
- Conducting periodical check-up programs for the benefit of children belonging to poor socio economic backgrounds.
- Providing hearing aids to improve hearing ability.
- Providing state-of-the-art medical and surgical aid including micro ear surgeries and cochlear implants to treat the hearing disabilities.
- Tying-up with other Governmental and Non Governmental organizations to improve public awareness and to children suffering from hearing problems.

















- Conducting other activities to bring about public awareness and to help these children medically, socially and financially.
- Raising funds for treatment of children with hearing disabilities.

Measuring Change from Social Initiatives

We have carried out an impact assessment for all our initiatives under rural development, healthcare and education by regularly monitoring and evaluating the activities and outcomes by setting key performance indicators. The feedback from these studies serves as an input in planning Apollo's future course of action on CSR. All our initiatives have been recognized through various awards and accolades. Our Chairman, DrPrathap C Reddy, was honored with the prestigious "Responsible Business Leader" Award.We actively monitor the implementation of all our initiatives.















Principle 9 Meeting Customer Expectations

We value our patients the most, and safeguarding their health is our priority. Pharmacies form an important part of ensuring patient care. AHEL follows stringent protocols when it comes to stocking of drugs for its pharmacies. We ensure that all our unused drugs are sent back to suppliers three months before expiry. We follow a unique five pronged customer centric approach as follows :

Guest Relations

1. Apollo has adopted the engagement pathway for Voice of Customer (VOC)
2. Partnered with Gallup to benchmark e-customer feedback with best in class hospitals globally
3. In-house framework captures VOC from interactions and converts them into qualitative and quantitative feedback for quick follow up action
4. Awarded "Best innovation in service delivery" in 2013 by AIMA & Hospitals Management Awards forum

Tender Loving Care

1. Core training module for all nurses.
2. Inspires the conversion of daily interactions into memorable experiences for patients, resulting in enhanced courtesy index for nursing.
3. Tender Loving Care(TLC)- training for frontline staffs.

Human Sigma

1. 1st in India to adopt Human Sigma by mapping customer engagement to the Gallup "S" Methodology
2. Ranked this year among top 37 companies that partner with Gallup

Admissions

1. Minimizes waiting time for planned admissions.
2. Dedicated rooming experience that orients patients and attendees to various hospital services

Discharge

1. Post discharge calls to patients for suggestions and feedback 72 hours after discharge
2. Speedy discharge summary for planned discharges

Measuring Customer Expectation

In the financial year 2015-16 we have provided service to around 3 million patients . We also received 6,979 customer concerns and were able to resolve 95% of them. This is a testimony to the fact that we take complaints seriously and work on resolving them on a priority basis. In pursuit of making the customer-feedback process more digitized, we have devised a Apollo Instant Feedback system (AIFS). The application is ready to be deployed in 24 units. Our pharmacies ensure that all medicine packaging have relevant labelling as required under the relevant regulations. No case has been filed by any stakeholder against our group, regarding dishonest trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years.

We have instituted a stringent feedback mechanism with our patients to enable continuous improvements. The feedback is carried out post discharge too to assist the customer post treatment at our facilities.

High quality of patient care is possible in Apollo Hospitals because of an engaged workforce that takes pride in its day to day responsibilities. They are able to alleviate feelings of stress and fear in patients while instilling in them a positive approach towards treatment. Through small acts of kindness, they create a superior patient experience that few others are able to match.

Our Patients:

"There is a New World awaiting post transplant patients! 6 yrs ago, no one in the family or even me, ever thought I would take up Astronomy and Science! Just a casual conversation, post transplant, with Dr Anand Khakhar, Apollo Hospital , triggered off this childhood passion in me Today I am doing online courses in Physics, Chemistry, Astronomy, Astrophysics and Observational Astronomy. I also give talks to beginners and do many outreach programmes for spreading Astronomy!

Enjoy the 2nd innings given to you by the Donor and your Doctors! This is a great way for repaying them back."

Ms Leela Kalyanaraman,
Chennai

"Greetings from California. I've been back to US after my recovery in a week's time. I feel very well and have healed up quite completely. Dr. Raj, you were truly kind to me on my arrival in India. I wish you all the best. You are a gifted surgeon. This I know, and I am so glad to have found you."

Mr Jeff Miller
USA



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